



PARRAMATTA CITY COUNCIL

AFFORDABLE HOUSING POLICY MAY 2009

Adopted by Council May 2009



Acknowledgements

Affordable Community Housing Ltd
Anglicare
Centrelink
Centre for Affordable Housing
Churches Community Housing
Hindu Community Co-op
Holroyd City Council
Housing NSW
Parramatta Mission
Ryde Hunters Hill Community Housing
Shelter NSW
Sydney City Council
Waverley Council
Western Housing for Youth
Western Sydney Community Forum
Western Sydney Regional Public Housing Tenants Council Inc

Abbreviations

ALGA - Australian Local Government Association
COAG – Council of Australian Governments
DCP – Development Control Plan
EP&A Act 1979 - Environmental Planning and Assessment Act 1979
HNSW – Housing NSW
LEP – Local Environmental Plan
LGA – Local Government Area
Metro Strategy – Sydney Metropolitan Strategy
PCC – Parramatta City Council
The Act - Environmental Planning and Assessment Act 1979
REP – Regional Environmental Plan
SEPP – State Environmental Planning Policy
State Plan – New South Wales State Plan
UWS – University of Western Sydney
VPA – Voluntary Planning Agreement

Definitions

Housing Stress:

Those households in the bottom 40% of national equivalised incomes who are paying more than 30% of their gross income on housing costs.

Rental Stress:

Those households in the lowest 40% of national equivalised incomes, who are paying more than 30% of their gross income on rent.

Mortgage Stress:

Those households in the lowest 40% of national equivalised incomes, who are paying more than 30% of their gross income on mortgage payments.

Affordable Housing:

Housing for very low income households, low income households or moderate income households.

Affordable housing may be produced in the market or through the not for profit sector, and is usually subsidised in some way.

TABLE OF CONTENTS

Acknowledgements.....	2
Abbreviations	2
Definitions.....	3
EXECUTIVE SUMMARY	5
1. INTRODUCTION.....	8
<i>BACKGROUND</i>	8
2. THE ROLE OF LOCAL GOVERNMENT	10
3. PLANNING AND STATUTORY CONTEXT	11
<i>COMMONWEALTH CONTEXT</i>	11
<i>STATE CONTEXT</i>	11
Environmental Planning and Assessment Act 1979	
State Environmental Planning Policy	
NSW State Plan	
Sydney Metropolitan Strategy	
Sydney West Central Sub-Regional Strategy	
<i>LOCAL CONTEXT</i>	14
Parramatta Twenty 25	
Parramatta Local Environmental Plan 2001	
Parramatta Development Control Plan 2001	
Parramatta City Centre Local Environmental Plan 2007	
Parramatta City Centre Development Control Plan 2007	
Draft Parramatta Residential Development Strategy 2007	
4. WHY IS ACTION NEEDED	15
<i>SUMMARY OF THE AFFORDABLE HOUSING NEED IN PARRAMATTA</i>	15
<i>THE KEY AFFORDABLE HOUSING CHALLENGES FOR PARRAMATTA</i>	16
5. POLICY AIM	18
6. POLICY RATIONALE.....	19
7. AFFORDABLE HOUSING TARGETS.....	20
8. THE WAY FORWARD	22
9. ADMINISTRATION	23
10. BIBLIOGRAPHY.....	24
11. AFFORDABLE HOUSING IMPLEMENTATION PLAN.....	27

EXECUTIVE SUMMARY

About Affordable Housing

- Housing is a major force behind the character of every Local Government Area (LGA). The image that housing creates influences people's decisions about where to live. It shapes an area's socio-demographic makeup, quality of life, rate of growth, level of investment, cost of housing and service needs.
- Parramatta City Council (PCC or Council) recognises that access to secure, appropriate and affordable housing is not only a basic requirement for all people, but also an essential component of an inclusive, dynamic and sustainable city.
- Affordable housing is housing for very low income, low income and moderate income households. Housing is affordable when households, renting or purchasing, are able to pay their housing costs and still have sufficient income to meet other basic needs such as food, clothing, transport, medical needs and education.
- Low to moderate income earners are said to be in housing stress if they are paying over 30% of their gross income on housing.
- When housing is unaffordable residents' basic human needs are compromised and this can lead to wider social and economic impacts in the community.
- Over 7,140 households (14%) were in housing stress in Parramatta in 2006. This is higher than the Sydney and WSROC average, and has grown from 8.8% in 2001. Rental stress accounts for 72% of all housing stress.

The Role of Local Government

- Many stakeholder actions impact on housing markets and the delivery of housing outcomes. Commonwealth, State and Local Government share the main responsibilities for regulating the housing markets and for setting the economic context within which it operates. The private sector and to a lesser extent the public sector and community sector are responsible for housing delivery. The loose arrangement of these shared responsibilities allows scope and flexibility for collaboration between all participating sectors.
- PCC has limited capacity on its own to minimise housing stress. A partnership approach is required with State and Commonwealth government and non government sectors.
- Council's role in affordable housing encompasses interventions that contribute to:
 - Maintaining community capacity to afford
 - Promoting affordable housing provision by the private sector, and
 - Direct intervention in housing policy / provision through advocacy and leadership
- The tools and levers available to Council to influence and affect change in the area of affordable housing include:
 - Research
 - Advocacy and Lobbying

- Strategic Partnership development
- Community Capacity Building
- Exercising Planning Powers, and
- Using its existing asset base

The Planning and Statutory Context

- Any housing policy will need to take into consideration the implications of relevant commonwealth, state and local plans, programs and legislation. In the case of PCC these include:
 - Council Of Australian Government's Housing Working Group
 - Environmental Planning and Assessment Act 1979
 - State Environmental Planning Policy
 - NSW State Plan
 - Sydney Metropolitan Strategy
 - Sydney West Central Sub Regional Strategy
 - Parramatta Twenty25, and
 - Other local planning instruments

Why is Action Needed

- Current data shows there is 3 key affordable housing challenges for the Parramatta LGA:
 - Lack of supply of affordable housing
 - Lack of diversity – price and dwelling type
 - Community capacity to make informed decisions about housing choices

Affordable Housing Policy

- The approach outlined in the Affordable Housing Policy is grounded in extensive research and consultation.
- The **focus of this policy** is on driving actions that together will maintain share (maintain the percentage of affordable housing), expand choice (dwelling type and price range), and champion investment (by private, not for profit and government sectors).
- The **aim of the Affordable Housing Policy May 2009** is to protect existing affordable housing and to facilitate new affordable housing in Parramatta LGA to provide for social, cultural, environmental and economic sustainability.
- The policy is targeted to improve the housing outcomes of those known to be most in need in the Parramatta LGA: low to moderate income earners who are renting, mainly couple households with young children (under 15), older one person households (65+) and middle aged one person households (45 – 64yrs).

Affordable Housing Targets

- This policy sets an aspirational affordable housing target for the Parramatta LGA of 6018 dwellings by 2025, based on the following assumptions:
 - The proportion of affordable housing remains the same in 2025 as it does in 2006 (8%)

- There is no net loss of government owned public housing over the period of time
- All new growth in dwellings to reach the target is in affordable housing managed by non profit community housing providers, not government owned public housing.
- Achieving this aspirational target will require a commitment by Council to increase the amount of affordable rental housing in the Parramatta LGA. It will depend to a significant extent on the capacities of and Council's partnerships with the non-profit community housing sector, and on the state government's willingness to use local planning instruments to promote affordable housing.
- This policy also sets a target for Council for the provision of 160 affordable housing dwellings over the period to 2025. The options Council has for achieving this target include partnering other organisations to complete an affordable housing demonstration project for the LGA (approx. 20 dwellings), using planning mechanisms to develop an Affordable Housing Bank (approx 100 dwellings) and incorporating affordable housing dwellings into already existing building works (e.g. CIVIC Place – approx 20 dwellings).
- In its role as custodian of the LGA, Council will need to use its advocacy, lobbying and negotiation capacities and be prepared to explore opportunities for partnerships as they arise with the not for profit, private and government sectors, to facilitate achieving the residual target (1219 dwellings).

The Way Forward

- An Affordable Housing Implementation Plan May 2009 has been developed to provide the mechanism to action the policy.
- The Implementation Plan covers a period of 5 years commencing 2009 /10, and has 6 objectives (and a total of 26 actions that stem from the objectives):
 - Protect the existing stock of low cost rental accommodation in the Parramatta LGA
 - Increase the amount of affordable rental housing available in the Parramatta LGA to working households with low to moderate incomes
 - Encourage a diverse range of housing stock in the Parramatta LGA
 - Improve the capacity of residents to make well informed decisions about housing choices
 - Maintain and disseminate up to date data on the affordable housing need in the LGA and its impact on individual households and the community more broadly
 - Implement, monitor and evaluate the affordable housing policy and implementation plan
- As part of the implementation plan funding will be sort from a range of sources for project costs.

1. INTRODUCTION

BACKGROUND

- Parramatta City Council recognises that access to secure, appropriate and affordable housing is not only a basic requirement for all people, but also an essential component of an inclusive, dynamic and sustainable city.
- Housing is a major force behind the character of every Local Government Area (LGA). The image that housing creates influences people’s decisions about where to live. It shapes an area’s socio-demographic makeup, quality of life, rate of growth, level of investment, cost of housing and service needs.
- The EP&A Act 1979 defines **affordable housing** as ‘housing for very low income households, low income households or moderate income households.’

Very low income household	Less than 50% of the median household income for Sydney Statistical Division;
Low income household	More than 50% but less than 80% of the median household income for Sydney Statistical Division; and
Moderate income household	More than 80% but less than 120% of the median household income for Sydney Statistical Division.

- Housing NSW expands, reporting that ‘housing is affordable when households, renting or purchasing, are able to pay their housing costs and still have sufficient income to meet other basic needs such as food, clothing, transport, medical needs and education’.
- Housing in the LGA is becoming increasingly unaffordable. Lack of affordable housing is a concern not only for individual households but also for the wider community.
- When housing is unaffordable resident’s basic human needs are compromised – family life, privacy, freedom of movement, health care, growth and development.
- Affordability problems also lead to wider social impacts – reduction in social mix can lead to residential areas becoming increasingly homogenous and intolerant; social polarisation results in concentrations of advantaged and disadvantaged communities; and dislocation of people from their local support networks places a greater burden on support services.
- Affordability problems also impact on economic stability and growth - the labour force is affected when lower paid key workers leave their community to find cheaper housing. Parramatta City is Sydney’s second largest CBD and it is essential that it maintains a diverse labour force in order to support continued

economic growth. When people on very low to moderate incomes are unable to access appropriate and affordable housing in the LGA, it is likely that they will seek employment closer to the homes they can afford. Certain employment sectors that rely on a workforce of unskilled, semi-skilled and skilled workers are likely to experience difficulties in recruiting staff as access to affordable housing declines.

- A wide range of housing options are required in all local housing markets to meet the needs of different types of households, and to respond to changes in housing needs that occur across the life course.
- Essentially communities that offer a range of household choices for different income groups are more economically and socially sustainable.
- Housing NSW defines **housing stress** as being experienced by very low, low and moderate income households that are paying more than 30% of their household income to meet their mortgage or rent payments.
- Housing stress is driven by a variety of factors including lack of diverse housing supply, family break ups and smaller household sizes driving demand upwards, gentrification of desirable areas, and reduction of public housing stock pushing low income families into the private rental market.
- A large proportion (14%) of people living in the Parramatta LGA were in housing stress in 2006. This is higher than the Sydney and Western Sydney Regional Organisations of Councils (WSROC) average, and has grown from 8.8% in 2001. Rental stress accounts for 72% of all housing stress.
- Despite the identified need, the proportion of affordable housing in the LGA remains very low and there is significant risk that it will actually decrease relative to the city's population growth, unless a focused and proactive effort is made to challenge the trend.
- In order to address the decrease in affordable housing and the increasing levels of housing stress, in 2003 Parramatta City Council developed its first Draft Parramatta Affordable Housing Scheme, a strategy built on encouraging affordable housing through levying of private developers by altering the State Environmental Planning policy No.70 (SEPP 70) to include the Parramatta LGA. An application to the Minister for Planning to make this inclusion proved unsuccessful at the time.
- This updated policy and implementation plan builds on the Council's experiences, history and commitment in the area of affordable housing. This document utilises the learning's from the "Affordable Housing in Parramatta LGA: A Discussion Paper", and specifically addresses the challenges outlined in the "Parramatta City Council Analysis of Housing Stress Report January 2009", which clearly identifies the affordable housing need.
- The following information inputs have also contributed to policy development:
 - Community consultations with community service providers and community housing providers

- Research by University of Western Sydney (UWS) into Models of Sustainable and Affordable Housing for Local Government, 2008
- Discussions with state government
- Discussions with peak organisations concerned with housing issues
- Literature reviews on affordable housing models

2. THE ROLE OF LOCAL GOVERNMENT

- Many stakeholder actions impact on housing markets and the delivery of housing outcomes. Commonwealth, State and Local Government share the main responsibilities for regulating the housing markets and for setting the economic context within which it operates. The private sector and to a lesser extent the public sector and community sector are responsible for housing delivery. The loose arrangement of these shared responsibilities allows scope and flexibility for collaboration between all participating sectors.
- Housing related issues such as housing stress, homelessness or a lack of suitable aged care accommodation are not caused by Councils nor are they traditional Council responsibilities. However ignoring such issues will not avoid the consequences and social impacts at a local level.
- Parramatta City Council has limited capacity on its own to minimise housing stress. A partnership approach is required with State and Commonwealth government and non government sectors.
- Council's role in affordable housing encompasses interventions that contribute to:
 - Maintaining community capacity to afford
 - Promoting affordable housing provision by the private sector, and
 - Direct intervention in housing policy / provision through advocacy and leadership
- The tools and levers available to Council to influence and affect change in the area of affordable housing include:
 - Research
 - Advocacy and Lobbying
 - Strategic Partnership development
 - Community Capacity Building
 - Exercising Planning Powers, and
 - Using its existing asset base

3. PLANNING AND STATUTORY CONTEXT

COMMONWEALTH CONTEXT

- The Council of Australian Governments (COAG) is the peak intergovernmental forum in Australia, comprising the Prime Minister, State Premiers, Territory Chief Ministers and the President of the Australian Local Government Association (ALGA).
- In 2007 COAG identified housing among its seven work areas for its 2008 agenda.
- The objectives of its Housing Working Group are:
 - To improve housing affordability for home buyers and ease rental stress, particularly for low to moderate income households.
 - To halve the number of homeless people turned away from shelters within five years.
 - To ensure all levels of government work together to improve housing affordability and negotiate a new National Housing Affordability Agreement, which builds on previous agreements and includes housing for Indigenous people.
 - To improve housing supply, including through release of surplus Commonwealth, State and Territory land for housing development.
 - To improve social and community housing.

STATE CONTEXT

Environmental Planning and Assessment Act 1979

- The NSW Environmental Planning and Assessment Act 1979 (herein referred to as the EP&A Act 1979 or the Act) provides the legislative framework for planning in this State.
- With the Environmental Planning Regulation 2000 it regulates the planning and development assessment functions of councils.
- The EP&A Act 1979 contains some specific provisions of particular importance to housing policy.
- Under section 5 (a) (viii) of the Act, there is a commitment to promote and retain affordable housing which encourages “the provision and maintenance of affordable housing”.
- The plan making provisions of the Act also state that local instruments may include arrangements for “providing, maintaining and retaining, and regulating any matter relating to, affordable housing” (s 26 (d)).
- The EP&A Act 1979 makes specific provision for development conditions requiring contributions or land for affordable housing (ss 94F, 94G) although these are constrained by the operation of State Environmental Planning Policy – Affordable Housing (SEPP 70).

- In addition, the EP&A Act 1979 provides for planning authorities to enter into planning agreements with developers to collect contributions for any public purpose, including *“the provision of (or the recoument of the cost of providing) affordable housing”* (s 93F (2)(b)).
- The provisions, which were inserted into the Act in 2005, provide a transparent framework for the use of planning agreements (including requirements for public exhibition) and the capacity to register an Agreement with the Registrar-General and thereby bind successors in title to terms of the Agreement.

State Environmental Planning Policy

- State Environmental Planning Policy's (SEPP) relate to matters of significance to NSW, and affect local planning.
- SEPP's may specify directions about the content of local plans (either Local Environmental Plans or Development Control Plans) and they can enable or require certain LGA's to include particular housing related provisions in their local plans.
- SEPP's relevant to Affordable Housing include:
 - **State Environmental Planning Policy No. 10: Retention of Low Cost Rental Accommodation**
 - This policy aims to retain existing sources of low-cost accommodation (boarding houses, hostels and low-cost rental dwellings), within the Greater Metropolitan region of Sydney, Newcastle and Wollongong.
 - The policy requires the consent of the relevant council and the concurrence of the Director-General of Planning for the demolition, change of use, alteration and strata subdivision of boarding houses and the alteration and strata subdivision of low-rental residential flat buildings.
 - Where consent is granted, mitigation strategies to address the impact of the loss of low-cost housing are often required.
 - **State Environmental Planning Policy No. 70: Affordable Housing (Revised Schemes)**
 - SEPP 70 identifies a need for affordable housing in a limited number of local government areas (Willoughby, and parts of the City of Sydney) and amends relevant local and regional environmental planning instruments to enable levying of development contributions to provide for affordable housing.
 - If these provisions were to be extended to other areas of NSW, an amendment to the SEPP would be required.
 - PCC has applied to the NSW State government to amend SEPP70 to include Parramatta LGA and has been declined.
 - **State Environmental Planning Policy: Seniors Living 2004**
 - This policy aims to ensure a sufficient supply of accommodation for older people and people with a disability by relaxing local residential development controls, subject to strict location and design criteria to

ensure that such housing is of a high quality, well located, and consistent with the character and feel of local neighbourhoods.

- Residential Development Strategies differ from local housing strategies because their focus is specifically on land use planning and development, rather than the broader range of Council's housing policies and initiatives.

NSW State Plan

- The NSW State Plan (NSWSP) was developed by the NSW government in 2006 and sets out goals for the NSW government to work towards achieving over a ten year period. It also identifies priorities for government action that will assist in achieving each of the goals over the life of the plan.
- *Housing Affordability* is Priority E6 of the State Plan and focuses on improving housing affordability for vulnerable households noting that strong economic growth over the past 10 years has seen home values rise across many parts of NSW.
- The state government makes a commitment to support a strong social housing sector and over the 10 year period of the state plan, they have allocated \$3.3 billion to'
 - Construct and upgrade social housing;
 - Continue to explore innovative ways to redevelop and renew public housing; and,
 - Renew the role of community housing.

Sydney Metropolitan Strategy

- The Sydney Metropolitan Strategy (Metro Strategy) is the State Government's long-term plan to manage Sydney's continuing economic growth while balancing social and environmental impacts.
- The Metro Strategy identifies a number of initiatives to improve the affordability of housing, facilitate the development of affordable housing and redevelop and regenerate Housing NSW stock.
- Specific actions within the Metro Strategy related to the provision of affordable housing include:
 - C4.1 Improve the affordability of housing;
 - C4.2 Redevelop and regenerate Housing NSW stock; and,
 - C4.3 Use planning mechanisms to provide affordable housing.
- With projections of a 1.1 million population increase in the Sydney metropolitan region in the next 25 years, the Metro Strategy identifies the need for an additional 640,000 dwellings of which 21,000 are to be provided in the Parramatta LGA (9,000 in the City Centre, 12,000 in the remainder of the LGA).

Sydney West Central Sub-Regional Strategy (SWCSRS)

- The Metropolitan Strategy identifies ten Sydney subregions. Parramatta LGA is identified in the West Central sub-region. The SWCSRS includes four key actions aimed at improving the affordability of housing. These are:
 1. Increasing housing densities in centres where access to employment, services and public transport are provided or can be provided;
 2. Investigate the potential for greater development in areas near the Parramatta–Rouse Hill and Parramatta–Liverpool Transitways;
 3. Cater for changing housing needs; and,
 4. Provide zoned capacity for a significant majority of new housing in centres.

LOCAL CONTEXT

Parramatta Twenty25

- Parramatta Twenty25 is Council's 20 Year Strategic Plan. It has been developed around the concept of sustainability which forms the 7 Destinations underpinning the future vision for Parramatta.
- Parramatta Twenty25 responds to the Metro Strategy and State Plan by identifying how Parramatta will manage the expected growth to 2025.
- Parramatta Twenty25 identifies *Affordable Housing* within one of its key strategic directions for the residents of Parramatta.
- During the extensive community consultation phase in the development of Parramatta Twenty25, residents, students and workers of Parramatta consistently ranked affordable housing as a mid to high priority for the future sustainability of the city.

Other Local Policies and Plans

- There are a number of local planning instruments and research documents relevant to this draft Affordable Housing Policy. These include the:
 - Parramatta Local Environmental Plan (LEP) 2001;
 - Parramatta Development Control Plan (DCP) 2001;
 - Parramatta City Centre Local Environment Plan (PCCLEP) 2007;
 - Parramatta City Centre Development Control Plan (PCCDCP) 2007; and,
 - Draft Parramatta Residential Development Strategy (PRDS) 2007.
- PCC is currently undertaking a review of its planning controls including the:
 - Draft Parramatta Local Environmental Plan 2008; and,
 - Draft Parramatta Development Control Plan 2008.
- The Parramatta LEP 2001; Parramatta DCP 2001; PCCLEP 2007, and PCCDCP 2007 all sit under the EP&A Act 1979.
- The PRDS informs the current draft Parramatta LEP and DCP 2008.

- The PCCDCP contains provisions that support affordable housing in the Parramatta LGA.

Parramatta City Centre Development Control Plan 2007

- The PCCDCP 2007 provides detailed provisions for the development of the city centre that will contribute to the growth and character of Parramatta and protect and enhance the public domain.
- Part 6.1 of the PCCDCP refers to residential development controls that affect “*Housing Choice, Affordability and Mix*” with the aim of catering for a variety of socio-economic groups. The main objective of this control that affects affordable housing states:
 - *To provide and retain housing with good access to the city centre, at reasonable rental cost for tenants with low to moderate incomes.*

4. WHY IS ACTION NEEDED

SUMMARY OF THE AFFORDABLE HOUSING NEED IN PARRAMATTA

- Over 7,140 households (14%) were in housing stress in the Parramatta LGA in 2006. This is higher than the Sydney and WSROC average, and has grown from 8.8% in 2001.
- The dominant tenure type in the LGA is renting. Rental stress accounts for 72% of all housing stress.
- Those most affected in Parramatta are low to moderate income earners who are renting, mainly couple households with young children (under 15), older one person households (65 yrs+) and middle aged one person households (45 – 64 yrs).
- The highest percentage of rental stress was found in Guildford, South Granville – Chester Hill, Dundas Valley and Rydalmere.
- The largest numbers of households in rental stress were found in the large rental areas of Parramatta and North Parramatta.

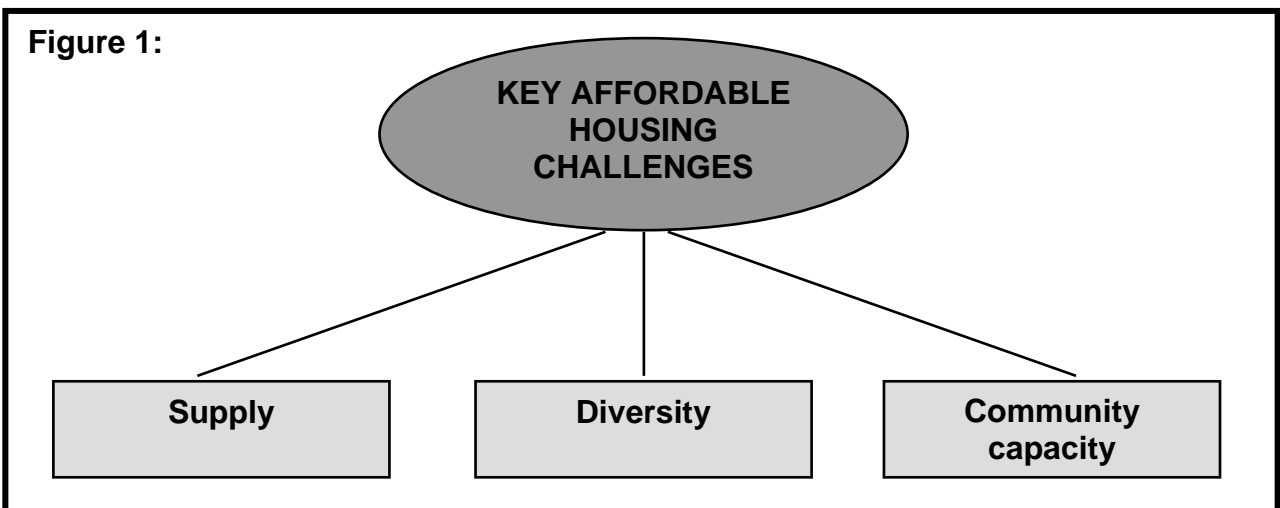
Table 1: Housing Stress Summary – Parramatta City & Sydney SD, 2001 & 2006

Housing stress - low and middle income households	2006			2001			change 2001 to 2006
	number	%	Sydney SD %	number	%	Sydney SD %	
Mortgage stress	2,018	13.6%	10.3%	879	8.5%	7.0%	1,139
Marginal mortgage stress	1,155	7.8%	7.1%	550	5.3%	4.9%	605
Total households with a mortgage	14,793	100.0%	100.0%	10,396	100.0%	100.0%	4,397
Rental stress	5,131	26.6%	24.7%	3,378	19.5%	18.8%	1,753
Marginal rental stress	1,114	5.8%	6.9%	883	5.1%	6.0%	231
Total renting households	19,264	100.0%	100.0%	17,309	100.0%	100.0%	1,955
Housing stress	7,149	14.0%	11.0%	4,257	8.8%	7.4%	2,892
Marginal housing stress	2,269	4.4%	4.4%	1,433	2.9%	3.0%	836
Total classifiable households	51,208	100.0%	100.0%	48,627	100.0%	100.0%	2,581

Notes on the table:

1. Housing stress relates to low income (bottom 40%) households paying over 30% of income on housing costs. Marginal housing stress relates to middle income (40%-60%) households paying over 30% of income on housing costs.
2. 'Total classifiable households' includes all households which could be classified into a household or family type in 2006. It excludes households where no contact could be made by the Census collector or not enough information was provided on the form. With no information on these households they can't be considered in the analysis.

THE KEY AFFORDABLE HOUSING CHALLENGES FOR PARRAMATTA LGA



Challenge 1: Supply – Ensuring an adequate supply of affordable rental housing in the LGA for low to moderate income households

Demand has increased due to several factors:

- Public housing stock has decreased in number by 20% over the past 15 years, despite a rapidly increasing population
- There are more smaller households, that typically have smaller household incomes:
 - Increasing numbers of young lone person households (possibly attracted to the 'city', study and employment opportunity, still within relative closeness to Sydney City),
 - Increasing middle aged lone person households (possibly associated with family break-ups)
- Escalating rents in popular areas – rents have outpaced incomes

Challenge 2: Diversity – Providing an adequate range of housing to cater for a variety of lifestyle choices and household types

- New housing development is catering almost exclusively to smaller household types, which are the largest emerging groups across Parramatta. However family households are also increasing at quite a rapid rate and it is increasingly difficult to find and afford family sized accommodation for these predominately low income groups.
- There is also a very limited number of 1 bedroom dwellings

Challenge 3: Community Capacity - Supporting priority social groups to improve their capacity to make well informed decisions regarding housing choices

- Parramatta has concentrations of family types known to be prone to rental stress:
 - One parent families
 - Couple families with young children
 - Older lone person households
- Historically our residential role also means that certain suburbs of Parramatta are attractive to new immigrants who typically are socioeconomically disadvantaged. Southern suburbs in particular are highly culturally diverse, functioning as a first or second port of call for many migrant groups.
- Between 2001 – 2006 growth in incomes has occurred more so in the lower to middle income groups.

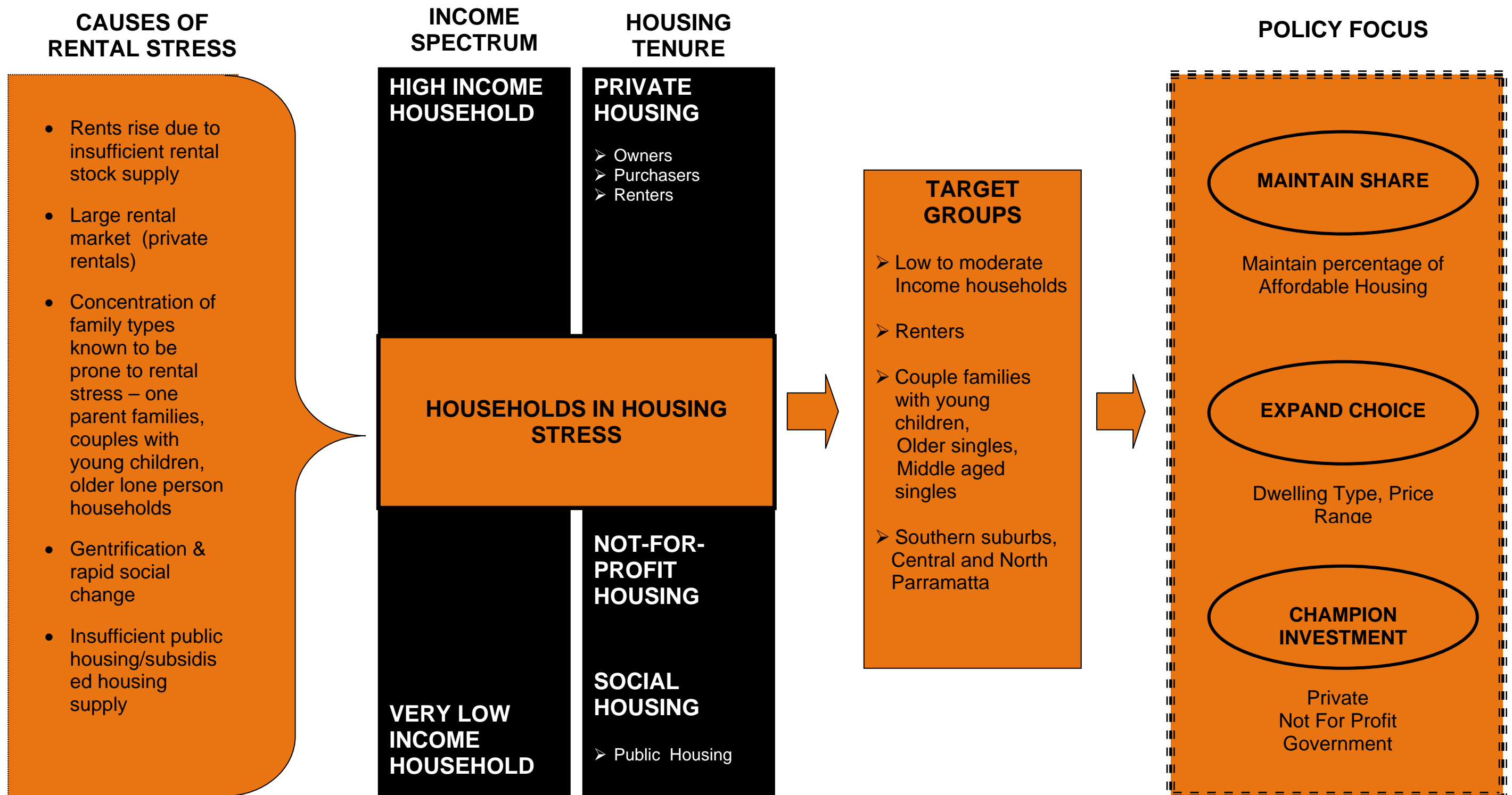
5. POLICY AIM

- The **focus of the policy** is on driving actions that will:
 - Maintain share -maintain the percentage of affordable housing,
 - Expand choice - dwelling type and price range, and
 - Champion investment - by private, not for profit and government sectors in affordable housing.
 - See Figure 2.

- The **aim of policy** is to protect existing affordable housing and to facilitate new affordable housing in Parramatta LGA to provide for social, cultural, environmental and economic sustainability.

- The policy and implementation plan is targeted to improve the housing outcomes of those known to be most in need in the Parramatta LGA:
 - Low to moderate income earning households, who are
 - Renting, and are either
 - Couple families with young children (under 15)
 - Older one person households (65 yrs +)
 - Middle aged one person households (45 – 64yrs)

FIGURE 2: AFFORDABLE HOUSING POLICY RATIONALE - THE FOCUS FOR ACTION



7. AFFORDABLE HOUSING TARGETS

- While the definition of affordable housing encompasses all affordable housing including public, not for profit and private (rental and purchase) it is recognised that in the Parramatta LGA, given medium rent prices, private affordable housing is largely confined to accommodation in boarding houses, or very small or substandard rental accommodation. It is also recognised that Council has only limited ability to influence actions of the private market. Therefore the affordable housing targets outlined in this policy include those sections of affordable housing where Council can have reasonable influence and affect change over time.
- The affordable housing target in this policy comprises of housing that is subsidised below market rents, including housing managed by not for profit providers, student housing or housing resulting from Commonwealth or State Government affordable housing funding schemes. Affordable housing targets do not include private rental affordable housing dwellings such as boarding houses, studio apartments or granny flats, though the implementation plan includes strategies to protect and grow these forms of affordable housing in the LGA.

Figure 3: Composition of Affordable Housing Targets

Affordable Housing included in Policy Targets	Affordable Housing not included in Policy Targets
<p>Housing subsidised below market rates, including:</p> <ul style="list-style-type: none"> • Housing managed by Not for Profit providers • Student Housing • Housing resulting from State and Commonwealth Government affordable housing funding schemes 	<p>Private rental affordable housing dwellings, including:</p> <ul style="list-style-type: none"> • Boarding houses • Studio apartments • Secondary dwellings (granny flats)

- This policy sets the following aspirational targets for affordable housing in the LGA to 2025:

Table 2: Parramatta LGA Affordable Housing Targets

	2006	2025	Growth to 2025
Total Dwellings	58,600	75,225 *	16, 625
Affordable Housing ^	4570 (8%) #	6,018 (8%)	1379

NOTES:

* Based on a proportion of the Sydney Metropolitan Growth Strategy dwelling targets for Parramatta, which specifies 21,000 extra dwellings by 2030 which would total 79,000 dwellings.

^ Includes not for profit affordable housing and government owned social housing (this includes community housing and public housing)

Rounded to nearest whole number

- The policy perspective underpinning this aspirational target is one of not falling behind, that is not falling behind in the proportion of affordable housing available in the LGA. Based on research we can assume that the market itself will discourage affordable housing due to the growing attractiveness of the area through processes of gentrification and the growth of the LGA’s CBD. Unless we act to combat this trend, the rents for properties will remain outside of the capacity of many low to moderate income households.
- The aspirational target for affordable housing of 6018 dwellings by 2025 is based on the following assumptions:
 - The proportion of affordable housing remains the same in 2025 as it does in 2006 (8%)
 - There is no net loss of government owned public housing over the period of time
 - All new growth in dwellings to reach the target is in affordable housing managed by non profit community housing providers, not government owned public housing.
- Achieving this target will require a commitment by Council to increase the amount of affordable rental housing in the Parramatta LGA. It will depend to a significant extent on the capacities of and Council’s partnerships with the non-profit community housing sector, and on the state government’s willingness to use local planning instruments to promote affordable housing.

- Monitoring of this target over the life of the implementation plan will be necessary.
- Council can play an important role in the direct provision, facilitation and protection of affordable housing. The outline below of ‘options for achieving affordable housing’ highlights Council’s own target to provide and / or facilitate 160 affordable housing dwellings by 2025.

Table 3: Parramatta City Council options for achieving Affordable Housing for the Community

Affordable Housing Demonstration Project	(20 dwellings) Council may use its assets, in partnership with other organisations and agencies, to develop affordable housing dwellings in such a way that meets the social need and contributes to strategic asset management priorities
Affordable Housing Planning Incentives – Affordable Housing Bank	(100 dwellings) Council may offer bonuses to developers who are willing to provide affordable housing as part of new developments.
Other Council development projects	(20 dwellings – CIVIC Place, 20 dwellings – other projects) Council may incorporate affordable housing dwellings into plans it already has in place or is scoping for new building works / alternations to Council owned land and buildings

- Council, in its role as custodian of the LGA, will need to use its advocacy, lobbying and negotiation capacities and be prepared to explore opportunities for partnerships as they arise with the not for profit, private and government sectors, to facilitate achieving the residual target (1219 dwellings). Possible mechanisms for achieving the remainder of the affordable housing target could involve:
 - An Affordable Housing Levy
 - State and Commonwealth Incentives
 - Student Housing
 - Affordable Housing in state controlled urban renewal sites

8. THE WAY FORWARD

- The approach outlined in this Affordable Housing Policy is grounded in extensive research and consultation.
- Current data clearly defines the need to protect existing affordable housing stock, facilitate the provision of new affordable housing, and build the capacity of residents to make well informed decisions about their housing needs.

- This draft policy, together with the Affordable Housing Implementation Plan May 2009, presents a way forward to ensure that to the extent of its capacities, Council will work on projects itself, and with external partners, to achieve affordable housing targets as outlined in this document.

9. ADMINISTRATION

Version: 1
Owner : Outcomes and Development Unit
Policy Number: 298
Review Date : May 2014
Authorisation: Adopted by Council on 25 May 2009
MINUTE Number 10723

10. BIBLIOGRAPHY

Affordable Housing in Parramatta LGA: A discussion paper. Parramatta City Council January 2009.

AHURI Research & Policy Bulletin. Issue 35 February 2004. Local governments and housing. Australian Housing and Urban Research Institute, Melbourne.

AHURI Research & Policy Bulletin. Issue 96 January 2008. Rental housing for lower – income older Australians. Australian Housing and Urban Research Institute, Melbourne.

AHURI Research & Policy Bulletin. Issue 105 July 2008. International practice in planning for affordable housing: lessons for Australia. Australian Housing and Urban Research Institute, Melbourne.

Bass Coast Shire Council Affordable Housing Strategy, September 2005.

Centre for Affordable Housing website -
<http://www.housing.nsw.gov.au/Centre+for+Affordable+Housing/>.

City of Melbourne Social and Affordable Housing Framework 2006 – 2009. Housing for Everyone, November 2006.

City of Sydney Draft Affordable Rental Housing Strategy 2009 – 2014, February 2009.

Colac Otway Council Affordable Housing Strategy, September 2007.

Housing NSW. Planning for the Future: New directions for community housing in New South Wales 2007/08 – 2012/13, 2007.

Local Government Housing Resource Kit, 2003, Queensland Department of Housing.

Models of Sustainable and Affordable Housing for Local Government, 2008, Urban research Centre, University of Western Sydney.

NSW Local Government Housing Toolkit, 2008, Published by NSW Department of Housing.

Office of Community Housing website -
<http://www.housing.nsw.gov.au/Office+of+Community+Housing/>

Parramatta City Council: Analysis of Housing Stress, 2009, Prepared by .id (informed decisions).

Shelter NSW Campaign: Somewhere to call home. Campaign brief 2. Increased private supply of private rental housing for low rental, Oct 08.

Shelter NSW Campaign: Somewhere to call home. Campaign brief 6. State environmental planning policies and affordable housing, Oct 08.

Shelter NSW Campaign: Somewhere to call home. Shelter brief 37. Encouraging supply of private rental for low income renters, February 2009.

Sustainable Sydney 2030, City of Sydney Strategic Plan, Final Consultation Draft. City Strategy, Housing for a diverse population: Supporting Information, 2008.

Waverley Council Affordable Housing Program Policy 2007.

Yates, J., Milligan, V., Berry, M., Burke, T., Gabriel, M., Phibbs, P., Pinnegar, S., & Randolph, B. (2007). Housing affordability: a 21st century problem. National Research Venture 3: Housing affordability for low income Australians. Australian Housing and Urban Research Institute.



PARRAMATTA CITY COUNCIL AFFORDABLE HOUSING IMPLEMENTATION PLAN

Adopted by Council May 2009



BACKGROUND

This document should be read in conjunction with the Affordable Housing Policy May 2009.

POLICY AIM

- The **focus of the policy** is on driving actions that will:
 - maintain share - maintain the percentage of affordable housing,
 - expand choice - dwelling type and price range, and
 - champion investment - by private, not for profit and government sectors in affordable housing.

- The **aim of policy** is to protect existing affordable housing and to facilitate new affordable housing in Parramatta LGA to provide for social, cultural, environmental and economic sustainability.

- The policy and implementation plan is targeted to improve the housing outcomes of those known to be most in need in the Parramatta LGA:
 - Low to moderate income earning households, who are
 - Renting, and are either
 - Couple families with young children (under 15)
 - Older one person households (65 yrs +)
 - Middle aged one person households (45 – 64yrs)

POLICY OBJECTIVES

- | | |
|-------------|---|
| OBJECTIVE 1 | Protect the existing stock of low cost rental accommodation in the Parramatta LGA |
| OBJECTIVE 2 | Increase the amount of affordable rental housing available in the Parramatta LGA to working households with low to moderate incomes |
| OBJECTIVE 3 | Encourage a diverse range of housing stock in the Parramatta LGA |
| OBJECTIVE 4 | Improve the capacity of residents to make well informed decisions about housing choices |
| OBJECTIVE 5 | Maintain and disseminate up to date data on the affordable housing need in the LGA and its impact on individual households and the community more broadly |
| OBJECTIVE 6 | Implement, monitor and evaluate the affordable housing policy and implementation plan |

AFFORDABLE HOUSING IMPLEMENTATION PLAN 2009/10 – 2013/14

OBJECTIVE 1 Protect the existing stock of low cost rental accommodation in the Parramatta LGA

OUTCOMES

- No net loss of the existing stock of low cost accommodation in the Parramatta LGA up to 2013 /14

	Strategy	Responsibility	Resources	Timeframe	External Partners
1	<ul style="list-style-type: none"> • Build on existing research to establish a baseline for monitoring the quality and location of existing low cost rental accommodation in the LGA 	Social Outcomes Regulatory Services	Staff time	Short term	
2	<ul style="list-style-type: none"> • Investigate what drivers and supports would motivate and assist owners of low cost boarding house accommodation in the LGA to retain it, and implement actions as appropriate 	Social Outcomes CCB Research and Consultancy team	Staff time Potential funds for consultancy	Short term	
3	<ul style="list-style-type: none"> • Review implementation of SEPP 10 in the LGA to ensure a consistent approach by: <ul style="list-style-type: none"> ○ Investigating the feasibility of ‘flagging’ properties in the LGA that are subject to SEPP 10; ○ Reviewing existing procedures and, if 	Social Outcomes Land Use Planning Development Assessment Unit IT (GIS)	Staff time Potential funds for information technology	Medium term	Department of Planning

	appropriate, developing a training manual for development assessment staff to ensure 'best practice' assessment of development that is subject to SEPP 10.				
4	<ul style="list-style-type: none"> • Lobby State Government for greater support to protect existing low cost stock, including: <ul style="list-style-type: none"> ○ Expansion of exemption from land tax for land use for low cost housing in Parramatta LGA. ○ Increase to funding of Housing NSW's Boarding House Financial Assistance Program. ○ Increasing protection of the rights of residents of boarding houses. 	Social Outcomes CCB Land Use Planning	Staff time	Long term	Housing NSW Department of Planning

OBJECTIVE 2 Increase the amount of affordable rental housing available in the Parramatta LGA to working households with low to moderate incomes

OUTCOMES

- The inclusion of appropriate affordable housing provisions in the Parramatta Twenty25 Implementation Plan
- Growth in the number of affordable housing dwellings, 1379 by 2025 (see Affordable Housing Policy May 2009)

	Strategy	Responsibility	Resources	Timeframe	External Partners
5	<ul style="list-style-type: none"> • Utilise the NSW planning system to increase the range of housing options available to households with low to moderate incomes: <ul style="list-style-type: none"> ○ Develop and implement a program to create an ‘Affordable Housing Bank’ (to be managed by community housing providers), using planning incentives to encourage affordable housing development through private developers: <ul style="list-style-type: none"> ▪ Identify potential incentives for developers to enter into voluntary planning agreements (VPAs) ▪ Develop and implement a policy and procedure for VPAs that includes clear targets, facilitates the collection of contributions for affordable housing, 	Social Outcomes Land Use Planning Development Assessment Unit Strategic Asset Management	Staff time	Medium term	Department of Planning

	<p>and acknowledges the need for compliance with all other relevant controls and environmental requirements</p> <ul style="list-style-type: none"> ▪ Create an electronic calculator to determine the benefit of including affordable housing in a prospective development, for use by internal and external parties ▪ Develop mechanisms to proactively identify re-development sites suitable for affordable housing and processes for engaging developers in discussions about the affordable housing bank option <ul style="list-style-type: none"> ○ Review provisions within planning instruments to identify any 'barriers' to the development of affordable housing and, where appropriate and consistent with other land use needs, remove them. ○ Determine the value of reapplying to the Department of Planning for amendments to SEPP 70 to support a mandatory affordable housing levy, and progress with a second application if considered worthwhile. 	<p>Social Outcomes Land Use Planning Development Assessment Unit</p> <p>Social Outcomes Land Use Planning</p>	<p>Staff time</p> <p>Staff time</p>	<p>Short term</p> <p>Short term</p>	<p>Department of Planning</p>
6	<ul style="list-style-type: none"> • Advocate for the provision of affordable housing in urban renewal sites where the Minister for Planning is the consent authority 	<p>Social Outcomes Land Use Planning</p>	<p>Staff time</p>	<p>Ongoing</p>	<p>Department of Planning</p>

7	<ul style="list-style-type: none"> Determine if there are any efficiencies that can be gained in the processing of affordable housing development applications, as part of the overall development assessment process review being undertaken 	Social Outcomes Development Assessment Unit	Staff time	Short term	
8	<ul style="list-style-type: none"> Undertake financial modelling to examine the return of investment to Council in using its own resources to deliver affordable housing in the community 	Social Outcomes	Staff time Potential funding for consultancy / research	Short to Medium term	Universities Other housing research agencies
9	<ul style="list-style-type: none"> Undertake a land audit to identify suitable Commonwealth, State and Local Government owned sites that may be appropriate for the development of affordable housing 	Social Outcomes Strategic Asset Management	Staff time	Short term	State & Commonwealth Government
10	<ul style="list-style-type: none"> Undertake an audit of development projects Council is currently planning or scoping to determine the possibility of inclusion of affordable housing, and progress exploring opportunities as appropriate 	Social Outcomes Strategic Asset Management	Staff time	Short term	
11	<ul style="list-style-type: none"> Undertake development of an affordable housing demonstration project in partnership with other levels of government, the private sector and the not for profit sector (subject to favourable financial modelling – see no 8) 	Social Outcomes Strategic Asset Management City Services City Strategy	Staff time Council land	Medium to Long term	State & Federal Government Developers Community Housing Providers

12	<ul style="list-style-type: none"> Review the uptake of the secondary dwelling provisions (granny flats) and determine steps to market and further promote the benefits of this provision to homeowners 	Social Outcomes	Staff time Potential funding for communications and marketing	Short term	
13	<ul style="list-style-type: none"> Develop and maintain strategic relationships with government and not for profit housing organisations to advocate for support and investment in affordable housing in the Parramatta LGA, and to be alert to new opportunities as they arise for involvement in joint projects to develop affordable housing. 	Social Outcomes	Staff time	Ongoing	

OBJECTIVE 3 Encourage a diverse range of housing stock in the Parramatta LGA

OUTCOMES

- Council’s planning provisions encourage diverse forms of housing

	Strategy	Responsibility	Resources	Timeframe	External Partners
14	<ul style="list-style-type: none"> • Develop a preferred dwelling size mix ‘map’ for suburbs of the LGA that reflects population life cycle trends, giving consideration to the needs of students, young large families, single middle aged households and older people 	Social Outcomes Land Use Planning Place Managers	Staff time	Medium term	
15	<ul style="list-style-type: none"> • Assess the best way to specify an appropriate dwelling size mix in Council planning instruments, and incorporate such provisions into planning instruments as appropriate 	Social Outcomes Land Use Planning Development Assessment Unit	Staff time	Medium term	
16	<ul style="list-style-type: none"> • Actively promote dwelling mix requirements to key stakeholders (including developers) through various communications and marketing channels 	Social Outcomes Communications and Marketing	Staff time Potential funds for IT and marketing / promotions	Medium to Long term	

OBJECTIVE 4	Improve the capacity of residents to make well informed decisions about housing choices
--------------------	--

OUTCOMES

- Resident’s financial knowledge increases
- Not for profit and government services are appropriate for population numbers and presenting social issues

	Strategy	Responsibility	Resources	Timeframe	External Partners
17	<ul style="list-style-type: none"> • Work with the not for profit, government and corporate sectors to develop education programs to grow the financial knowledge and wealth building skills of priority community groups in need 	CCB Social Outcomes	Staff time	Medium term	State Government Not for profit sector Corporate Sector
18	<ul style="list-style-type: none"> • Undertake systemic advocacy to support the rights of priority community groups in relation to their housing needs 	CCB Social Outcomes	Staff time	Medium term	State Government Not for profit sector Corporate Sector
19	<ul style="list-style-type: none"> • Work to attract and grow the capacity of not for profit and government sectors in the LGA who support and improve the quality of life of communities in need 	CCB Social Outcomes	Staff time	Ongoing	State Government Not for profit sector Corporate Sector

OBJECTIVE 5 Maintain and disseminate up to date data on the affordable housing need in the LGA and its impact on individual households and the community more broadly

OUTCOMES

- Increase in the communities’ knowledge of housing issues
- Increase in the level of community support for actions to grow affordable housing
- Appropriate monitoring of affordable housing policy and implementation plan in light of current evidence

	Strategy	Responsibility	Resources	Timeframe	External Partners
20	<ul style="list-style-type: none"> • Maintain up to date statistical data on the affordable housing need in the LGA and disseminate to key stakeholders in user friendly formats 	Social Outcomes	Staff time Funds for data gathering and dissemination	Ongoing	
21	<ul style="list-style-type: none"> • Investigate avenues to facilitate housing research where knowledge gaps exist and where the data has the capacity to influence future policy responses. This research may include: <ul style="list-style-type: none"> ○ Identification of the risk to the local economy represented by a shortfall in key workers ○ Identification of employment sectors experiencing unacceptable levels of difficulty in recruiting staff due to lack of housing choice ○ Assessing the value of new and emerging models of affordable housing for the Parramatta LGA 	Social Outcomes Economic Development	Staff time Potential funds for research and consultancy	Ongoing	Universities Other housing research agencies

OBJECTIVE 6 Implement, monitor and evaluate the affordable housing policy and implementation plan

OUTCOMES

- Ongoing commitment across Council to action to increase affordable housing
- Consistent understanding by key stakeholders of progress, and the future inputs and supports required to achieve goals
- Increase in the communities' knowledge of housing issues
- Increase in the level of community support for actions to grow affordable housing

	Strategy	Responsibility	Resources	Timeframe	External Partners
22	<ul style="list-style-type: none"> • Establish an 'Affordable Housing Policy Internal Working Group' to champion a whole of Council approach and commitment to the implementation and monitoring of this policy and plan 	Social Outcomes	Staff time	Short term	
23	<ul style="list-style-type: none"> • Establish a communications plan to provide feedback on progress to key stakeholders within and external to Council 	Social Outcomes Affordable Housing Policy Internal Working Group Communications & Marketing	Staff time	Short term	
24	<ul style="list-style-type: none"> • Identify and apply for funding opportunities to support the implementation plan, 	Social Outcomes Affordable Housing	Staff time	Short to Medium term	

	especially the funding of a part time Affordable Housing Officer position	Policy Internal Working Group			
25	<ul style="list-style-type: none"> Design and implement a community engagement program to educate the community on the benefits of provision of affordable housing 	Social Outcomes CCB team Research and Consultancy Team	Staff time Potential funding for program resources	Medium term	
26	<ul style="list-style-type: none"> Undertake an annual review of the progress of the implementation plan and report this to Council 	Affordable Housing Policy Internal Working Group	Staff time	Ongoing	
27	<ul style="list-style-type: none"> Complete a review of the policy and its effectiveness and currency 3 years after adoption. 	Affordable Housing Policy Internal Working Group	Staff time	Medium term	