

# Response to **Ryde City Council Draft Local Strategic Planning Statement**

Shelter NSW submission August 2019

#### Introduction – and the context for Shelter NSW

Shelter NSW has been operating since 1975 as the state's peak housing policy and advocacy body. Our vision is "A secure home for all". We pursue our vision through critical engagement with policy and practice and thought leadership. We provide systemic advocacy and advice on policy and legislation for the whole NSW housing system to resolve housing inequality and we seek to ensure that the voices of housing consumers are included in our policy responses and review. Our approach involves engaging, collaborating and connecting with Government, the private and not for profit sectors, stakeholders and consumers. Our research centres on the causes of inequity and injustice in the housing system and we advocate solutions that aim to make the housing system work towards delivering a fairer housing system for all.

Shelter NSW is concerned about the housing crisis in NSW and the rising trends in homelessness, housing rental stress as well as the impacts of poor- quality housing, particularly on low income households<sup>1</sup>. Over three quarters of lower income renters in NSW are paying unaffordable rents (92% of very low- income renters in Sydney). Lower cost properties are being steadily replaced with new ones at higher rents, and new concentrations of disadvantage have been created across our major cities as low income households are displaced. The NSW rental market is failing, forcing our most vulnerable citizens to go without essentials and are being excluded from jobs and opportunities. Shelter NSW priorities are centred on four core areas<sup>2</sup>, all of which are relevant to the Local Strategic Planning Statements:

- **Building enough low-cost rental housing to meet current and future need** and recognition that social and affordable housing are critical social and economic infrastructure;
- Making housing fair for all so that people with specific housing needs such as accessibility or adaptability needs have fair access to housing;
- **Giving renters secure homes** so that they have security of tenure and can put down their roots in a community without fear of unfair evictions; and
- Making sure low-income households aren't excluded in the redevelopment of Sydney and regional centres.

<sup>&</sup>lt;sup>1</sup> See Shelter NSW 2019 Election Platform <a href="https://www.shelternsw.org.au/uploads/1/2/1/3/121320015/shelternsw-2019-election-platform.pdf">https://www.shelternsw.org.au/uploads/1/2/1/3/121320015/shelternsw-2019-election-platform.pdf</a>

We are pleased to provide comment on Ryde City Council's draft Local Strategic Planning Statement (LSPS).

#### The broader context

It is important to consider the issue of housing affordability in the context of the Greater Metropolitan Region, and the urban planning system that operates across New South Wales. There is currently considerable public interest in the policies and instruments that can be used to generate more affordable housing through the planning system, which is pertinent to the work of councils as local planning authorities. This has been captured in the Greater Sydney Commission's (GSC) Region and District Plans, which have recommended the introduction of Affordable Rental Housing Targets in areas to be defined by councils and in planned precincts. The NSW Department of Planning, Industry and Environment (DPIE) has noted housing affordability as a key principle for consideration in the development of councils' local housing strategies. DPIE has also recently amended State Environmental Planning Policy No 70 (SEPP70) – Affordable Housing (Revised Schemes) to make all councils in New South Wales eligible to consider using the inclusionary zoning provisions available in the Environmental Planning and Assessment Act 1979, and published a *Guideline for Developing an Affordable Housing Contribution Scheme*.

This is all occurring amidst a growing and changing population dynamic that is applying new pressures to our existing urban communities. Sydney is no longer just growing outwards, pushing its rural/urban fringe further from the city's main centres. It is consolidating and developing new urban centres closer to the fringe, and large tracts of already developed land that are well within the city's inner and middle suburban rings are earmarked for or undergoing renewal at increasing levels of density. As communities and neighbourhoods are reformed at higher densities by market driven developers, the likelihood of low-cost housing in the private rental market being displaced is increased, resulting in more lower income households looking for affordable housing in suburban centres that are well connected to the CBD and the rest of the metropolitan area such as Ryde Local Government Area (LGA).

Locally prepared and implemented planning strategies that aim to address housing affordability challenges will help mitigate some of these negative impacts, provided they are sufficiently ambitious and properly resourced. But the context in which urban change is currently occurring means concentrating on local strategies is only one part of managing a response. Advocating the need for affordable housing strategies to neighbouring and nearby councils, especially those where major urban redevelopment is planned will also be necessary. In the absence of proper city-wide or state-wide strategies, more councils implementing local affordable housing strategies will make it easier for councils in the middle suburbs of Sydney's metropolitan region to manage the impacts of population growth, development and urban renewal on their own communities, even while that renewal may be happening elsewhere.

### **Principles for LSPS Analysis**

Shelter NSW congratulates Ryde City Council on the preparation of a LSPS as a 20-year plan setting out Council's vision and planning priorities for the City of Ryde, and the actions Council will take to achieve them (as required by section 3.9 of the Environment Planning and Assessment Act 1979). Producing a LSPS is critical to the development of a council's Local Housing Strategy and revision of Local Environmental Plans (LEPs), which are actions required by the GSC Regional and District Plans.

Shelter NSW does not believe a "one-size-fits-all" approach will be of value when it comes to local councils' capacity to deliver (or facilitate the delivery of) new Affordable Housing across Sydney and New South Wales. We understand the need for variation across different areas to suit the broad range of local conditions. However, we have developed some <u>principles we would like to see applied</u> in all LSPSs<sup>3</sup>. Our analysis and comments are underpinned by these principles.

### 1. The LSPS recognises and quantifies local need for housing that is affordable to those on the lowest 40% of incomes

The LSPS should recognise that housing affordability is an issue within the area. It should include some high-level measures of this need such as the proportion of households in the area who are in housing stress, and/or the proportion of very low and low income households in the area. The LSPS should commit to further quantifying and measuring the need for affordable housing within the LGA as a component of an LHS.

# Recommendation for Ryde LSPS: include affordable housing need measures, including demand for social housing and gaps in local affordable housing supply

At the outset we note that the Ryde LSPS has been prepared with reference to other Council documents including the <u>Affordable Housing Policy 2015</u> and an attached <u>Housing Issues Paper</u>.

Shelter NSW commends Ryde City Council for including the provision of affordable housing within its vision for liveability which signals to the community that this is priority for the continued liveability of the community. Affordable housing is infrastructure that supports the economy of the LGA. Providing residents affordable housing close to their jobs supports local businesses, improves quality of life, reduces the need for long commutes and has the potential to relieve pressure on a congested transport system. The Strengthening Economic Cases for Housing Policies report, <sup>5</sup> led by CHIA NSW and UNSW City Futures, and co-funded by Shelter NSW models the significant economic and productivity gains that could be expected from a large scale program of Government investment in housing that is both well located and affordable. While it is not within the scope of a local government authority to develop a program on the scale that has been modelled, the results of this research should give Council greater confidence that Affordable Housing Contribution Schemes, designed to fund a local affordable housing program will have discernibly positive economic impacts at the local level, which will not only benefit the affordable housing residents but the broader community and the local economy. Shelter NSW strongly advocates that affordable housing should be seen as critical social and economic infrastructure rather than seen as a "welfare" policy response. In this vein decision makers including Councils should harness this thinking in its policy and planning, as well as its messaging to local communities so that the benefits of the creation of more affordable housing in their local government area is better understood.

<sup>&</sup>lt;sup>3</sup> See https://www.shelternsw.org.au/blog/exhibition-of-draft-local-strategic-planning-statements

<sup>&</sup>lt;sup>4</sup> Page 48, "Planning Ryde: Draft Local Strategic Planning Statement 2019"

<sup>&</sup>lt;sup>5</sup> Maclennan, D., Randolph, B., Crommelin, L., Witte, E., Klestov, P., Scealy, B., Brown, S. (2019) *Strengthening Economic Cases for Housing Policies*, City Futures Research Centre UNSW Built Environment, Sydney, <a href="https://cityfutures.be.unsw.edu.au/research/projects/strengthening-economic-cases-housing-productivity-gains-better-housing-outcomes/">https://cityfutures.be.unsw.edu.au/research/projects/strengthening-economic-cases-housing-productivity-gains-better-housing-outcomes/</a>

We also congratulate Ryde City Council for acknowledging that housing is a human right. The fundamental need for all citizens to have access to secure and affordable housing can't be overstated.

Understanding the housing and rental market and quantifying the need for affordable housing is important context for the LSPS and should be provided. Measures of housing and rental stress are included in the Affordable Housing Policy 2015 and can be included in the LSPS. We note more updated data on the housing and rental market is available from the Rent and Sales Report for March 2019 Quarter<sup>6</sup>.

An analysis of the local availability of affordable rental dwellings for very low, low and moderate income households would also provide valuable context to demonstrate the need for affordable housing and assist in identifying the challenges and opportunities for delivery of more affordable housing.

We also recommend that analysis and commentary on the need and demand for social housing are included, for example the expected wait times for CS04 Northern Suburbs zone<sup>7</sup>.

### 2. The LSPS commits to developing a Local Housing Strategy (LHS)

The LSPS should commit to developing a comprehensive LHS based on current housing growth, housing demand and growth trends. The LSPS should make clear that the LHS will identify and prioritise areas for growth. The LSPS should also state that the LHS will integrate principles related to affordable housing, including potentially a Local Affordable Housing Strategy and/or specific Affordable Housing programs.

Recommendation for Ryde LSPS: Include a progress report on The Affordable Housing 2015 in the Housing Strategy by 2020 with a view to identifying new challenges and opportunities

Shelter NSW strongly supports the completion of a Housing Strategy by June 2020. A comprehensive and detailed Housing Strategy will provide a sound basis for growth of affordable housing stock as well as policies, and give the local community confidence that growth is occurring transparently, fairly and equitably.

A Housing Strategy should include but not be limited to:

- The community's vision for housing and the principles underlying the development and implementation of the housing strategy
- An analysis of the policy and planning context, at a national, state, regional as well as local level
- A snapshot of the current housing, transport, infrastructure and social, environmental, heritage, social and demographic context
- Placed-based studies, identifying housing, growth, need, capacity and constraints
- Availability of local affordable housing stock
- Demand for social housing including waiting times,
- Analysis of housing rental stress and mortgage stress

<sup>&</sup>lt;sup>6</sup> Rent and Sales Report for March 2019 Quarter, FACS: <a href="https://www.facs.nsw.gov.au/download?file=664499">https://www.facs.nsw.gov.au/download?file=664499</a>

<sup>&</sup>lt;sup>7</sup> Expected Waiting Times Dashboard; https://www.facs.nsw.gov.au/housing/help/applying-assistance/expected-waiting-times

- The inclusion of known or planned developments which plan to deliver social or affordable housing e.g.
   The Ivanhoe Estate and the impacts and benefits of such developments to achieve Council's affordable housing outcomes
- Strategies to minimise and respond to any displacement of very low and low income households due to the loss of affordable rental properties as a result of redevelopments.

We recognise that Ryde City Council is one of the early leading Councils in developing a comprehensive Strategy for Affordable Housing. The <u>City of Ryde Affordable Housing Policy 2016-2031</u> provides a framework to promote the delivery of and advocate for affordable housing. We commend and support the work of Ryde City Council in setting a long term plan to address affordable housing.

We recommend that Council review progress on the implementation of the Policy 2016-2031 to identify relevant policy changes since the Affordable Housing Policy was released, (e.g. the state-wide application of SEPP 70) report on progress of actions and identify new challenges, opportunities and actions as appropriate in the Housing Strategy to be developed by June 2020.

To ensure the Housing Strategy and the Affordable Housing Policy are responsive to changes in the housing and rental market and the changing needs of the community, we recommend these documents are regularly reviewed and updated in a coordinated way.

Shelter NSW notes that the Affordable Housing Policy commits to a target of 5% of new dwellings built between 2016 and 2031 will be affordable housing dwellings. Given the evidence which indicates increasing housing rental stress, long wait times for social housing in the Ryde LGA, and the unmet demand for affordable housing especially for low income households, Shelter NSW' position is that to make a real difference in responding to these trends these targets need to be more ambitious. It is suggested that targets of 15% on private owned land and 30% on State owned land would be more realistic.

3. The LSPS commits to addressing housing affordability, including through a local strategy and/or programs for growth in dwellings that are affordable to those on the lowest incomes, ideally through Affordable Housing products.

The LSPS should recognise that increasing the number of affordable dwellings in the area is a key component of liveability and a strategic priority in the context of the LSPS. The LSPS should commit to locally appropriate strategies for growing the number of dwellings that are affordable to people on very low to moderate incomes. This can include planning mechanisms that encourage housing diversity but shouldn't be limited to them as they are unlikely to address the affordable housing need without further targeted intervention (see principle #4).

Ideally these strategies should identify opportunities for delivery of affordable housing dwellings in the area, financed through planning mechanisms such as;

- SEPP 70/Affordable Housing Contribution Schemes
- Voluntary Planning Agreements
- Section 7.11 contributions
- A commitment to seeking approval for SEPP 70 schemes is strongly desirable, and

 A commitment to other value capture mechanisms that allow for delivery of affordable housing through rezoning is also strongly desirable, however, might not be practical for all local government areas due to differences in rezoning potential.

# Recommendation for Ryde LSPS: Review the City of Ryde Affordable Housing Policy and include a progress report on the implementation and outcomes of the Policy in the Housing Strategy

The LSPS identifies the Affordable Housing Policy as the main mechanism to address affordable housing. As noted above Shelter NSW sees the development of a Housing Strategy by June 2020 as a good opportunity to investigate the progress of the Affordable Housing Policy and to update the Policy to respond to changes in housing need, especially for very low and low income households since the Policy was released in 2016.

We also recommend that in reviewing progress of the Affordable Housing Policy Council consider the impact and limitations of the current focus of the Policy being on key workers. Whilst affordable housing targeted to key workers should be a priority in addressing housing affordability, housing affordability for very low and low income households should also be priority. It's the very low and low income households who are the most vulnerable and have the least access to secure and affordable housing. These lower income households comprise a significant percentage of the essential workers in the LGA, such as child care workers, teachers' aides, hospitality workers, hospital staff, cleaners and retail workers. The gap between the need and the supply of low cost housing for very low and low income households is severe, and with no known future policy or funding settings to significantly boost social and affordable housing supply from the state and federal governments it is critical for local government to consider the impacts of these constraints in their communities and on the local economy. This point is also noted in recent research from the Australian Housing and Urban Research Institute (AHURI) which found that:

Most of the growth in housing supply has been taking place in mid-to-high price segments, rather than low price segments. There seems to be structural impediments to the trickle-down of new housing supply. Targeted government intervention might be needed in order to ensure an adequate supply of affordable housing.<sup>8</sup>

It is also suggested that in developing a Housing Strategy Ryde City Council could also consider new and additional actions including planning and non-planning mechanisms that have not already been identified in the Affordable Housing Policy to address emerging housing issues, challenges and opportunities. We note that Council has identified the potential for affordable housing at a number of vacant council sites in the Ryde Town Centre. We strongly support Council pursuing this option and the potential to establish partnerships with the Land and Housing Corporation and/or Community Housing Providers to leverage their resources and capacity to provide more affordable housing.

### 4. The LSPS commits to housing diversity

<sup>8</sup> Ong, R., Dalton, T., Gurran, N., Phelps, C., Rowley, S. and Wood, G. (2017) *Housing supply responsiveness in Australia:* distribution, drivers and institutional settings, AHURI Final Report No. 281, Australian Housing and Urban Research Institute Limited, Melbourne, http://www.ahuri.edu.au/research/final-reports/281

The LSPS should commit to the promotion or facilitation of housing diversity through local planning controls and initiatives. This ensures housing supply is diverse and provides housing choice to diverse community members. This may have an effect on housing affordability, but housing diversity alone will not address housing affordability issues. Indeed, it is extremely difficult to assess whether promotion of housing diversity through local planning controls and initiatives will affect private market affordability. It is also extremely unlikely to improve housing affordability for very low and low income households.

The LSPS should also commit to new residential development that caters to households with specific accessibility and adaptability needs.

Recommendation for Ryde LSPS: Consider including requirements for Liveable Housing Design Guidelines for new developments and the Seven Principle of Universal Design for public spaces

Shelter NSW supports the proposed action by Ryde City Council to review existing housing supply (type and tenure) to identify gaps in housing diversity and develop options for housing types to meet the needs of the community profile.

In addition to ensuring that the building typology and tenure addresses the diverse needs of the community including different prices points (affordable housing), housing must also be adaptive to respond to an ageing population, including policies that encourage and enable people to age in place and the NDIS which need a growth in housing for people living with disability.

We recommend the inclusion of specific guidance around delivery of residential dwellings informed by the Liveable Housing Design Guidelines (LHGD) from Liveable Housing Australia<sup>9</sup> and universal design principles, either in the LSPS or in the Housing Strategy to be developed by June 2020 that:

- all new apartment development achieves the silver level of the LHDG, allowing 'visitability' of dwellings for people with mobility issues
- a proportion of all new residential development achieves the gold or platinum level of the LHDG
- a proportion of all new development in the LGA, including low and medium density housing, achieves the silver level of the LHDG, allowing 'visitability' of dwellings for people with mobility issues.

Accessibility of public space and universal, inclusive design are also of primary importance to create healthy, inclusive communities. During our 2018 Cities for Us Summit (a joint initiative of Shelter NSW and SSROC), the loss of public space was identified as a key concern for many communities and the importance of local community infrastructure and amenity was highlighted as a priority for creating liveable cities. To ensure the built environment and amenity in the LGA are designed to be accessible to all members of the community. It could include a reference to the Seven Principles of Universal Design<sup>10</sup>, for example.

### 5. The LSPS commits to social diversity

<sup>9</sup> See http://www.livablehousingaustralia.org.au/95/downloads.aspx

<sup>&</sup>lt;sup>10</sup> See Centre for Excellence in Universal Design, <a href="http://universaldesign.ie/What-is-Universal-Design/The-7-Principles/">http://universaldesign.ie/What-is-Universal-Design/The-7-Principles/</a>

The LSPS should recognise that culturally and socially diverse communities are inclusive, healthy and creative. This precludes any LSPS, and additional strategic planning identified for development in the LHS, from concentrating growth in affordable housing stock in specific parts or precincts within the LGA. Ideally this means a percentage of all new residential development should be dedicated to affordable housing, preferably delivered on site, to ensure social mix.

## Recommendation for Ryde LSPS: Investigate a diverse suite of planning and non planning measure measures to promote housing and social diversity

The LSPS supports social diversity and promotes inclusive communities through housing diversity. Housing diversity in turn supports job diversity and housing diversity goes beyond typology – housing diversity must include all tenure types and respond to diverse needs including very low, low and moderate incomes, seniors housing and housing for people living with disability. It's therefore critical that the Housing Strategy that will be developed by June 2020 provides a diversity of planning and non planning measures to provide the diversity of housing especially affordable housing.

The suite of measures that should be investigated but not limited to;

- Affordable housing contributions scheme under SEPP 70
- Inclusionary zoning with dedicated targets
- Voluntary Planning Agreements
- Density bonuses for provision of affordable housing on employment and industrial land
- Affordable housing opportunities for all redevelopments at major sites
- Ambitious affordable rental housing targets
- Partnership opportunities with Community Housing Organisations
- Partnership opportunities with Land and Housing Corporation
- Develop affordable housing on Council sites
- Identify opportunities for affordable housing on State owned sites within the LGA
- Promote partnerships between Community Housing Providers, industry, developers and private landlords
- Advocate for more social and affordable housing in the local area with State and Federal Governments.

### 6. The LSPS recommends further advocacy from local government for social and affordable housing

The LSPS should recognise that housing affordability is a complex issue that needs to be tackled by all levels of government. The LSPS should recommend further advocacy by Council to the NSW and Australian Governments for more social and affordable housing to be developed in the local area, to be funded by mechanisms outside of the planning system such as state and federal budgets.

This might also include recommendations for Council to tackle housing affordability issues at the metropolitan and regional level, for example through collaboration with other LGAs, to advocate for development of a Regional Affordable Housing Strategy to operate across council borders.

### Recommendation for Ryde LSPS: Advocate for more social and affordable housing and security of tenure for renters

Shelter NSW is pleased to see that Ryde City Council recognises that housing affordability is a complex issue that needs to be tackled by all levels of government. The LSPS could recommend further advocacy by Council to the NSW and Australian Governments for more social and affordable housing to be developed in the local area, to be funded by mechanisms including those outside of the planning system, such as those outlined in Shelter NSW<sup>11</sup> National Shelter or CHIA policy and platform documents.

It is also recommended that Council advocates for more social and affordable housing in planned redevelopments (including development such as The Ivanhoe Estate) and for new opportunities to grow the supply of social housing to address the 5-10+ years wait time for social housing in the LGA.

A significant proportion of people living in the Ryde LGA rent. According to the 2016 Census, 41.2 % of private dwellings were rented, significantly more that the NSW average of 31.8%<sup>12</sup>. Based on the trends, the proportion of households renting will continue to grow and home ownership rates will decline.

The Affordable Housing Policy identified that 39% of rental households live in housing stress. No-grounds evictions contribute to insecure housing. Reforming no-grounds evictions and giving renters more security of tenure will contribute to making the private rental market better respond to the needs of the growing number of renters. As an LGA with a significant proportion of households renting, Ryde Council is in a good position to advocate for reform of no-grounds evictions; a reform that will benefit many in the local area.

### Thank you

Thank you for the opportunity to take part in the formulation of Ryde Council Local Strategic Planning Statement. Shelter NSW, as a housing policy and advocacy peak is keen to continue to work with and support Council on the further development of the LSPS and the LHS.

Please do not hesitate to contact Thomas Chailloux on (02) 9267 5733 or <a href="mailto:thomas@shelternsw.org.au">thomas@shelternsw.org.au</a> in the first instance if you wish to discuss these comments.

Yours sincerely

Karen Walsh
Chief Executive Officer

Umen walk

Shelter NSW

<sup>&</sup>lt;sup>11</sup> See Shelter NSW 2019 Election Platform <a href="https://www.shelternsw.org.au/uploads/1/2/1/3/121320015/shelternsw-2019-election-platform.pdf">https://www.shelternsw.org.au/uploads/1/2/1/3/121320015/shelternsw-2019-election-platform.pdf</a>

https://quickstats.censusdata.abs.gov.au/census\_services/getproduct/census/2016/quickstat/SSC13454