

CANTERBURY BANKSTOWN

Affordable Housing Strategy

June 2020

A low-angle, upward-looking photograph of a modern multi-story apartment building. The building features a repeating pattern of balconies with glass railings and dark wooden frames. The facade is a mix of light-colored panels and dark wood accents. The image is overlaid with a semi-transparent dark blue filter. A white rectangular border is centered on the page, enclosing the text.

AFFORDABLE HOUSING STRATEGY

1.1 Aim

The aim of this strategy is to reduce the level of housing stress experienced by residents across the City of Canterbury Bankstown so that the community can thrive socially and economically by increasing the provision of affordable rental housing. This strategy document outlines a suite of statutory mechanisms and initiatives that will be used by Canterbury Bankstown Council to grow the stock of affordable rental housing across the City.

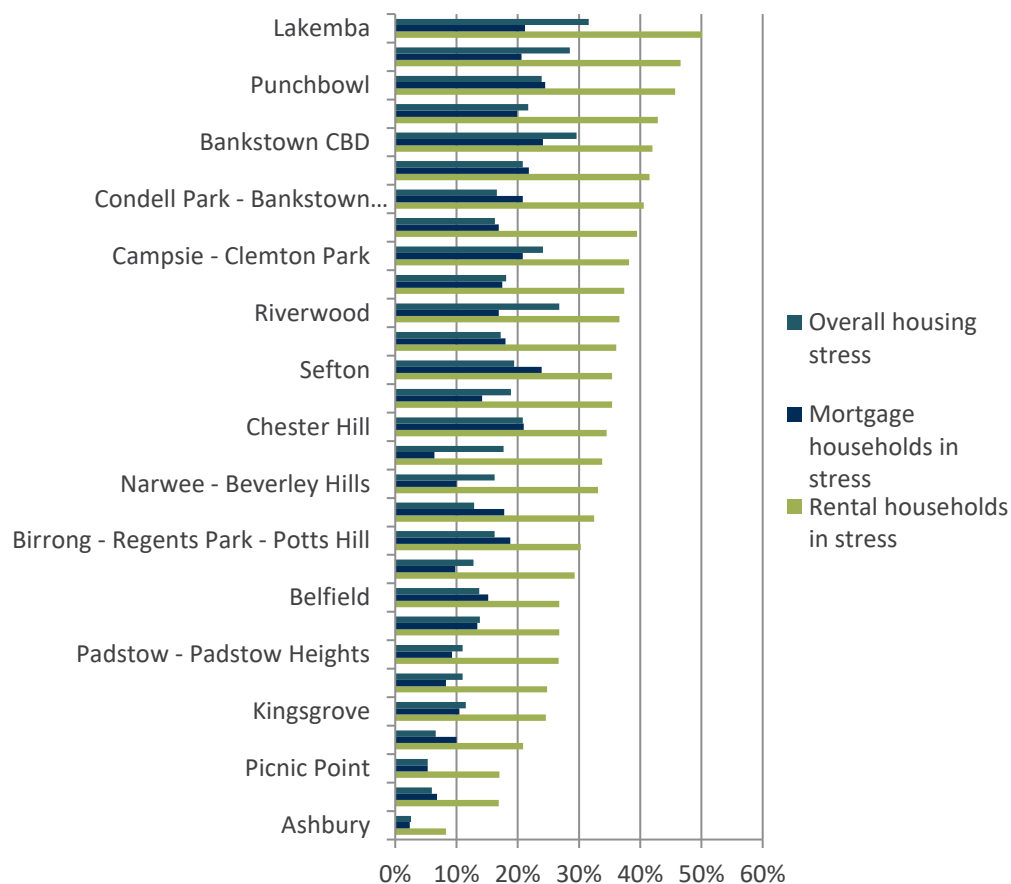
This strategy is supported by a Background Report which provides detailed analysis and feasibility testing that has informed the strategy's actions.

1.2 The need for affordable housing

Housing stress is a significant issue in Canterbury Bankstown, as with many other parts of Greater Sydney, due to comparatively low income to Sydney's high housing costs. Almost twenty-two thousand households experience housing stress in the city, or 18.6% compared to 11.8% in Greater Sydney. Households on moderate, low or very low incomes and key workers, who spend more than 30 per cent of their income on housing are impacted in their ability to pay for essential items like food, clothing, transport and utilities and are said to be experiencing housing stress. Affordable housing is targeted specifically to these groups to assist these households to remain in the private housing market.

As seen in Figure 1, the top suburbs by number of households experiencing rental and mortgage stress are Lakemba, Wiley Park, Punchbowl, Yagoona, Bankstown CBD, Greenacre, Mount Lewis and Chullora.

Figure 1: Dwellings experiencing housing, rental and mortgage stress



Source: ABS Census 2016 (TableBuilder Pro)

Wiley Park, Lakemba, Canterbury, Campsie, Bankstown and Punchbowl have a high proportion of key worker population. Whilst some of these suburbs provide relatively more affordable rental and purchase housing stock, it is likely that key workers are living in rental or mortgage stress. More affordable housing options are required for key workers in these centres to maintain a strong employment base.

Renters experience housing stress more so than households with a mortgage, with 39% of renting households across the city paying more than 30% of their income on rent. Suburbs with a greater proportion of renters, experience proportionally more rental stress, implying that housing stress is an issue for the growing renter population.

Historically, the private market has not generated enough dwellings at an affordable price point for people living in Canterbury Bankstown. However, it is important to note that this is an issue across broader Sydney and not unique to Canterbury Bankstown. Very low income households can afford only a small portion of the available rental market (13% of the stock of one bedroom apartments and less than one percent of larger dwellings) while moderate income households can afford 100% of the market for one and two bedroom apartments and 91% of three bedroom houses.

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The waitlist for social housing is five to ten years and there are 1,295 homeless people in Canterbury Bankstown, which includes those in crowded dwellings or temporarily staying with friends or family. This indicates that social housing stock and other support accommodation is also not meeting demand for applicants who are likely on very low and low incomes and not capable of entering the private rental market.

While some people who are on very low incomes live in social or public housing, other people are in circumstances where they struggle to pay for their housing in the private market. Being priced out of areas or having to sacrifice other necessities to pay for housing have consequences that negatively affect quality of life. Poor housing affordability results in economic and social issues including:

- Low income households forced out of market.
- Loss of talent, essential and professional workers.
- Skilled labour shortages
- Reduced productivity, creativity, innovation
- Rising inequalities within cities
- Increasing social disadvantage
- Loss of engagement and participation between people in a mixed community - social cohesion
- Loss of cultural vitality - artists and musicians
- Loss of social bonds/links - i.e. stay in an area longer; variety/diverse housing offers options for different life stages.

The ongoing loss of more affordable dwellings through redevelopment and gentrification, combined with increasing housing costs, is leading to an undersupply of affordable accommodation in Greater Sydney. Local government can play a role in facilitating affordable housing delivery and promoting the provision/retention of affordable housing through strategic planning, the regulation of housing supply and its form, infrastructure planning and pricing policies, rate setting and community service delivery. Through careful planning, the application of these functions can create opportunities for additional housing, guide the form of housing in response to needs, and influence the cost of production and the availability of services.

To help meet the housing needs of the Canterbury Bankstown LGA, residents require a structured and balanced response from Council.



GUIDING PRINCIPLES

Canterbury Bankstown is committed to ensuring diverse, accessible and affordable housing; focussing new housing in established centres.

1

Increase the supply of affordable housing in Canterbury Bankstown

2

Locate affordable housing near established centres to allow residents better access to transport, jobs and services

3

Focus on alleviating housing stress for very low and low income households and key workers

4

Establish clear processes for the delivery and dedication of affordable housing dwellings

5

Establish an internal framework for the management of affordable housing dwellings.

1.3 Strategy

This strategy establishes the role of Council in the delivery of affordable housing with various mechanisms that can be utilised to deliver a pipeline of affordable housing stock. The Directions below establish Council's action and mechanisms on the delivery of Affordable Housing. The Directions provide a framework for Council in addressing:

- Preferred lead in time for the affordable housing contribution scheme
- Land to which the affordable housing contribution scheme applies
- Preferred contribution rate for the contribution scheme
- Preferred rate for affordable housing contributions from voluntary planning agreements.

The following directions and actions are proposed to encourage the delivery of affordable housing in Canterbury Bankstown LGA.

1. Support Council's strategic policy for the delivery of affordable housing

Council, through its Community Strategic Plan, *CBCity 2028* and draft Local Strategic Planning Statement, *Connective City 2036* has identified the need to develop a policy to address the need to build affordable housing stock through a Council-led planning approach. This is based on the understanding that housing stress is negatively effecting households in the LGA and the private market and social housing pipeline is unlikely to meet the current and future need for affordable rental housing without intervention.

Ref.	Proposed Actions
1.1	In future master planning of growth precincts, ensure that the affordable housing targets established by Council's Community Strategic Plan and Local Strategic Planning Statement are tested and an appropriate levy be applied subject to viability and feasibility testing.
1.2	Revise Council planning documents and website to reflect Council's policy position on affordable housing upon finalisation of the Local Strategic Planning Statement, with regular updates upon adoption and implementation of this strategy.
1.3	Produce promotional material on affordable housing upon adoption of this strategy.
1.4	Advocate for greater investment in affordable housing. This includes encouraging the NSW Government to redevelop existing and underutilised social housing sites, facilitate collaboration among Councils and ensuring NSW Government policy allow for the delivery of genuine affordable housing.

2. Establish statutory planning mechanisms to facilitate the delivery of affordable housing

Council requires a statutory framework for affordable housing contributions, with clear guidelines for internal Council processes and publicised strategy to facilitate developer compliance.

Ref.	Proposed Action
2.1	<p>Include provisions in the LEP via a Planning Proposal to enable Council to:</p> <ul style="list-style-type: none">● Reference an Affordable Housing Contribution Scheme in the LEP(s)● Require an affordable housing contribution, consistent with an affordable housing contribution scheme

Ref.	Proposed Action
2.2	<p>Prepare an Affordable Housing Contributions Scheme (AHCS) that identifies sites/precincts where affordable housing contributions are required and the rate of the contribution. The Scheme is to include a methodology for determining feasibility, which is to be applied as part of the master plans.</p> <p>The rate is to be based on feasibility testing for each site/precinct. Initially, this would apply in Bankstown and Campsie following the completion of master plans for those centres, however further sites and precincts will be added to the scheme as they are master planned.</p> <p>Following testing, implement a contribution rate for development applications in areas where uplift has recently or is proposed to occur.</p> <p>Dedicated dwellings will need to be a mix of sizes, types and locations within a building or development to ensure an acceptable standard of amenity and a mix of dwelling types to meet the needs of a range of households.</p>
2.3	<p>In relation to planning proposals, it is proposed to amend the Planning Agreement Policy to conform with the Ministerial Direction (March 2019) and include a requirement for a 5% affordable housing contribution for planning proposals resulting in uplift or more than 1,000 sqm of residential floor space, unless otherwise agreed with Council.</p> <p>An alternative rate may be negotiated subject to feasibility testing and/or where other types of public benefits are warranted. Feasibility testing provided by a proponent is to be the subject of independent verification. Other types of public benefits are to be considered as part of the broader Planning Agreement Policy on a case by case basis, including consideration of prioritisation of other community infrastructure.</p> <p>Dedicated dwellings will need to be a mix of sizes, types and locations within a building or development to ensure an acceptable standard of amenity and a mix of dwelling types to meet the needs of a range of households.</p>
2.4	<p>Undertake regular reviews of the contribution rates in the Affordable Housing Contributions Scheme with the aim of increasing affordable housing contributions by 1% annually, subject to feasibility testing and market considerations.</p> <p>Add new precincts/sites to the Affordable Housing Contributions Scheme as they are master planned, with affordable housing contributions to be determined for each precinct/site through feasibility testing of built form controls (tipping point analysis). These master plans should test the provision of 15 percent of residential floor space as affordable housing, consistent with <i>CBCity 2028</i> and <i>Connective City 2036</i> actions</p>

3. Establish appropriate administrative and fund management procedures

Council requires administrative procedures that disperse information to developers about new requirements and how to dedicate dwellings or contribute financially. Internal financing and conveyancing procedures are required for Council to successfully acquire and manage a stock of affordable housing dwellings.

Ref.	Proposed Actions
3.1	Establish an Affordable Housing Fund for mandatory and voluntary affordable housing contributions.
3.2	<p>Develop appropriate administrative provisions to provide more detailed information about the application of an affordable housing contribution scheme. It is envisaged this will include such matters (but not limited to):</p> <ul style="list-style-type: none"> The statutory framework for the Program

Ref.	Proposed Actions
	<ul style="list-style-type: none"> Affordable Housing provisions; including the calculation of the contributions, indexation and excluded development How to make Affordable Housing contribution - dedication and monetary.
3.3	<p>Establish appropriate practices for the dedication, purchase, construction and/or management of affordable dwellings by and/or on behalf of Council.</p> <p>Establish appropriate conditions of development consent to ensure the transfer of funds and affordable dwellings.</p>
3.4	Establish a strong working relationship with community housing providers.

4. Enhance Council's knowledge of affordable housing practices

Internal training on the management processes will assist Council employees to effectively respond to an increase in affordable housing proposal, negotiate the best outcomes and support effective delivery of affordable housing. This will also assist in minimising potential impacts or delays to development application and planning proposal timeframes.

Ref.	Proposed Actions
4.1	Facilitate regular training sessions for staff on affordable housing practices which may involve Community Housing Providers, fund managers and the like.
4.2	Allocate affordable housing responsibilities to a dedicated team member(s) to ensure ongoing allocation of resource to affordable housing.

5. Undertake an asset strategy

Council can directly support the delivery of affordable housing by contributing surplus land for development, or undertaking.

Ref.	Proposed actions
5.1	Council to undertake an asset strategy to identify suitable surplus sites for potential development of affordable rental housing projects.

6. Review and monitoring

Council will regularly review this strategy and monitor the delivery of affordable housing under this strategy and through the Affordable Rental Housing SEPP.

Ref.	Proposed actions
6.1	Council to regularly review this strategy and report on the delivery of affordable housing under this strategy and the <i>State Environmental Planning Policy No. 70 – Affordable Housing (Revised Schemes)</i> every five years.



WHERE
INTERESTING
HAPPENS