

Director, Housing & Infrastructure Policy
Department of Planning and Environment,
GPO Box 39,
Sydney NSW 2001

Evolve Housing Submission on draft Affordable Housing SEPP 70 Review

Thank you for the opportunity to comment of the Draft Affordable Housing SEPP 70 Review. Evolve Housing strongly supports the extension of the SEPP to the five additional nominated Councils covered in the review and commends the Department for extending the ability to use the planning system to contribute to the provision of affordable housing where there is a demonstrated need. Evolve would urge that the Department develop a streamlined process to ensure other Councils wishing to be included in the SEPP can do so given the widespread documented evidence of need across the Sydney Metropolitan and some regional NSW areas. Please find attached our submission.



Yours sincerely

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Chief Strategy Officer, Evolve Housing

Evolve Housing - Response to the draft Affordable Housing SEPP 70 Review

Introduction.

Evolve Housing (Evolve) is one of the largest not-for-profit housing providers in Australia with its base in Western Sydney but providing housing throughout Metropolitan Sydney, Central Coast and the Hunter Region. We have portfolio of over 3200 properties in NSW housing some 7,500 residents. The portfolio includes approximately 2500 social housing properties and more than 700 affordable housing properties. As a Tier 1 registered Community Housing Provider we have a long history of providing quality social and affordable housing and linking our residents to the support services they need. Evolve is a registered Specialist Disability Accommodation provider (SDA), provide transitional housing support services for homeless youth through our Evolve Housing for Youth Division (EHY) and deliver supported housing in a three- way partnership between Evolve our support providers and the clients of our support providers. We have also recently established Safe Foundations a housing model to provide medium term housing and support to women and children fleeing domestic and family violence exiting from crisis housing.

We manage our affordable housing through ECHO Realty, Evolve's for purpose real estate agency specialising in property management. The affordable housing we manage consists mostly of NRAS properties, dwellings delivered under the Affordable Housing Rental SEPP and housing managed on behalf of two Council's - Parramatta and Willoughby, but also includes some private market properties. Unlike traditional real estate agencies whose sole objective is to generate profits, Echo Realty is a profit- for- purpose real estate agency where all profits are reinvested to grow the supply of affordable and social housing and to fund social inclusion programs.

Evolve owns and manages housing across 27 Metropolitan LGAs in Sydney.

Our position on the proposed changes to SEPP 70

- Evolve strongly supports the proposed inclusion of five additional Councils in State Environmental Planning Policy No. 70 and the expansion of that inclusion to other Council's.

Why do we need more affordable rental housing?

On a typical day in April 2017, of 13,447 advertised rental properties across Greater Sydney only 625 were affordable to households earning a minimum wage.¹

Our organisation sees working families in housing stress who are struggling to keep housing connections to the places where they live or work. We also see the increasing vulnerability of older single women and youth who are unable to meet rising rental accommodation costs and whom have little savings to draw upon or for whom loss of partners or family break down means they do not have families or friends who can assist them.

Affordable rental housing is essential infrastructure and is critical to strong, diverse and livable communities. Stable affordable accommodation allows children to access and maintain

¹ <http://www.anglicare.asn.au/docs/default-source/default-document-library/rental-affordability-snapshot-2017.pdf?sfvrsn=4>

contact with schooling and parents to have a base from which they can seek and maintain employment. Well-located affordable rental housing throughout the Sydney Metropolitan means that people in lower paid jobs can live in the communities that they work in.

The needs analysis undertaken by Randwick City, Inner West, Northern Beaches, City of Ryde and City of Canada Bay clearly demonstrate the need for more affordable housing within their respective local government areas. However, we are also aware Parramatta City Council has an application for inclusion in SEPP 70. The need for affordable housing in Parramatta and Western Sydney as evidenced by Parramatta City Council's Affordable Housing Policy and by the work of the Greater Sydney Commission (GSC) indicate the necessity of using the planning system to contribute to the generation of affordable housing. Parramatta is Sydney's Central City, the demographic and geographic heart of the Sydney region, and the centre of the expanding Greater Western Sydney region. In 2016, Parramatta was home to over 230,000 people, and the population is set to grow to nearly 400,000 over the next two decades to 2036. Public and private investment is driving growth and change in Parramatta, including rising property prices. Housing affordability has become a critical issue for the social sustainability, wellbeing and resilience of all people in the Parramatta community.

SEPP 70 as a mechanism for increasing supply of affordable rental housing

Evolve supports the proposed inclusion of the five additional Councils as well as Parramatta and other Councils in SEPP 70. Evidence from numerous housing studies including those commissioned by the Department of Planning and the Environment shows the need for affordable housing throughout Metropolitan Sydney and parts of regional New South Wales. Widespread application of inclusionary zoning provisions tailored to local housing markets, alongside the Federal government's initiatives through the National Housing Investment Corporation and Bond Aggregation Model accompanied by government guarantees will enable all levels of government, the private sector and the Community Housing sector to collaboratively contribute to the provision of a much needed increased supply in affordable housing. The experience in the City of Sydney and Willoughby City Council areas shows that including more Councils in SEPP 70 provisions will:

- deliver moderate increases in the supply of affordable rental housing supply in those areas
- not affect the viability of new housing supply developments in those areas
- provide certainty for landowners, developers and the community about the requirements around affordable rental housing contributions in developments in those areas
- remove the need to rely on Voluntary Planning Agreements which have had a very limited impact on affordable rental housing supply and are opaque

Broadening the provisions of SEPP 70 further

Working with local communities, our organisation sees the need for affordable rental housing every day and we would expect that many more local Councils could demonstrate need for more affordable rental housing in their areas. Evolve hopes that the process of extending the provisions of SEPP 70 to five additional Councils will be a trigger for other Councils, where there is need for affordable rental housing, to make applications for inclusion and that the Department of Planning and the Environment develops a more streamlined and timely process for their inclusion.

The development of clear guidelines to support Councils through this application process, establishing a consistent process for quantifying need, would be a welcome step.

Developing affordable housing contribution schemes

Given our wide Metropolitan coverage Evolve would welcome engagement with the Department of Planning and Environment and local Councils proposed for inclusion in the provisions of SEPP 70 as they develop affordable housing contribution schemes.

The design of contribution schemes can have a significant impact on how effectively they turn developer contributions into affordable rental housing units. Well-designed contribution schemes which respond to local housing market conditions can mean that registered community housing providers are able to maximise the affordable rental housing that schemes deliver. The State Government's FACS Centre for Affordable Housing (CAH) and the UNSW City Futures Research Centre have both developed methodologies that allow Councils to determine the value of additional zoning uplift provided and would enable Councils and developers to use a consistent approach to applying inclusionary zoning provisions. These could be explored by the Department of Planning and Environment to provide guidance that will avoid the duplication of effort and resources by Councils and provide a consistent approach for the development and community housing provider industries.