

Response to the
**Draft Illawarra
Shoalhaven
Regional Plan**

December 2020





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About Housing Trust

Housing Trust is a for-purpose, Tier 1 nationally registered Community Housing Provider and social enterprise. We have been providing safe, secure, affordable rental housing to the Illawarra and Shoalhaven community since 1983.

Housing Trust was established by Wollongong City Council, Shellharbour City and Kiama Municipal Councils and our organisations have enjoyed a long and important association. We are committed to further strengthening our partnerships with each of the four local councils to improve the economic, health and wellbeing of the community.

Our mission is *a decent home for everyone*. We do this by developing, managing and maintaining approximately 1,150 affordable homes for around 2,100 people across the Illawarra.

We are passionate about our tenants' needs and partner with them to build vibrant, inclusive communities and ensure they are connected to support services if needed. These services are provided by local, specialist agencies who are experts in the fields of aging in place, healing from family abuse and violence and managing mental illness among others.

Approximately one third of our property portfolio is owned by Housing Trust with another third leased from the NSW Land & Housing Corporation (LaHC) and the remaining third is leased from the private rental market.

Housing Trust has a significant growth strategy to help meet the ever growing demand for affordable rental housing. Our strategy includes building and developing our own properties as well as working with all levels of Government to maximise the Affordable Housing stock in the region. This will include the renewal and uplift of suitable LaHC sites and tendering for Communities Plus and Landcom projects.

Housing Trust is a significant contributor to the local economy. We directly employ 50 staff and with a procurement policy that favours local contractors and suppliers our construction program provides work to 43 trades and suppliers on a single home. Our annual maintenance budget is approximately \$2.7M per annum and again this directly supports local trades and suppliers.



Feedback & Recommendations

Housing Trust welcomes the opportunity to provide feedback on the Draft Illawarra Shoalhaven Region Plan 2041.

As the Illawarra's largest Tier 1 Community Housing Provider our focus for the purpose of this review is on affordable rental housing with respect to **Objective 19: *Deliver housing that is more diverse and affordable.***

The Illawarra and Shoalhaven region has a significant rental housing affordability crisis with around 10,000 households in rental stress and social housing waiting times of 5-10 years. These estimates are yet to take into account the effects of COVID19 on the region's population.

Our feedback and recommendations on the Strategies and Actions in the plan are detailed below.

Strategy 19.1

Provide for and encourage a range of housing choices in local strategic planning and local plans by considering:

- ***a mix of housing types and lot sizes including small lots in urban release areas***
- ***a mix of housing sizes including studios and one-bedroom dwellings***
- ***incentives to increase the supply of housing that is appropriate for seniors, including low-care accommodation***
- ***whether development standards, including minimum lot sizes, minimum frontage and floor space ratio are inadvertently inhibiting opportunities for diverse housing options***
- ***innovative solutions in housing to cater for a range of community needs, including those of older people, multi-generation families, people living in group housing, people with special needs or people from different cultural backgrounds.***

Housing Trust recognises that a continuum of housing is necessary and increasing diversity of housing stock can benefit both home buyers and renters.

Our research indicates that although increasing housing stock diversity will provide benefit to moderate income earners it does little to achieve affordability for very low and low income households. For example, by far the most serious Affordable Housing need in the Wollongong LGA is experienced by very low and low income renting households. Market rent for a one bedroom apartment in the Wollongong LGA will only be affordable for 10% of households on low incomes.

Based on the DPIE (2019) Projected Dwellings for the Wollongong LGA 1,815 (40%) of the 4,568 households in rental stress will require larger homes for families with children. Heavy reliance on diversity and focus on smaller dwellings as a strategy to improve housing affordability does not address this large proportion of the households in rental stress.

We support amendments to the DCP and LEP controls to facilitate diversity and also vary requirements such as car parking provisions, apartment size and number of bathrooms.



These controls can positively impact affordability for buyers and renters.

Housing Trust would like Councils to ensure that affordable rental housing developments are exempt from s.94 fees and discounts applied on a pro rata basis according to the affordable component in mixed tenure projects.

Housing Trust has developed design principals for construction of Affordable Housing and welcomes the opportunity to work with Councils to provide further input into specific elements such as dual-key apartments, floorplans, fixtures and fittings that optimise affordable liveability for tenants.

We recommend increasing the proportion of smaller units (e.g., studios) as part of developments, particularly those with good access to transport and other services.

Adaptable housing is an important element of diversity. Housing Trust supports planning controls to increase the provision of Silver Liveability Housing (at a minimum) across the region. Preferred locations should have good access to public transport and services.

Strategy 19.2

Investigate affordable housing targets in consultation with the Illawarra Shoalhaven Affordable Housing Roundtable

Housing Trust welcomes the introduction of Affordable Housing targets. Targets are essential to monitor progress and enable accountability. Given the nature and extent of housing stress in the region a target of 20% of all new dwellings is required to be allocated to affordable rental housing to 2041.

Our research indicates the total affordable rental housing dwellings needed by 2036 is between 13,450 and 15,200 for the Wollongong LGA alone. This means that 20% of additional dwellings projected under the DPIE and previous ISRP need to be affordable.

Housing Trust recommends the SEPP 70 contributions and Voluntary Planning Agreements (VPA) should be maximised for their potential to make a substantial contribution to affordable rental housing targets:

SEPP 70 Contributions

- Housing Trust recommends a SEPP 70 contributions scheme of 20% be applied by all Councils.

Voluntary Planning Agreements

- There is significantly more potential in VPAs currently being considered in the region, such as, the Corrimal Coke Works development where, despite the scale of the development and rezoning, only 5% is being proposed for affordable rental housing.
- We recommend a presumption of 20% inclusionary zoning for all VPAs with site specific variations considered by exception. The delivery mechanisms can include 'whole lot take-out' and 'salt and peppering'. Early involvement of the Housing Trust would enable us to inform and facilitate the project design and feasibility phases of projects.



Strategy 19.3

Assess the potential to renew social housing sites to deliver an increase in social housing stock and greater vibrancy in local communities.

Housing Trust currently manages 377 properties that are owned by LaHC. We have undertaken detailed mapping and feasibility for uplift and renewal of a number of these properties.

We propose developing a process to work directly with Councils on the renewal of LaHC owned land to ensure DCP and LEPs optimise density and improve livability and community amenity.

Housing Trust is currently working on 2 Communities Plus projects in the Wollongong LGA. We are also working within the newly released LaHC policy on Community Housing Provider led Redevelopment of Social and Affordable Housing on LaHC owned properties to identify other potential projects.

Economic Stimulus for the Region

In the post COVID economy the construction and renewal of new Social and Affordable Housing has the potential to create thousands of jobs in the local economy. Research from the Community Housing Industry Association (CHIA) reports that COVID-19 could increase homelessness in the region by 6% and see 11% more local families in housing stress.

The July Equity Economics report projects 9.6% unemployment in the Illawarra by July 2021, CHIA NSW has called for government investment to build the 7,692 Social and Affordable homes the region needs. Based on modelling by the National Housing Finance and Investment Corporation (NHFIC) CHIA NSW estimates the total investment of \$2.3 billion would support 20,768 jobs during the course of construction.

Action 8:

Establish the Illawarra Shoalhaven Affordable Housing Roundtable with councils, community housing providers, and the NSW Government to collaborate, build knowledge and identify barriers to increase the supply of Affordable Housing.

Housing Trust commends the establishment of the Illawarra Shoalhaven Affordable Housing Roundtable.

Community Education

- Housing Trust has made representation to the Illawarra Shoalhaven Joint Organisation and individual Councils to offer support to educate the community on the needs and benefits of providing more Affordable Housing.
- Housing Trust provided Wollongong City Council with a short film supporting the need for Affordable Housing in the Wollongong LGA as a part of the exhibition of their Draft Housing and Affordable Housing Options Paper. We encourage all of the Councils within the Region to use this video and continue to draw on Housing Trust's expertise and research to gain broad support for Affordable Housing.



Closing Comments

Housing Trust congratulates The NSW Department of Planning, Industry and Environment on the development of the Draft Illawarra Shoalhaven Regional Plan 2041 and thanks them for the opportunity to provide feedback.

Housing Trust looks forward to continued collaboration with DPIE on the delivery of their strategy with particular focus on increasing the supply of affordable rental housing.

All enquiries about this response should be directed to:

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