

10.7. Affordable Housing and Heritage Planning Council Priorities

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ATTACHMENTS	Nil
CSP LINK	2. Our Built Infrastructure 2.1 Infrastructure and assets meet diverse community needs 4. Our Social Vitality 4.1 North Sydney is connected, inclusive, healthy and safe

PURPOSE:

The purpose of this report is to present to Council the competing strategic planning priorities of very significant projects which cannot be pursued concurrently whilst maintaining a level of quality, timeliness, and meaningful stakeholder engagement.

This report presents the projects associated with affordable housing policy and planning, and the comprehensive heritage review, and outlines why one should be prioritised over the other.

EXECUTIVE SUMMARY:

- Affordable housing throughout Sydney and indeed Australia is a high-profile urban priority for which has been the subject of much renewed focus over the last 6-12 months for all tiers of government.
- Both affordable housing and heritage conservation are identified as priorities in the North Sydney Local Strategic Planning Statement endorsed by Council in 2020.
- This report discusses the relative priorities of affordable housing and heritage review work that whilst both important, cannot be pursued concurrently and effectively within existing resources. It recommends that affordable housing should be prioritised ahead of the comprehensive heritage review as a strategic policy priority.
- Reprioritisation will not draw additional resources but will seek to address a wider and more immediate policy area, build on momentum developing at the Federal and State level to both recognise the affordable housing crisis and fund solutions, and free up resources to conduct this in a manner that is comprehensive, exhaustive, and collaborative. Both these priority areas are important, however, they are also very resource-intensive, and cannot be conducted effectively and concurrently.

RECOMMENDATION:

- 1. THAT** Council reprioritise its work programme to pursue affordable housing policy, planning and implementation, ahead of the comprehensive Local Government Area wide heritage review.
- 2. THAT** the North Sydney Local Strategic Planning Statement be amended to give resolution 1 above, effect.

Background

A sharp focus on heritage protection and conservation has characterised Council's planning work over the last three - four years. Arising from Council's Local Strategic Planning Statement (LSPS), Council has allocated significant funding to a comprehensive heritage review over the next several years.

Given, however, that the current housing crisis has energised much policy and funding activity by both Federal and State Governments, this report poses questions about the relative priorities of devoting immediate planning focus on these planning projects and whether Council should consider pivoting prior to embarking on the comprehensive heritage review.

Report

Affordable Housing

Sydney faces a severe housing affordability crisis, with continuing increases in property and rental prices and a widening gap between income levels and housing costs. All levels of government throughout Australia are prioritising affordable housing policies and initiatives that seek to address these issues.

At its meeting on 14 November 2022, Council considered a Mayoral Minute on affordable and diverse housing and resolved:

- 1. THAT Council urgently prioritise seeking funding partners (including State and Federal Governments) to deliver the Parraween Street affordable housing/early childhood health centre/public park project and take all steps necessary to ensure the project can proceed as soon as possible.*
- 2. THAT Council undertake a review of Council landholdings and identify whether there is land that has potential for affordable housing provision in partnership with a community housing provider.*
- 3. THAT once such land is identified, Council consider community needs and who Council ought to work with to deliver more diverse and affordable housing.*
- 4. THAT Council review whether the work undertaken by Resilient Sydney, including data being collated, may require Council to amend any planning controls and development contributions schemes to increase affordable housing within the North Sydney local government area.*
- 5. THAT Council work with Resilient Sydney to jointly advocate to the Federal and State Governments to establish effective policies and programmes for the delivery of more affordable housing.*

Council's LSPS highlights the shortage of affordable housing units in North Sydney and the ever-widening gap of demand and supply for such housing. The LSPS identified that for the 1,908 very low- and low-income households experiencing rental stress, there were only 96 rental properties in the North Sydney LGA that would be affordable for these households. This gap has no doubt widened since the preparation of that Strategy several years ago. As

affordable housing options have narrowed, a significant group of residents, particularly low and very low-income households, are being priced out of living in North Sydney. While some affordable rental is available for moderate income households, this largely consists of studio and one-bedroom apartments.

Since 1984, at least 2,400 affordable bed spaces have been lost in the North Sydney LGA due to the redevelopment and conversion of boarding houses into single residences or apartments. In 2019, when the Housing Strategy was first prepared, social housing accounted for only 1.8% of dwellings in the North Sydney LGA, down from 2.0% in 2001. By comparison, the average number of social housing dwellings in Greater Sydney was 5.5%.

The LSPS specifically identifies the following actions associated with affordable housing:

L1.8 – On confirmation of a consistent viability test for the Affordable Rental Housing Targets and implementation mechanisms by the GSC, investigate the establishment of an Affordable Housing Contribution Scheme and associated amendment to NSLEP 2013 to enable a mechanism for the delivery of local affordable housing.

L1.9 – Continue to collaborate with State Government agencies and community housing providers to strengthen the long-term sustainability of affordable housing in the North Sydney LGA.

All levels of government have recognised that housing, and in particular reduced affordability, are critically important issues.

Social and affordable housing in North Sydney is important for a range of diverse reasons.

Social Equity, Inclusion and Cohesion: Affordable housing promotes social equity and inclusion by ensuring that residents, regardless of income, have access to safe and affordable homes. It helps reduce socio-economic disparities and fosters more inclusive neighbourhoods and places.

Economic Viability: A lack of affordable housing can deter individuals and families from moving to or staying in the LGA, potentially impacting workforce and economic growth, especially for essential workers like teachers, nurses, cleaners, and other important professions and trades.

Government Commitment: Both the federal and NSW Governments have recently shown commitment to addressing affordable housing challenges through various policies and funding initiatives that are transferring to tangible potential changes “on the ground”. Whilst councils play a smaller role in the affordable housing challenge, prioritising and planning for affordable housing aligns with national and state objectives and government support can be leveraged now more than ever.

Housing Diversity and Resilience: Prioritising affordable housing can lead to a more diverse housing stock, catering to a wider range of needs and preferences within North Sydney’s population.

North Sydney Council as a Leader: North Sydney currently manages 130 affordable housing units in the LGA. It enjoys a long-term partnership with Link Wentworth Housing, a “tier one” recognised Community Housing Provider, and is well placed to develop this leadership role in the local government sector further at this crucial time in the affordable housing space.

North Sydney Heritage Review

The urban character of North Sydney is heavily influenced by the heritage conservation of its built environment. It is an aspect of the urban character that is highly valued by residents and visitors, and one that makes North Sydney quite unique in the Sydney Metropolitan context.

The North Sydney LSPS contains numerous references to this character and the need to preserve and enhance it. The specific actions relating to this arising from the LSPS are:

L3.4 – Conduct a comprehensive LGA-wide review of North Sydney’s heritage items and conservation areas to reduce uncertainty around potential heritage significance and protect places and items that are of significance.

L3.5 – Review/update NSDCP 2013 to ensure heritage controls provide clear and effective guidance for conservation, adaptation and infill.

A budget of \$250,000 in funding was allocated for the 2023/24 year to commence the Local Government Area (LGA)-wide review referred to in action L3.4 above. That work will require a significant level of careful scoping, consultation, detailed investigation, and review. It is likely to draw significant and sustained levels of community and stakeholder interest given the character of North Sydney and particularly its relationship to development and growth expectations in the future. The need for genuine and comprehensive community engagement throughout this process is therefore critically important. For these reasons, the comprehensive heritage review is likely to take three or more years to complete in a consultative and comprehensive manner.

A Way Forward

While heritage preservation and its underpinning role in the character of North Sydney is acknowledged and supported, addressing the affordable housing challenge in the current climate is a more time-critical priority. As already mentioned in this report, the pursuit of a comprehensive heritage review, whilst no doubt worthwhile and important, will be very resource-hungry and demand sustained and concerted resourcing for a long period of time.

Both affordable housing and heritage review are identified as priorities, but within existing resources, they cannot be pursued concurrently without significantly pressuring the quality of the outcomes of both. Council will need to determine the relative priorities of these projects in order that internal resources can be deployed accordingly.

Given the time-critical nature of the affordable housing issues and momentum being developed by all tiers of government, in combination with the fact that Council is richly endowed with over 1,100 listed heritage sites and 25 heritage conservations areas, it is recommended that the affordable housing emergency be prioritised, with resources devoted

accordingly. This will mean that funding budgeted for the comprehensive heritage review could be transferred to studies and strategies that pursue greater awareness of the current housing situation and trends, and statutory/partnership opportunities to achieve greater levels of affordable housing in North Sydney.

Options

Council has the following options in relation to this matter:

1. Continue to scope and commence work on the comprehensive LGA wide heritage review; or
2. Reprioritise affordable housing and shift the heritage review to be pursued in the longer term.

These options are assessed in the table below.

Option	Finance/Resourcing	Risk/Opportunity	Consultation
1.	The heritage review is scheduled to commence this financial year and \$250K is budgeted for this work in 2023/24.	This work can continue but given the enormous scope and interest that this will elicit, staff resources will be heavily absorbed into the longer term to conduct this work effectively. In the context of underlying responsibilities and priorities, any new priorities of significance will not be able to be accommodated effectively.	This work will require very significant and comprehensive levels of community and stakeholder consultation. Given the subject matter and the extent of scope, it is expected that there will be multiple points of wide-ranging consultation over the next few years, which will attract significant levels of input and interest.
2.	The funding for the heritage review could be redirected to the affordable housing planning/policy/implementation process. New funding or resourcing will not be drawn.	The current and ongoing focus on affordable housing throughout Sydney and indeed Australia, is extremely topical and all levels of Government have shifted significantly in a policy and funding sense towards this. There is an opportunity to maximise this momentum by Council also shifting priorities to take advantage of this. Whilst unquestionably	Whilst the affordable housing project(s) will require a significant degree of community and stakeholder consultation, it builds on a high degree of awareness and momentum already established in the wider community.

		worthwhile, the advantage of reduction of priority of the heritage review, is that it occurs in the context of North Sydney enjoying some of the highest density of heritage items and conservation areas of the Sydney Metropolitan area.	
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Option 2, is recommended for the following reasons:

Re-prioritising affordable housing as a strategic policy priority ahead of the comprehensive heritage review, will:

- Not draw additional resources and seek to address a wider and more immediate policy area that is widely described as an urgent crisis.
- Build on momentum developing at the Federal and State level to both recognise the affordable housing crisis and fund solutions.
- Free up resources internally to pursue the work required to conduct this in a manner that is comprehensive, exhaustive, and collaborative. Both these priority areas are important, but they are also very resource-intensive and cannot be conducted effectively and concurrently.

Consultation requirements

Community engagement is not yet required.

Financial/Resource Implications

The recommendations of this report are cost neutral. Funding allocated to the Comprehensive Heritage Review can be invested in the housing work that this report outlines if Council wishes to reprioritise these projects.

Legislation

The provisions of the Environmental Planning and Assessment Act will largely provide the legislative framework for the work proposed.