



The Committee for
Sydney



SOCIAL AND AFFORDABLE HOUSING IN NSW

A SNAPSHOT OF INNOVATIVE PRACTICE

INTRODUCTION

As you will know the Committee has been an indefatigable advocate of innovation and urgency around the housing agenda in Sydney, whether it's about more supply of all tenures, new investment in social housing or 'game-changing' policies around affordable housing.

We want Sydney to remain a 'city for all' and have argued for the positive outcomes that come from mixed communities. Our diverse membership includes a variety of enterprises or organisations from across the public, private and not for profit sectors, from all parts of Greater Sydney and indeed all parts of the globe. They have supported this emphasis on housing diversity and 'inclusive growth' not only because this aligns with their values, but also because their own staff experience affordability pressures too. This has enabled the Committee to advocate for policies such as stock transfer to Community Housing Providers (CHPs), new sources of private finance for affordable housing and moves towards inclusionary zoning initiatives in a new partnership between state and local government, the private sector and CHPs.

As the Committee habit is to always seek a positive civic dialogue around policy innovation and reform for the city, we think it is timely and necessary to mark and indeed showcase what recent progress is being made. However, we accept that much remains to be done in relation to public, social and affordable housing.

Sometimes even when we wish to go further – indeed to help us go further as a society in this direction – it is necessary to celebrate achievement. We need to show what *can* be done by showing what *is* being done already, whether innovation and boldness by State or local government, CHPs or private developers and investors.

Showing the outcomes and benefits of such innovation – whether it's in producing more homes, a diversity of stock, mixed tenure communities and estate renewal, more investment in public housing and new sources of finance for the sector overall, more transit oriented development or more opportunities for tenants – provides an opportunity to give credit where credit is due but also to use innovation to prototype and inspire more of the change we need to see.

In this Committee for Sydney report, you will see over a dozen case studies of innovation in addressing one of Sydney's (and NSW's) most critical issues. Drawn from across our members and partners, these case studies demonstrate

the tools we need to provide significant affordable housing already exist, and that these tools exist in all sectors: public, private and not-for-profit.

While we believe that more is to be done as Sydney remains one of the least affordable cities in the world, as you will see in this report, we are moving in the right direction. Each one of the case studies included are to be commended for their innovative approach to delivering social and affordable housing, and when taken as a snapshot of how Sydney is responding to this challenge, it is clear that all sectors are taking an active and positive role in this policy area.

KEY FINDINGS

1. State Government regulatory changes and engagement from government departments is contributing to the growth of social and affordable housing in Sydney.
2. There is broad support for the Community Housing sector across government tiers and the private sector.
3. The CHP sector is growing, and demonstrating maturity and innovation.
4. CHPs are fulfilling policy objectives broader than affordable housing supply, including sustainability, social services, pathways to home ownership, urban renewal, housing design and construction innovation and asset recycling.
5. There is increased interest in affordable housing from the private sector – both developers and investors.
6. The challenge we are currently facing is not necessarily one of identifying promising innovations, but scaling existing innovations into city-wide or state-wide programs.

“Affordable housing is necessary for the city shapers, the key workers—teachers, nurses and bus drivers—the people who keep the city operating, but it is also important in providing a pathway from social housing through affordable housing into the private market.”

Minister for Planning, Rob Stokes, 11 August 2016

THE CHANGING FACE OF AFFORDABLE HOUSING IN SYDNEY

Reflections by Contributing Editor Martin Hill

I have been working as a property economist in the social and affordable housing field for over 25 years. I have, with my planning colleagues and friends in government, pioneered many initiatives including the introduction of inclusionary zoning in CityWest, Green Square and Waverley; mechanisms for bonus FSR for affordable housing; and working on the first joint venture between a community housing provider and the private sector to deliver a mixed tenure development in O'Connor ACT. The outcome of these efforts has been an incremental increase in affordable housing stock and a public awareness of this growing need. That said, until recently one could easily be sceptical that these efforts will never fulfil demand. For example, the housing affordability gap continues to grow wider.

I believe now, however, more optimism is warranted thanks to the leadership and encouragement of Minister Brad Hazzard firstly as the Planning Minister in coordinating planning reform and currently as the Minister for Social Housing. He has empowered the Land and Housing Corporation, with its Communities Plus program, and the Department of Family and Community Services, through the innovative Social and Affordable Housing Fund, to contribute to the significant expansion of the community housing sector. These initiatives are game changing; they have created the opportunity for the community housing sector to attract private equity, leverage redevelopment with modest debt levels, substantially grow their portfolios, provide better integrated tenancy services unlock underutilised institutional land, and benefit from Commonwealth Rental assistance. Overall these initiatives generate more social and affordable housing for our tax dollars.

Another benefit of the Communities Plus programme is the urban transformation it is sponsoring, especially in areas of need. The results include better built outcomes, economic stimulus to local economies, breaking down spatial and social isolation, and better utilisation of existing services. Increased density means greater stimulus for new schools and new transport and rail investment. More generally, it is stimulating the broader State economy with increased housing starts, investment in infrastructure and more equitable rental options.

Particularly encouraging is an increasing whole-of-government approach to these issues. The Greater Sydney Commission, Department of Planning and Environment, Urban Growth NSW, and many Local Governments all promote new planning tools to sponsor affordable housing throughout Greater Sydney.

It is also clear that the Community Housing Sector has seized the opportunities that these policy initiatives provided and is now demonstrating great flair and maturity in how it meets the ever growing need for affordable housing.

Thanks in part to the success of campaigns by advocacy groups, such as the Committee for Sydney, affordable housing is now a significant issue for all participants in the housing sector to address. The success of this advocacy and the growth of the Community Housing sector can be measured by the extent to which housing affordability is now an issue that is finally attracting the attention of peak housing industry bodies. Talk is now moving to action.

I thank the Committee of Sydney too for their tireless advocacy and this platform they have created to showcase CHP and government innovations and achievements in social and affordable housing delivery. May you all continue to learn, adapt and prosper from these innovations and investments for generations to come.

MARTIN HILL
DIRECTOR/FOUNDER, HILLPDA

FAMILY AND COMMUNITY SERVICES

BACKGROUND

To enable a more sustainable housing system, the Land and Housing Corporation (LAHC), a Government-owned corporation within the Department of Family and Community Services, began to use the redevelopment potential of properties and those with high value to help fund much needed improvements and to re-invest in new fit for purpose social housing. The LAHC strategy arrested the decline in social housing numbers and has helped improve the quality of housing as new dwellings have replaced the old. The sale of properties in Millers Point was dedicated to fund approximately 1500 new homes for vulnerable people and families, including purpose built dwellings for the elderly and people with disability.

Family and Community Services (FACS) also commenced the development of a new Social Housing Policy Framework to improve the social housing outcomes and to achieve a system that is sustainable, fair and accessible to those most in need while providing a pathway to independence. *Social Housing: a discussion paper for input and comment* was published and FACS held forums with social housing tenants and representatives from government, non-government and the private sector to discuss the paper and ways to deliver a sustainable social housing system that is fair and provides people with opportunities.

The Minister for Family and Community Services also held a discussion forum with approximately 200 participants to hear first-hand the issues facing social housing in NSW. It also generated a range of innovative ideas on how to collectively address the barriers to providing more social housing for those in need. The feedback from the forum is published in a report called *Thinking about the future: Social Housing in NSW*.

FUTURE DIRECTIONS FOR SOCIAL HOUSING IN NSW

In January 2016 the NSW Government launched Future Directions for Social Housing in NSW – a new vision for social housing that sets out to transform the social housing system over the next 10 years. Future Directions is underpinned by three strategic priorities:

- More social housing
- More opportunities, support and incentives to avoid and/or leave social housing
- A better social housing experience.

By 2025, Future Directions will seek to transform the social housing system in NSW through:

- Greater involvement of private and non-government partners in financing, owning and managing a significantly expanded stock of social and affordable housing assets
- Expanded support in the private rental market, reducing demand on social housing and the social housing wait list
- More competition and diversity in the provision of social housing management services through the expanded capacity and capability of community housing providers
- Housing assistance being seen as a pathway to independence and an enabler of improved social and economic participation for tenants living in vibrant and socio- economically diverse communities.

Under Future Directions, the NSW Government is committed to a large scale building program to deliver new social, affordable and private housing through Communities Plus and the Social and Affordable Housing Fund. This will bring with it significant economic activity estimated at \$22 billion in housing construction to the State.

COMMUNITIES PLUS

Communities Plus is an ongoing program that seeks non-government and private sector partnerships to redevelop LAHC sites throughout metropolitan Sydney and regional NSW.

Offering an innovative approach to social housing growth, Communities Plus is based on an asset management framework that leverages the value of the existing portfolio to accelerate supply.

Communities Plus will redevelop LAHC land by engaging private sector developers and community housing providers (CHPs) to design, fund and build affordable, social and private housing. As each development is completed, new social housing properties are handed over to LAHC as payment for the land, making the program entirely self-funding.

The program will deliver up to 23,000 new and replacement social housing dwellings, 500 affordable housing dwellings and up to 40,000 private dwellings.

Since its launch, four major projects at Macquarie Park (Ivanhoe), Waterloo, Telopea and Riverwood have been announced. The combined housing supply of the four projects is nearly 20,000 dwellings that will be delivered as mixed communities of private, affordable and social housing.

Targeting a 70/30 ratio mix of private/social dwellings, the Communities Plus program leverages off similar targets at successful social housing estate redevelopments in south western Sydney, namely Minto, Airs and Claymore.

The major projects are complemented by a smaller scale program of neighbourhood redevelopment. These projects target small to medium sized private developers and not-for-profit CHPs. The program involves aggregating single site dwellings to form viable development opportunities with on objective to uplift dwelling numbers and deliver more social housing.

The role of CHPs will become vitally important throughout the life of Future Directions for Social Housing in NSW strategy implementation. CHPs will be take an increasing responsibility for managing Government owned social housing properties and the delivery of the affordable housing component.

The NSW Government will transfer management of government owned dwellings to CHPs and other non-government organisations through a competitive process. Within 10 years the community housing sector will manage up to 35% of all social housing in NSW.

SOCIAL AND AFFORDABLE HOUSING FUND

The Social and Affordable Housing Fund (SAHF) is a new approach to the way social and affordable housing is delivered in NSW. The SAHF is a key initiative of Future Directions to provide more social housing.

The SAHF comprises two main elements:

1. SAHF NSW (the Fund) is supported by a new ring-fenced entity, SAHF NSW that will invest seed capital for a return. The Fund will be used to support SAHF Phase 1 projects. The NSW Government has contributed \$1.1 billion in seed funding, which will be invested by the NSW Treasury Corporation.
2. FACS Commissioning Unit: a dedicated unit established within FACS to commission and procure social and affordable housing services.

SAHF Phase 1 is the first commissioning process for social and affordable housing services supported by the Fund.

SAHF Phase 1 will deliver access to up to 3,000 additional social and affordable homes in metropolitan and regional NSW together with access to integrated support services through Tenant Support Coordination.

LINK HOUSING

Link Housing Ltd is one of the oldest not-for-profit community housing providers in NSW having been formed in 1983. Link has a history of providing affordable rental accommodation to people on very low to moderate incomes. Link Housing now manages almost 1400 homes across Northern Sydney.

Link Housing is a company limited by guarantee, is registered with ASIC, is a Public Benevolent Institution, and is governed by an independent skills-based Board.

Link aims to give a compassionate, client-centered service for people who are at risk of homelessness or are unable to afford market priced private rental in the Sydney region. The management services extend from placing tenants into their new home, the collection of rent, coordinating activities with support partners, all the way through to managing the sustainable maintenance of the majority of the dwellings.

Link Housing is a registered tier 1 community-housing provider that has provided community housing since 1986 and is a Licensed Real Estate Agent (10010626) providing management services for affordable properties under the National Rental Affordability Scheme and The State Environmental Planning Policy.

EXTRA FOCUS ON SOCIAL MISSION

Along with most other Community Housing Providers (CHP), Link Housing has developed a strong focus on the social mission of housing provision, for its clients and for its own organisation.

Link Housing has entered the White Ribbon Australia Workplace Accreditation Program, which seeks to:

- Increase knowledge and skills of staff and managers to address issues of violence against women
- Enhance the capacity of workplaces to respond to the issue of violence against women
- Change attitudes and behaviours that allow violence against women to occur
- Accredite workplaces taking active and effective steps to stop violence against women

Link Housing has also entered the Australian Service Excellence Awards program. LinkHousing's management activity in the CHP sector is nominated for the Customer Service Organisation of the Year - Not for Profit. Link's 'mystery shopper' service improvement initiative is nominated for Customer Service Project of the Year.

Link Housing has also nominated for the Community Housing Provider of the Year and Excellence in Customer Service for achievements that include:

- Recognised as the 14th 'Best Places to Work (under 100 employees) in Australia - 'LinkWay' people strategy
- 1st Australian CHP to achieve accreditation under the International Customer Service Standard - customer driven culture
- Health and Wellbeing initiative establishing a baseline picture of our residents' overall health, wellbeing and future aspirations and plans

POTTS HILL

Link Housing's Potts Hill project consists of five developments providing a total of 32 affordable rental homes. These five developments are part of a larger UrbanGrowth NSW development of 450 Dwellings near Bankstown.

Link Housing successfully secured 218 dwellings under the Nation Building Economic Stimulus Project. In return, Link was required to provide an additional 27 affordable dwellings under the leverage arrangement. Through prudent financial planning and risk assessment, Link deliver 32 homes, representing a 120% return under this initiative.

Link delivered the leverage commitments 2 ½ years ahead of schedule.

12% of the homes have been built to Gold level Liveable Housing Design (Adaptable Housing Standard) and all homes exceed the Building Sustainability Index (BASIX) certification requirements.

Most importantly, the homes have been 'salt and peppered' through the larger area, thereby protecting tenants' privacy and obviating potential stigmatisation of Community Housing Tenants.

At the 2016 Affordable Housing Conference Awards Link's Potts Hill development received the *Best Development* award.



Potts Hill completed homes

BRIDGE HOUSING

Bridge Housing's mission is to improve lives and strengthen communities through the provision of housing and services for low- to moderate-income households.

Bridge Housing owns and manages more than 1,767 dwellings assisting 2,800 residents across the inner and middle ring of Sydney's metropolitan area, operating in 18 local government areas. By 2018 it will have a portfolio of 2000 properties secured through its social and affordable housing development program.

Bridge Housing:

- Owns 251 properties outright.
- Manages 706 properties owned by LAHC.
- Leases 638 properties from the private rental market.
- Manages 98 properties through its Affordable Housing management program on behalf of other organisations: Waverley Council, Canada Bay Council and the Sydney Olympic Park Authority.
- Acquires and develops properties raising capital through debt and equity
- Provides responsive and planned maintenance services on a property portfolio valued at \$373 million.

Bridge Housing is a Class 1, not-for-profit community housing provider with deductible gift recipient status formed in 2009, and has managed significant growth, tripling in size from 600 to 1767 dwellings during this period.

HOUSING DEVELOPMENT

Bridge Housing has completed its first development cycle in 2016 providing an additional 112 homes through:

- The completion of 65 Affordable housing dwellings on Urban Growth's Bungarabee Estate in Blacktown.
- The redevelopments of older residential units to nine studio apartments in Ashfield.
- The imminent completion of a 38 multi-unit development at Parramatta.

The developments were secured through a mix of debt and equity. Debt was secured through a corporate debt facility with NAB of \$25m. National Rental Affordability Scheme (NRAS) subsidies were also applied to assist in delivery of these homes and to meet the NSW Government's Nation Building leveraging target of 75 homes well ahead of schedule.

In addition, Bridge are partnering with LAHC to build 153 social housing dwellings at Cowper Street Glebe, to be completed in June 2018. Bridge Housing has also been successful in securing a mixed tenure site and provide project management services under the NSW government's Communities Plus program. These will deliver approximately 170 Affordable and Social and private market homes in mixed tenure developments.



Bunya Estate in Bungarribee

CUSTOMER SERVICE FOCUS

Bridge Housing is particularly proud of its responsiveness to the needs of its tenants and how this enhances its service relationships.

In 2015 Bridge Housing developed new customer service standards that set out its core customer commitments, which include ease of contact, providing quality information, professional behavior, maintaining privacy and prompt service. "The Standards" also guarantee that there are avenues and processes for both tenants and service providers to shape services, provide feedback and, when necessary, to make appeals. Response times for acting on matters of direct customer concern are also addressed. These are clearly articulated in the Customer Service Guide and are part of the KPIs for all staff.

A feature of these standards is the ease with which customer feedback can be made. Bridge Housing recognizes that it is essential that tenants and other customers can make contact quickly and easily and to that end, it maintains a program of continuous improvement through regular 'mystery shopper' reviews.

COMPASS HOUSING SERVICES



Compass Housing's 123 Community Hub

Established in 1985, Compass Housing Services is a not-for-profit Community Housing Provider that aims to alleviate the hardship of housing stress for low to moderate income households by providing secure and affordable housing, as well as delivering housing products for disadvantaged people who have difficulties sourcing adequate and affordable housing.

Compass is registered under the National Community Housing Regulatory System (NCHRS) as a Tier 1 provider and, with over 4,400 properties under management in New South Wales and Queensland, and is one of the largest community housing providers in Australia.

Compass undertakes all aspects of tenancy and property management, including allocations and wait-list management and has extensive experience in providing tailored tenancy services.

Compass believes that community housing is about more than providing shelter; it's also about building communities. To that end, Compass offers a range of community development activities designed to foster social inclusion and personal development. This focus on tenant empowerment and support is a major contributor to tenant satisfaction levels remaining at sector leading highs.

As a geographically dispersed organisation, Compass works hard to contribute to local communities and neighbourhoods through a number of tailored programs and individual projects.

REGIONAL FOCUS OF GROWTH

From 2009 through to 30 June 2014, Compass delivered 286 affordable and social housing dwellings, with a further 98 dwellings currently in the pipeline, creating a total of 454 dwellings due for completion by the end of 2017.

Many of these dwellings are in regional areas of NSW. One example is the youth accommodation facility at Islington in Newcastle, (see Figure 1.) The complex of 24 units was Compass' response to the closure of several shelters and refuges in the Newcastle area and the attendant gap in services available for at-risk youth.

Tenants at the Islington complex must be engaged with a support partner and either working or studying throughout their tenancy. The development is well located within proximity to many services and transport options, as well as close to the inner city of Newcastle. The modern design and finishes have seen the complex pick up numerous awards including Special Purpose Housing of the Year, and Complex of the Year at the 2014 Housing Industry Association awards and Leading Housing Development at the New South Wales Australasian Housing Institute Awards.

THE 123 HUB IN BROKEN HILL

The 123 Hub was born after Compass staff in the remote New South Wales town of Broken Hill identified the neighbourhood around Creedon Street as a suitable location for a community hub due to its distance from facilities, and relatively high concentration of social housing.

The subsequent \$100,000 conversion of a vacant Housing NSW property into the 123 Hub was funded entirely by Compass with ongoing funding to be provided at no cost to the government.

The new facility is designed to reduce antisocial behaviour by offering positive lifestyle activities for local residents as well as serving as a central point for support agencies to provide outreach services.

Serious crime in the area declined significantly as a result of the project, with a 100% decrease in street offences, a 90% decrease in break and enter crimes and a 65% decrease in assaults and malicious damage.

A large part of the successes of the 123 Hub stems from Compass' understanding of the community in Broken Hill. To ensure regular feedback, weekly meetings are held by the Local Advisory Work Group, which includes tenant representatives and representatives from the local indigenous community. The work group has been set up to provide advice on the programs that should be made available in the future. This feedback ensures the Hub is able to cater to the community's specific and changing needs.

The success of the 123 Hub has been recognised within the community housing sector with the facility picking up an Australian Business Award for Community Contribution, as well as an Outstanding Achievement award from Powerhousing Australia.

EVOLVE HOUSING



Harts landing

Evolve Housing is a Tier-1 not-for-profit Community Housing Provider that aims to grow as a major contributor to the relief of homelessness and housing stress. Evolve seeks to operate with a commercial mind and a social heart.

Evolve provides property and tenancy management for a portfolio more than 4,100 properties, and provides wrap-around services for over 10,000 people in Western Sydney and Tasmania.

Evolve has more than 25 years' experience in the sector. Its assets are \$258M with equity of \$241M in 2015/2016 including a surplus of \$9.5M.

Over the last 3 years Evolve has received some 15 awards for its business and for individual officers. In 2016, it was awarded the Community Housing Provider of the Year.

NIMBLE PARTNERSHIPS

Evolve relies less than many of its counterparts on stock transfer to develop its affordable housing program. Instead, it has grown its business with more active partnerships with the for-profit sector to grow its property portfolio. Evolve controls only 254 properties transferred from the NSW government, yet controls a portfolio of 4,386 properties, with a further 1,154 managed in joint venture partnerships with related providers.

Evolve augments its affordable housing initiatives with private realty property management. It currently has a project pipeline of 390 apartments over 6 projects worth a total \$125 million. An example of Evolve's approach is the Harts Landing development in North Penrith, carried out in partnership with Payce. When built, Harts Landing will comprise of 268 apartments of which 10 will be for social housing clients, 124 affordable and the balance of 134 for private market. The development will also include ground floor commercial tenancies including a café and realty office.

THE JOURNEY HOME PROGRAM

Like many other community housing providers, Evolve provides significant and tailored resident support programs to its clients. However, the partnership agility that Evolve has developed to grow its portfolio has its counterpart in its Journey Home program, predominately in mixed tenure communities. Recognising the aspiration of clients in social and affordable housing to own their own home, the Journey Home program supports and assists those willing and able to do so to acquire their own home. There are numerous benefits of this program. Firstly, by providing a pathway to independence, Evolve is able to increase the numbers of clients assisted beyond that defined by its stock of housing. Secondly, it reduces the quantum of government subsidy per client. Thirdly and perhaps most importantly, clients benefit through economic independence and social participation resulting from home ownership that without this program would be forever out of reach.



BLUECHP

BlueCHP is an independent CHP with a focus on the provision of social and affordable housing. It was launched in 2008 by five community housing member organisations and has Tier 1 status under the National Regulatory Scheme for Community Housing (NRSCH). Since 2008, BlueCHP has succeeded in many large tenders under the Housing Affordability Fund, Social Housing Growth Fund and the Nation Building Economic Spending Plan and during this time it has delivered over 1,600 dwellings and retained 680 dwellings. It currently has 136 dwellings under construction. BlueCHP has offices in both NSW and QLD. It has over \$250m worth of property assets on its balance sheet placing it within the top 10 CHPs in NSW.

The company's focus is on the provision of property development services that include:

- Property development - assessing sites for development and taking them through development application approval to construction and commissioning for tenancing.
- Portfolio assessment - reviewing government, not for profit and private holders land & housing portfolios providing advice on improving utilisation and best use options under current or future property zoning plans.
- Property Development Financial Assessments - feasibility studies on individual or portfolio developments.
- Transaction design - using financial and property development expertise, BlueCHP provides advice on transaction design structures for complex transactions.
- Large scale urban renewal - the company has large scale urban renewal experience working with State Governments, bringing together multiple partners

BlueCHP operates uniquely in the community housing sector with the focus on property development and continues to expand its team of specialists. The ability to outsource tenancy arrangements enables the company to source the bespoke services whilst achieving value for money. Governments are placing greater burdens on the partnerships of tenancy and support provider to bring more specialist packages for high needs clients and this over time requires a higher degree of providing opportunity for specialisation.



The Gardens, a CLT Timber development, under construction

Likewise, property development requires a degree of specialisation and BlueCHP is able to bridge the gap in objectives from government, not for profit and the private sector. This is best illustrated with the partnership at Ropes Crossing with the NSW Government, Lend Lease and tenancy manager Wentworth Community Housing.

Over the next 10 years BlueCHP has developed a strategy for growth seeking to realise existing opportunities within its own portfolio and opportunities to develop more projects on a partnership basis with investors. The advent of the National Disability Insurance Scheme provides new opportunities for growth.

INNOVATIVE CONSTRUCTION – TIMBER

BlueCHP is currently developing The Gardens, a 101-apartment affordable housing project across three towers of six, seven and eight storeys. Construction employs cross-laminated timber (CLT) panels developed by Binderholz, one of the largest CLT producers in the world.

Panels have been cut and processed precisely in a factory, ready for installation on site.

This construction method, while innovative for Australia, has been well established for more than a decade in Europe. Construction comprises a conventional concrete podium onto which panels are swung into place and fastened together with large screws and brackets. Not only is the process remarkably rapid and quiet, it is more cost-efficient, which translates into more affordable dwellings for the CHP sector.

SGCH (formerly known as St George Community Housing) is a Tier 1 Community Housing Provider (CHP).

With a vision of great places for everyone, SGCH's business is people and places. SGCH develops and manages sustainable, safe and affordable homes and works in partnership to create vibrant, inclusive communities.

Connecting people to opportunity, SGCH takes a place based approach to advocate for, coordinate and partner with the services that people and communities need.

With over 30 years' experience, SGCH provides a place to call home for more than 8,500 people in 4,400 properties across the Sydney metropolitan region.

ENERGY EFFICIENT COMMUNITY HOUSING

Last year, in an Australian first, SGCH and the Clean Energy Finance Corporation (CEFC) formed a partnership to deliver sustainable and energy efficient housing with a \$60 million finance deal.

Using these funds SGCH is building over 200 new dwellings to the industry best practice of a minimum 4-star Green Star rating for units, (under the Green Building Council of Australia's scheme), or a 7-star rating for townhouses and duplexes (under the Nationwide House Energy Rating Scheme). The first families are already living in new energy efficient homes with SGCH completing seven townhouses and villas in two locations in Sydney's west and south.

SGCH is also using the CEFC loan, and a \$5.4 million joint pilot project with the NSW Office of Environment and Heritage through their Home Energy Action program, to fund energy efficiency measures across its existing portfolio, retrofitting 1,400 existing properties with features such as LED lighting and draught proofing. The new developments and retrofitted measures will reduce daily living expenses for tenants and operational costs for the organisation.

PAVING THE WAY FOR THE SECTOR

The success of this pilot program led to the CEFC announcing \$250 million funding for the sector to drive the construction of energy efficient community housing. In their February 2016 announcement, coinciding with the release of their market report Financing energy efficient community housing, CEFC Community Housing Sector Lead Victoria Adams said: "SGCH is leading the way when it comes to innovative, energy efficient community housing and we have been pleased to work with the team in developing this financing program."

LAWRENCE STREET, PEAKHURST

The 39 apartment development is SGCH's highest environmentally rated property to date. Built to an average 8-star rating under the Nationwide Energy Rating Scheme (NatHERS) it's also one of the first in SGCH's housing portfolio to use finance from the \$60 million deal with the CEFC.

The energy efficiency measures included in the Lawrence Street Peakhurst development will benefit future residents through reductions in energy consumption and improved thermal comfort.

Features include:

- Solar for common areas
- Ceiling fans
- Low E-glass
- High performance insulation in walls, ceilings and under-slab
- LED lights throughout

SGCH Lawrence Street Peakhurst housing under construction (completion expected Nov/Dec 2016)



HUME COMMUNITY HOUSING ASSOCIATION

Hume Community Housing Association manages more than 1700 properties across seven local government areas in Greater Western Sydney, providing homes for over 4000 customers. Hume's asset portfolio ranges from high density blocks, medium density residential flat buildings, low density housing estates, and dispersed properties in mixed tenure communities.

Hume combines effective and robust tenancy and asset management with a suite of innovative services that respond to its customers' goals and needs. Other innovations include proactive approaches to delivering programs to ensure compliance, customer satisfaction and best housing options aligning with target outcomes in Future Directions and Social Housing Policy.

PRODUCING MORE HOMES AND MIXED TENURE DEVELOPMENT

Hume believes income should not determine one's front door. Developments should be designed for integrated communities and mixed tenures where you can not distinguish if someone lives in affordable or social housing.

Hume's new Bankstown development illustrates this principle in action. Hume owns and manages 16 social housing units which are integrated with owner occupiers in a complex totalling 34 units.

In addition, Hume currently has a pipeline of four social and affordable development projects, providing additional 111 units to the Western Sydney housing market where housing affordability is a growing challenge.

Hume will also deliver and own a 60-unit mixed tenure development of social, affordable and supported housing in Fairfield in 2018, each funded by Hume equity and a flexible corporate debt facility.

INNOVATIONS IN APPROACH TO YOUTH HOUSING

Youth Housing Options program was established in 2015, as a direct result of State government review of the Homelessness sector through the Going Home Staying Home reform program. This program builds on Hume's long-term engagement with services providing support for young people exiting juvenile justice, homelessness or with complex needs.

Hume has researched best practice, collaborated with youth services and is now engaging in a partnership with CORE Services to provide housing options assessments, training and employment linkages, along with exit strategies for young people transitioning from refugees and supported housing programs.

It was more insightful than I was expecting and offered great information about youth housing options. It's definitely something helpful to those who aren't sure about their tenancy rights and their options for housing. And the pizza was great too! – Naua age 17

URBANGROWTH NSW

UrbanGrowth NSW will continue to encourage improved housing diversity, suitability and affordability for a range of income levels. As master developer, UrbanGrowth NSW drives delivery and demonstrates innovative housing products. Consideration is also given to finance, regulatory levers and design innovations to maximise outcomes in close collaboration with other NSW Government stakeholders, industry and local councils.

CASE STUDIES

Fonzie Flats

The NSW Department of Planning and Environment has given specific regulatory support for the development of 'Granny Flats' in recent years and they are meeting the needs of many people.

UrbanGrowth NSW is leading on an example of this with 'Fonzie Flats' - secondary dwellings above car garages, in suburban locations. As part of the Oran Park Town project, UrbanGrowth NSW is delivering increased numbers of dwellings without significantly affecting the suburban feel of the suburb. This type of dwelling is becoming increasingly common and popular.

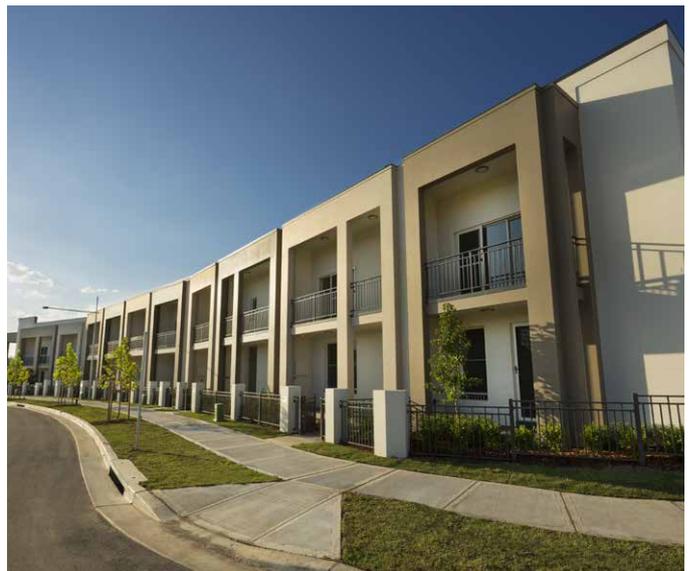
21st Century Terrace Housing

UrbanGrowth NSW also has a history of encouraging industry innovation, for example providing 21st Century Terrace Housing at the Thornton project in Penrith.

The provision of diverse housing stock in Thornton is central to creating a new community that is truly representative of modern society. The housing on offer caters for the full spectrum of households and provides a genuine ability to age in place, with housing types suitable for all stages of life.



The 'Fonzie flat' in Oran Park



21st Century Terrace Housing at Thornton, Penrith

“There are a range of options: Inclusionary zoning is one. Affordable rental accommodation through the relevant SEPP is another. Another is providing for affordable housing on government-sites. And then there is the fundamental lever, which is unlocking greater supply. With all of these levers available to us we can make a real difference to providing for a diverse and affordable city for a whole range of income levels.”

Minister Stokes: Hansard, 11 August 2016

CITY OF SYDNEY

The City of Sydney is committed to delivering affordable housing across the LGA, where affordability is one of the key issues facing residents.

REDFERN DEPOT SITE

In July 2016 the City of Sydney Council approved the conditional sale of the City's Redfern depot site to the Future Living Consortium. The forthcoming sale is subject to funding by the NSW Social and Affordable Housing Fund and will comprise approximately 46 supported accommodation units for the homeless and 112 affordable housing units.

GREEN SQUARE ASHMORE CONNECTOR MASTER PLAN

In July 2016 the Council endorsed a master plan for the development of some 300 affordable housing units in a medium density development on two parcels of land adjacent to the Green Square Town Centre. The land will be serviced by the proposed Green Square to Ashmore Connector road which will extend Geddes Avenue west from the town centre to Bourke Road. The development will feature ground floor business and retail uses.

AFFORDABLE AND DIVERSE HOUSING FUND

In May 2016 Council approved the criteria for the affordable and diverse housing fund which will support new subsidised rental housing including affordable housing, social housing, assisted living, aged care, crisis housing and boarding houses within the City of Sydney. Funding is approved for new projects proposed by the Salvation Army and HammondCare, but more than \$8.5m remains available to community housing providers seeking financial assistance.

AFFORDABLE HOUSING LEVIES

Three affordable housing contribution schemes operate in the City at Green Square, Utimo/Pymont and the Southern Employment Lands. In these areas, all development is required to make an in-kind or monetary contribution to affordable housing. A fourth contribution scheme has been proposed in Central Sydney as part of the Central Sydney Planning Review. To date all landowners have

preferred to make monetary contributions to City West Housing who have provided over 739 affordable units fully or partially funded by the levy, with 313 more in the development pipeline.

SOUTHERN EMPLOYMENT LANDS INVESTIGATION AREAS

The Council has adopted the *Guideline to Preparing Site Specific Planning Proposal Requests in the City of Sydney Employment Lands Investigation Areas*. The Guideline provides a framework for sharing the planning gain resulting from changes to planning controls in the investigation areas. It provides the planning gain will be equally shared between the landowner and the public. In most circumstances the public's share is to be channelled towards an affordable housing outcome provided on or near the site. The affordable housing is secured by a planning agreement.

PLANNING AGREEMENTS FOR AFFORDABLE HOUSING

Where there is opportunity, proponents have offered affordable housing in conjunction with requests to increase development through an increase in floor space ratios. These offers are then secured through voluntary planning agreements. An example of this is the Harold Park development, where the landowner dedicated to the City enough land for 5,000sqm of affordable housing. City West Housing purchased the site, partially with levy funds, and will build 76 affordable housing units.



The Exordium, affordable housing in Green Square.

PENRITH CITY COUNCIL

Penrith City Council recognises the importance of affordable housing in contributing to a diverse and sustainable community.

VOLUNTARY PLANNING AGREEMENTS

Council negotiates contributions towards affordable housing through Voluntary Planning Agreements (VPAs). Council's Sustainability Blueprint for Urban Release Areas requires either that "a minimum of 3% of all residential allotments (must be) be provided for the purpose of affordable housing" or an equivalent monetary contribution towards affordable housing elsewhere close to services, employment, public transport and other amenities.

More recently, Council has been able to 'lift the bar' for developer contributions further through VPAs by negotiating both a financial contribution for affordable housing within the LGA, as well as a 'works' contribution of long term sustainable affordable housing to be built within a new release area, at a rate of 1 affordable housing dwelling per 1,000 new dwellings.

ST MARYS AFFORDABLE HOUSING PROJECT WITH WENTWORTH COMMUNITY HOUSING

In 2013, Penrith City Council had assembled \$1.13 million from VPAs for affordable housing in several new release areas. These funds leveraged additional dollar-for-dollar funding from the NSW Department of Family and Community Services (FACS).

Wentworth Community Housing won the tender to build and manage the project and brought additional National Rental Affordability Scheme (NRAS) funding to deliver 24 long term affordable rental and social housing dwellings for 10 years.

Wentworth is a not-for-profit housing company that provides affordable, rental housing and other assistance to eligible people who are on low to moderate incomes. The Tier 1 Community Housing Provider which manages over 2000 properties in Western Sydney and the Blue Mountains, purchased land from LAHC close to St Marys town centre, and rail station, the Dunheved and St Marys Employment areas, Erskine Business Park, and the Penrith Health and Education Precinct.

Wentworth obtained supplementary State capital contributions, which provided additional equity to attract more borrowings enabling a further 25 social and affordable rental dwellings to be built.

Project funding now comprises a mix drawn from Penrith Council Affordable Housing contribution, FACS Affordable Housing funding, NSW Government capital contribution, NRAS subsidies, Wentworth's equity and loan.

Construction of the 49 units began in 2016 with completion expected in August 2017. The development will achieve a Gold Level standard of Liveable Housing Australia Guidelines, allowing residents to age without the need to relocate. Four of the units are designed as fully adaptable and are suitable for residents in wheelchairs.

PAYCE CONSOLIDATED LIMITED

PAYCE has been involved with residential development in Sydney since 1978. It is now involved with several projects in the Sydney basin from Penrith to Kirrawee, along with Melrose Park. PAYCE is particularly well represented with high quality projects near Sydney Olympic Park, at Ermington and Wentworth Point, and near Green Square at Victoria Park.

Though primarily a commercial developer, PAYCE also shares many of the community building values normally exemplified in the Community Housing sector. With its development projects, PAYCE is concerned to create dynamic and cohesive communities and environments where residents have access to a wide range of amenities and services. PAYCE aims to create happy, engaged and harmonious communities that are socially, as well as environmentally, sustainable.

PAYCE is a leader in innovative urban renewal and design. At the heart of its designs are community spaces that celebrate the best of local village living; that connect people. The best communities are activated, inclusive and offer a real sense of safety and belonging. A strong community is defined as a group of interacting people, living in a healthy place where they feel a sense of belonging and pride, and where they feel free to participate in community life. That is why innovative urban design is a central feature of all PAYCE projects.

Washington Park project

Washington Park is one of the largest urban renewal projects currently being undertaken by the NSW Government in conjunction with a private developer.

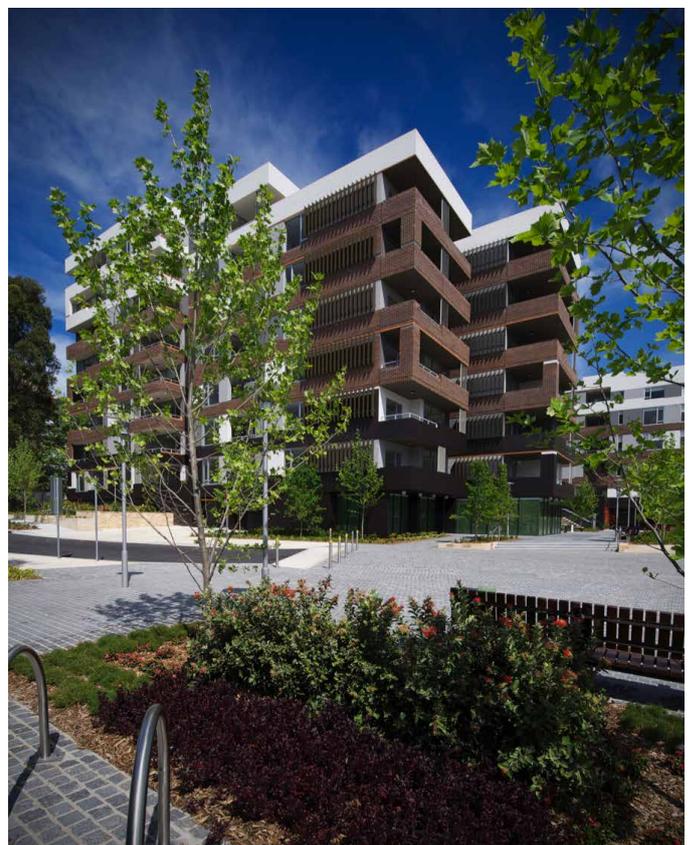
Situated in Riverwood North about 16 kilometres from the Sydney CBD, Washington Park is a 3.5 hectare integrated urban renewal project combining a mix of social and private housing. The land currently being developed by PAYCE comprises 15% of the existing Riverwood housing estate of about 1,000 social housing dwellings built in the 1970's. This land is within 800 metres of Riverwood railway station.

Many of the existing housing units no longer meet current resident expectations and demographic needs. The project entails the replacement of some of these units with 675 modern architecturally designed apartments, 150 of which will accommodate social housing tenants in dwellings that are indistinguishable from the balance of the development.

Particular project goals achieved include:

- The establishment of stronger and more inclusive mixed communities than existed previously;
- Seamless integration of social and private housing;
- Demonstrated merit of this particular PPP approach to social housing estate renewal; and
- Merit of a project emphasis on social and environmental sustainability.

Residents of Washington Park testify to the success of mixing social and private occupants. Those interviewed perceive better social outcomes compared with the isolation that many long-term social housing tenants experienced in older estates. Some previously perceived possible downsides from this success. The attractiveness of the estate may in time attract market renters and displace social housing residents, unless current commitments to this model of housing estate renewal are sustained over time.



Washington Park

STOCKLAND



Whiteman Edge

Stockland is one of the largest diversified property groups in Australia, with more than \$15.8 billion of real estate assets. Stockland owns, manages and develops shopping centres, logistics centres and business parks, office assets, residential communities, and retirement living villages. Founded in 1952, today Stockland continues to create thriving communities where people live, shop and work. Their vision is to be a great Australian real estate company that makes a valuable contribution to our communities and our country.

Whiteman Edge

Spanning 95 hectares, 20 kilometres from the Perth CBD, Stockland's Whiteman Edge masterplanned community is a partnership with Western Australian Department of Housing. Once completed, the community will feature around 2,000 homes, recreation reserves, playgrounds and a neighbourhood shopping centre, providing opportunities for cafes, restaurants, a supermarket and specialty stores.

All Whiteman Edge residents will be within 250m of public open space, and in walking distance to primary and secondary schools in Brabham. The community is home to Western Australia's first all-abilities playground, delivered in partnership with the Touched by Olivia Foundation, together with social enterprise café.

The Western Australian Department of Housing provides *Opening Doors* - an affordable housing program providing shared equity housing for low to medium income families. Stockland has been a consistent source of land supply for the Department of Housing's Opening Doors Program, including through Whiteman Edge to meet the program's affordability requirements.

Purchasers who earn a maximum gross income of \$70,000 per year, or families with a maximum gross income of \$90,000 per year and who cannot afford to purchase 100% of a property, are eligible for a loan through a government lender to purchase 70% of the property value. The loan requires a \$2,000, or 2% of the purchase price, deposit for first home buyers, with no savings history required, no lenders mortgage insurance and no monthly account keeping fees.



The Committee for
Sydney

This is the first output of an ongoing project from the Committee for Sydney to identify innovation in Social and Affordable housing by members and stakeholders.

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“The Committee for Sydney is a fantastic body adding to public debate in the city. It is exactly the organisation it needs to be - engaged, constructive and challenging.”

THE HON. MIKE BAIRD MP, NSW PREMIER

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