



Submission from Save Dully Group on Inner West Council draft Affordable Housing Policy

The Save Dully Action Group requests the ability to make this late submission on the Inner West Council Affordable Housing Policy. We would like to raise several important issues regarding the policy.

About the Save Dully Action Group

The Save Dully Action Group is made up of several hundred residents from the suburb of Dulwich Hill. The group was formed in mid-2015 in response to NSW Government urban renewal investigations along the Sydenham to Bankstown corridor.

Issues with the policy

The Save Dully Action Group supports a diverse community - particularly a community which offers affordable housing for low to moderate income earners. To this extent, we support the broad aim of the draft council Affordable Housing Policy to increase housing affordability in the inner-west.

However, we are concerned that the policy could have highly significant negative impacts, and that these impacts have not been explained to the community.

We are also concerned that the policy contains a number of omissions.

Proposed 15% target

In December, the council administrator resolved (without community consultation) to pursue a target that 15% of apartments in major new developments be affordable.

The proposed target appears, at face value to be a laudable suggestion.

However, an analysis of the background study reveals a possible impact for communities.

This background study shows, that to achieve the 15% target in Dulwich Hill, the only financially viable form of development to capture value would be the rezoning of areas currently containing separate housing to allow 14 storey towers. A number of other suburbs would appear to be facing similar consequences as Dulwich Hill.

We do not know if this is the council's intention for our suburb. If it is, we are deeply concerned about this prospect.

We consider Dulwich Hill to be a historic suburb, dating back to the late 19th century, which is known for its human scale and strong community. It has only undergone incremental change under the strong stewardship of responsible local government management for many decades.

We acknowledge the suburb's housing affordability, like many other Inner-West suburbs, has been affected by government policies to encourage speculative property investment and largely unchecked population growth, along with its close proximity to the CBD. However, despite this, there are a number of pockets of affordable housing in the suburb, including in existing separate housing, and this policy could do more to protect this housing.

If the 15% target is adopted, then by the council's own words, there is only one known urban form outcome for the suburb - 14 storey towers in current low density streets. We consider any affordable housing benefits gained from this outcome to be significantly outweighed by the permanent destruction of the area's history, character and community.

To this end, we note the submission from Shelter NSW, which raises concerns that "councils could be tempted to change planning controls to accommodate a developer, leading to overdevelopment and inappropriate development through undermining of environmental standards".

We received an email from the council's Affordable Housing Officer which stated that any rezonings would need to consider broader liveability and sustainability issues. But when your own background study says 14 storey towers are the only viable approach for the council target, we don't understand what wriggle room there is.

What's more, we believe the policy is in effect sending a strong signal to developers and the NSW Department of Planning that the council is willing to accommodate this level of density and character change. If this is the case, it is deeply concerning.

The evidence indicates that some application of a 5% target, in some areas, may be more appropriate as it will produce affordable housing but with a much lower urban impact. Yet despite this, the policy appears to be strongly weighted against lighter forms of density such as granny flats and terraces.

Additional needed to save existing affordable housing

Dulwich Hill contains a number of pockets of existing affordable rental housing. In fact, the table on page 19 of the background study shows that Dulwich Hill is only one of two suburbs in the Inner-West LGA which has rental accommodation for low income people.

Despite this, the draft policy proposes nothing substantially new to protect this housing, especially since there will be a long time lag between the rapidly decreasing number of these relatively low rent unit blocks and the 7.5% of new affordable housing by 2031 envisaged in the draft policy.

We acknowledge that Section 2.7 of the Draft Policy states that Council 'will rigorously apply the provisions of the SEPP that seeks to protect the remaining supply of affordable housing that remains in the LGA and implement a social impact process that supports such retention'. However, further guidance as to how this will be practically implemented would be appreciated.

For instance, the council has the ability to refuse projects which impact on existing affordable housing when acting as a consent authority using Clause 50 of the State Environmental Planning Policy (Affordable Rental Housing).

What's more, the council could lobby government to extend its powers and the scope of this policy in regard to existing housing.

One area of potential lobbying may involve raising concerns about developers evicting tenants of existing affordable rental housing, before lodging development applications to refurbish or redevelop buildings.

This issue was brought to the fore in early February this year when over 40 low to low moderate income residents were given their eviction notices from an affordable housing unit block at Osgood St at Marrickville West (the block backs onto to Wicks Parade). With weekly rents at between \$250 and \$350, the site has acted as a major generator of affordable rental housing near Dulwich Hill station. The site's developer is believed to be considering a refurbishment of the building to create highly-priced apartments.

The council (and indeed this policy) could have played a strong advocacy and planning role in regards to this site, and indeed other existing affordable housing sites.

In fact, it could be argued the proposals in the draft policy actually encourage the redevelopment of these older unit blocks, without any supporting analysis of whether there will be a net benefit in affordable housing as a result of this. (Admittedly the viability calculations in the policy and the supporting paper put such redevelopments in the less 'attractive' category regarding value to be captured and levies potentially realised).

Lack of lobbying action on broader policy issues

The draft policy is silent on other advocacy the council could be taking to support housing affordability, such as lobbying for changes to capital gains tax, reduced State property taxes or increased rental subsidies.

Other options suggested by our members include State or Federal taxes on vacant property (as reportedly happens in Canada) and stronger incentives to encourage employment growth outside of Sydney, to lessen housing affordability issues within Sydney.

Overall, the draft policy adopts only supply-side policies to support housing affordability, but not policies to reduce demand or change broader policy settings. We do not agree with this approach, particularly given the substantial commentary from a number of academics and planning groups that supply-side planning is not delivering housing affordability.

Reference to Sydenham to Bankstown corridor

We are disappointed to see the policy and council report refer to the Sydenham to Bankstown corridor.

The former Marrickville Council was highly critical of the draft NSW Government plans to radically rezone for this corridor. This Inner West council policy could be interpreted as taking a different view, by openly advocating the radical rezoning of suburbs such as Dulwich Hill and Marrickville in exchange for a small proportionate increase in affordable housing over the next 15 years or so.

If the Inner West Council no longer supports the decision of the elected Marrickville Council to defend and protect the dense and diverse urban fabric of Dulwich Hill (with reasonable

concessions to appropriate planned and compliant development adjacent to transport nodes) then that needs to be explicitly stated.

At the same time, we do not believe an unelected Administrator has the mandate to initiate such a policy reversal – certainly without widespread community consultation.

Linkage to infrastructure contributions

The NSW Government is proposing a special infrastructure contribution from development. It is not clear whether both your target, and the government's levy, are chasing the same pot of money and what the final outcome would be.

The implications of your proposed levy on infrastructure contributions should be explained.

An outcome which simply leads to huge development to pay for infrastructure and affordable housing is not acceptable to the community.

Poor community consultation

We are – as we have already stated - disappointed by the very limited consultation in relation to this proposal.

The potential implications of the 15% target, in terms of urban form outcomes, was at no stage explained to the community in any summary material. This has contributed to Save Dully making a late submission, as we had to wade through some 130 pages of material to find the missing and secret link. As a result, we make no apology for our late submission.

The council had the opportunity to give briefing sessions to community groups or members to explain this policy. It did not do so.

The exhibition period largely ran over the Christmas-New Year period. While we acknowledge the council did have an extended exhibition period, it is the case that this a time of year when many people have difficulty focussing on serious policy matters such as this, particularly without useful explanatory material or community briefings.

Furthermore, the decision by an unelected Administrator to commit council to a 15% target before any form of community consultation and before the implications of this decision were known is a clear over-reach of powers.

Finally, the draft policy itself is confusing, as the actual target and the way it will be applied does not appear to be in the rather discursive draft policy, causing further difficulty for community members attempting to interpret and comment on this policy.

Conclusion

Given the above, we argue that the policy should be redrafted and re-exhibited in a way which provides full clarity about the potential urban impacts across the LGA

Furthermore, given the possible dramatic urban impact of this policy, we believe it is more appropriate that any decision on it should put before an elected council after the September 2017 elections.