

Housing and Affordability Advisory Committee

Statement on Council's resolution to sell the Chester Street carpark

At its meeting on 13 August 2019, Council considered the proposed sale of the Chester Street carpark in Petersham under C0819(1) Item 3: Land and Property Strategy Initiatives.

Below is the motion that was debated:

THAT Council:

- 1. Endorse the sale of the Chester Street Petersham carpark by public tender including provision of increased car spaces, cash and/or affordable housing and report back to Council on the outcomes of the tender process; and**
- 2. That the EOI includes:**
 - (a) a requirement that any future development has net positive benefits to local traffic and parking conditions; and**
 - (b) sympathetic design and architectural quality with the character and heritage of the surrounding area, including the adjacent Beynon and Hayward building, in order to enact the sale.**

The above motion was adopted. An amendment requiring the tender to “specify that any residential development on the proposed site must include at least 30% affordable housing, with these units to be transferred into Council's ownership for management in accordance with Council's Affordable Housing Policy” was defeated.

The Housing and Affordability Advisory Committee (HAAC) expresses its disappointment with Council's decision concerning the sale of the Chester Street carpark.

HAAC believes that the Chester Street carpark should have been retained by Council for potential redevelopment for affordable housing in partnership with a Community Housing Provider or developer including, for example, as ‘concessional land’ in a future phase of the Social and Affordable Housing Fund (SAHF) for the same purpose.

According to the motion, the tender document will require ‘increased car spaces’ as well as ‘cash and/or affordable housing’. This suggests that the ‘increased car spaces’ component will be mandatory, while the ‘cash and/or affordable housing’ components will be preferred but not mandatory.

HAAC contends that the tender document should specify that an affordable housing component be mandatory and that it should cite Council's *Affordable Housing Policy* which requires a 15% affordable housing contribution in private developments where additional Gross Floor Area is created and for affordable housing units to be transferred to Council's ownership in perpetuity and managed by Council's preferred Community Housing Provider.

HAAC strongly recommends that the contributions, including an affordable housing contribution, be informed by a calculation of the value uplift associated with the proposed project and that this valuation be based on a Residual Land Value analysis as defined in Council's adopted *Position Paper: Best Practice in Value Capture* and recommended by the Department of Planning, Infrastructure and Environment.

If, however, a cash contribution in lieu of affordable housing is agreed to by Council, then this cash contribution should also be informed by a calculation of value uplift based on a Residual Land Value analysis and be reserved exclusively for expenditure by Council on expanding its affordable housing portfolio in the future.

David Collins-White
Chairperson
Housing and Affordability Advisory Committee

17 September 2019