

Inner West Council

Housing & Affordability Advisory Committee (HAAC)

Submission on the Draft Local Strategic Planning Statement

HAAC Members:

- Paul Adabie (Newtown Neighbourhood Centre)
- Dr Hazel Blunden (University of NSW)
- David Collins-White (Haberfield Public School)
- Rachael Haggett (HOME)
- Julia Murray (Marrickville Legal Centre)
- Ashvin Parameswaran (Former Head of Student Accommodation, University of Sydney)
- Dr Michael Zanardo (Studio Zanardo Architects)

To:

Inner West Council
 Ashfield Service Centre
 260 Liverpool Road, Ashfield NSW 2131

Thank you for the opportunity to comment on *Our Place Inner West: Draft Local Strategic Planning Statement* (LSPS) dated 23 September 2019

The Housing and Affordable Advisory Committee (HAAC) met on Monday 30 September 2019 to discuss the (LSPS). HAAC members mainly focussed on the objectives and outcomes listed in LSPS's Planning Priority 6 under the theme 6.2 Unique, liveable, networked neighbourhoods, pp. 38-40.

Below are comments and recommendations provided in response to the following objectives and outcomes.

No.	Planning Priority 6	Objective	Comments/Recommendations
dp1	p. 38	Provide for housing growth and choice including a range of housing types in locations that have good access to public transport, community facilities, services, open space and employment opportunities supported by infrastructure provision	<i>Supported.</i>
dp2	p. 38	Housing is designed to maximise amenity for residents and provide a positive contribution to the neighbourhood.	<i>Supported.</i>
dp3	p. 38	Housing is ecologically sustainable and resilient, supporting aims of zero net carbon emissions.	<i>Supported.</i>
dp4	p. 38	Heritage values and important character are respected.	<i>Supported.</i>
dp5	p. 38	New housing is delivered in a manner that respects the existing character of local neighbourhoods or is consistent with the identified	<i>Supported.</i>

		future desired character for the area.	
dp6	p. 38	Maintain and increase affordable housing to narrow the affordability gap for very low, low, and moderate income households	<i>Supported.</i> <i>This objective is consistent with Council's adopted Affordable Housing Policy.</i>
dp7	p. 38	Provide for a diverse mix of housing typologies, sizes and tenures that cater to the needs of people at all stages of their lives.	<i>Supported.</i> <i>Consider new policies which could encourage alternative housing models such as community land trusts and cooperative housing which may not be currently enabled through planning.</i>
dp8	p. 38	Housing meets the principles of universal design.	<i>Supported.</i> <i>Universal design supports all members of the community and enables 'ageing in place'.</i>

No.	Planning Priority 6	Outcome	Comments/Recommendations
a	p. 40	LEP and DCP objectives and controls that achieve design excellence in internal and external amenity, sustainability and universal design (minimum Silver Level performance) in a range of dwelling sizes, typologies and price ranges	<i>Supported.</i> <i>Recommend enhanced accessibility and universal design standards. All new residential developments should achieve 100% LHDG silver level standard with a proportion of these also achieving platinum standard (10-20%).</i> <i>Achieving 'design excellence' requires adoption of a Design Excellence clause in the LEP which can be modelled on City of Sydney LEP 2012 Clause 6.21. Competitive process triggers should be adjusted/lowered to be more appropriate for the scale of development in Inner West (for instance 25m in height/CIV \$50M/3,000m² site). Competition requirements should also be adjusted (for instance to 3 entrants).</i> <i>A Design Review Panel is essential in administering design excellence compliance for all developments. Guidelines/terms of reference should be developed to govern the operation of any such panel.</i>
c	p. 40	Significant local character is identified and implemented through LEP and DCP provisions.	<i>Supported.</i> <i>Block-by-block urban design studies are recommended to develop this understanding of local character, particularly for key areas such as main streets.</i>
d	p. 40	Planning controls prohibit additional intensification of residential uses in areas affected by significant hazards.	<i>Supported.</i>
g	p. 40	The affordable housing framework is improved and affordable housing delivery starts to close the affordable housing gap, by working	<i>Any framework should be aligned with Council's adopted Affordable Housing Policy which identifies a range of potential improvements and additional measures and</i>

		with the State and stakeholders recognising that the framework provided by the State puts barriers in place rather than broadly facilitating the delivery of affordable housing.	<i>opportunities to increase affordable housing supply.</i>
h	p. 40	<p>Affordable housing contribution areas are established in line with the SEPP 70 Guidelines at a minimum rate of:</p> <ul style="list-style-type: none"> • 15% of new dwellings within a development in areas with significant uplift; • 30% of new dwellings within a development on Government-owned land; • Affordable housing to be provided in perpetuity rather than for a limited time period in order to actually close the gap rather than provide a temporary solution. 	<p><i>Supported</i></p> <p><i>These affordable housing contribution rates and the provision of affordable housing in perpetuity are consistent with Council’s adopted Affordable Housing Policy.</i></p> <p><i>Suitable Council owned sites should be utilised to develop affordable and/or social housing in partnership especially with Community Housing Providers.</i></p>
i	p. 40	<ul style="list-style-type: none"> • (a) Review the Voluntary Planning Agreement Policy (VPA Policy) to require a minimum affordable housing contribution outside SEPP 70 areas and (b) update the Affordable Housing Policy including its affordable housing targets and valuation methodologies. 	<p><i>(a) HAAC supports the proposal for a “minimum affordable housing contribution outside SEPP 70 areas” to be included in VPA Policy but notes that this is not included in the current draft Voluntary Planning Agreement Policy.</i></p> <p><i>(b) “Update the Affordable Housing Policy (AHP) including its affordable housing targets and valuation methodologies” refers to the AHP’s feasibility modelling that used a 10% developer’s profit margin based upon <u>ABS data on construction industry profit trends</u>, compared to Department of Planning, Industry and Environment’s (DPIE) preference for a 20% developer’s profit margin.</i></p> <p><i>While HAAC is not opposed to a re-modelling exercise being undertaken, other factors such as value sharing and getting this balance right should also be part of any re-modelling exercise. For example, in the ACT, 75% of land value uplift is effectively captured via the Territory’s Lease Variation Charge. Members support the current AHP’s 15% (private developments) and 30% (Government owned land) affordable housing targets and the contribution these adopted targets make to reducing the local affordable housing gap. It should be recognised that a lower target would make the objective of effectively reducing the local affordable housing gap more difficult.</i></p>

j	p. 40	Improve access, affordability and diversity of boarding house developments	<p><i>Supported.</i></p> <p><i>This is consistent with the Affordable Housing Policy. HAAC supports, in particular, the recommendations on boarding house affordability in Council's submission to the review of the Boarding Houses Act 2012.</i></p>
k	p. 40	Collaborate with external providers of Community Housing and Special Disability Accommodation to increase the supply of affordable housing.	<p><i>Supported.</i></p> <p><i>This is consistent with the Affordable Housing Policy. In particular, HAAC urges Council to form partnerships with CHPs to leverage and develop Council owned land e.g. carparks and depots. HAAC calls on Council to amend the Land & Property Strategy (LAPS) to explicitly include Council owned land that is amenable to affordable housing development.</i></p>
l	p. 40	Planning objectives and controls result in increased housing diversity in terms of dwelling size, type, accessibility and affordability.	<p><i>Supported.</i></p> <p><i>This is consistent with the Affordable Housing Policy. HAAC recommends that the Investigation Areas be expanded to include other areas capable of urban redevelopment rather than restricting them to areas around train stations and light rail stations e.g. inclusion of Norton Street in Leichhardt. Block-by-block urban design studies would be appropriate for these areas given the available timeframe for implementation.</i></p>
m	p. 40	The LEP includes a provision to support additional FSR (above existing controls) on particular sites where development will achieve improved affordability, universal design and excellence in environmental performance.	<p><i>HAAC generally supports this outcome but considers additional FSR be primarily exchanged for affordable housing contributions where universal design and excellence in environmental performance are also achieved.</i></p> <p><i>The Affordable Housing Policy refers to 'density bonus' schemes where additional FSR is provided in exchange for a contribution toward affordable housing in perpetuity (p. 18).</i></p> <p><i>The following amendment is suggested: "The LEP includes a provision to support additional FSR of XX% (above existing controls) on particular sites where development will achieve a 15% affordable housing outcome/component, universal design and excellence in environmental performance."</i></p> <p><i>HAAC also recommends a 10% cap on additional floor space <u>or</u> (not <u>and</u>) building height is appropriate if assessed through a competitive process with Design Review Panel input plus linking bonus to affordable housing contributions. An amount greater than 10% creates planning uncertainties and can</i></p>

			<p><i>compromise built form and amenity outcomes and undermine reasonable community expectations.</i></p> <p><i>If the percentage of required affordable housing (say 15%+) is higher than the additional FSR available (say 10% max), this would allow community housing providers (who might deliver 50-100% affordable housing) to value a site more than a market developer (who would not find the clause attractive) giving them a competitive advantage to secure sites for affordable housing. A clause such as this would make the Inner West a location of preference for CHPs.</i></p>
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REFERENCES

1. Inner West Council, [Affordable Housing Policy](#), 28 March 2017.
2. Inner West Council, [Position Paper: Best Practice in Value Capture](#), 28 March 2017
3. Inner West Council, [Draft Local Housing Strategy Executive: Summary](#), June 2019.
4. Inner West Council, [Draft Housing Strategy](#), 28 May 2019.
5. Inner West Council, [Draft Local Strategic Planning Statement: Summary](#), 23 September 2019.
6. Inner West Council, [Draft Local Strategic Planning Statement](#), 23 September 2019.
7. Australian Bureau of Statistics, [ABS 5676.0 Business Indicators, Australia, Table 22: Business Gross Operating Profits/Sales Ratios, Current Prices](#), 2019.
8. Inner West Council, [Submission to the review of the Boarding Houses Act 2012](#), 8 October 2019.
9. Inner West Council, [Draft Land and Property Strategy](#), 2018.
10. Inner West Council, [Land & Property Initiatives Implementation Action Plan](#), 2018.