

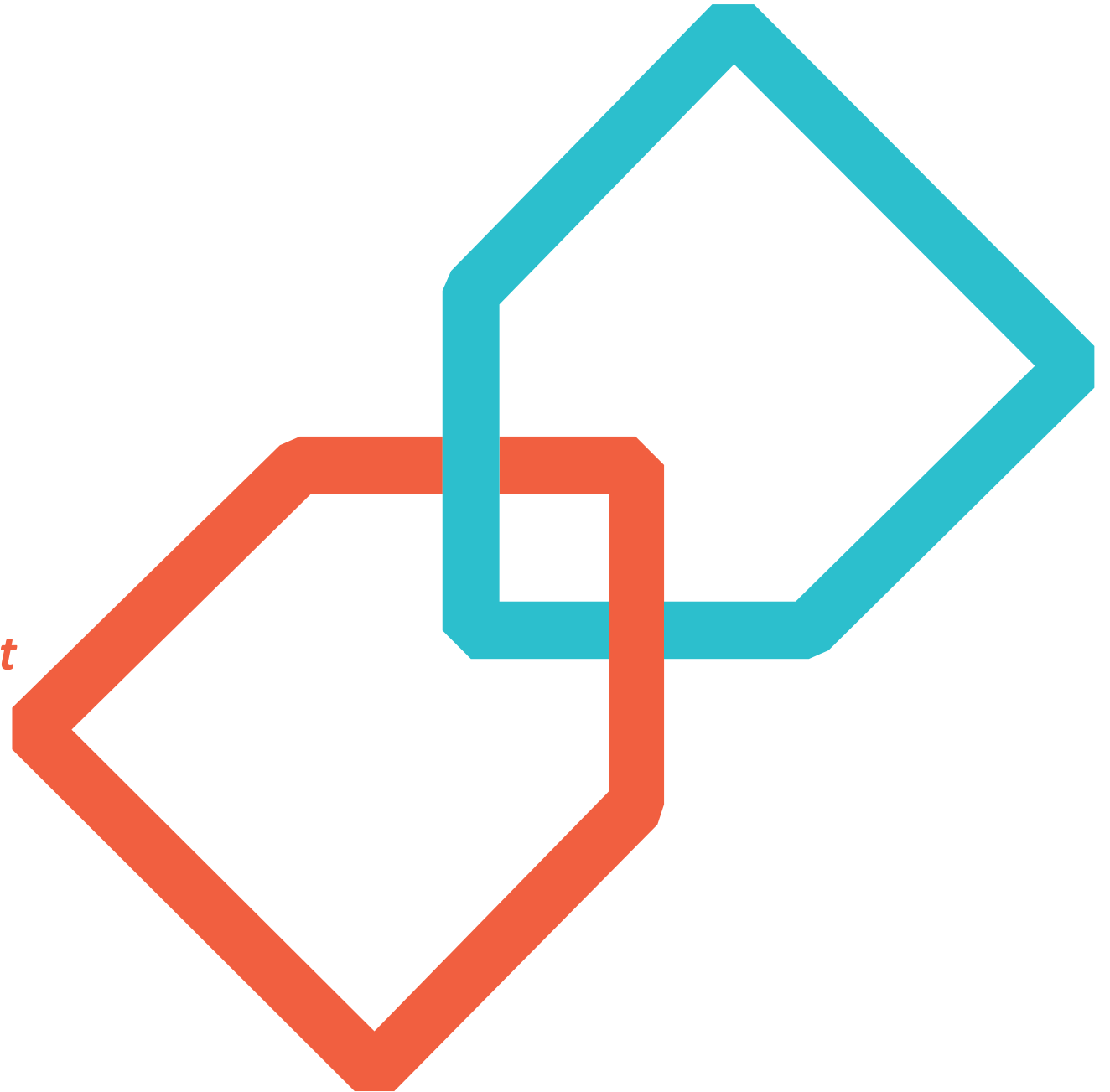


AFFORDABLE
DEVELOPMENT
OUTCOMES

NENA Housing Week

*Finding Solutions – Local Government
mechanisms to increase Social and
Affordable Housing Supply and
address homelessness*

Kate Breen, Director, Affordable
Development Outcomes



Overview

- Role of local government.
- Elements to deliver Affordable Housing.
- Planning system approaches to facilitating outcomes.
- Application of Council owned land.
- Challenges.

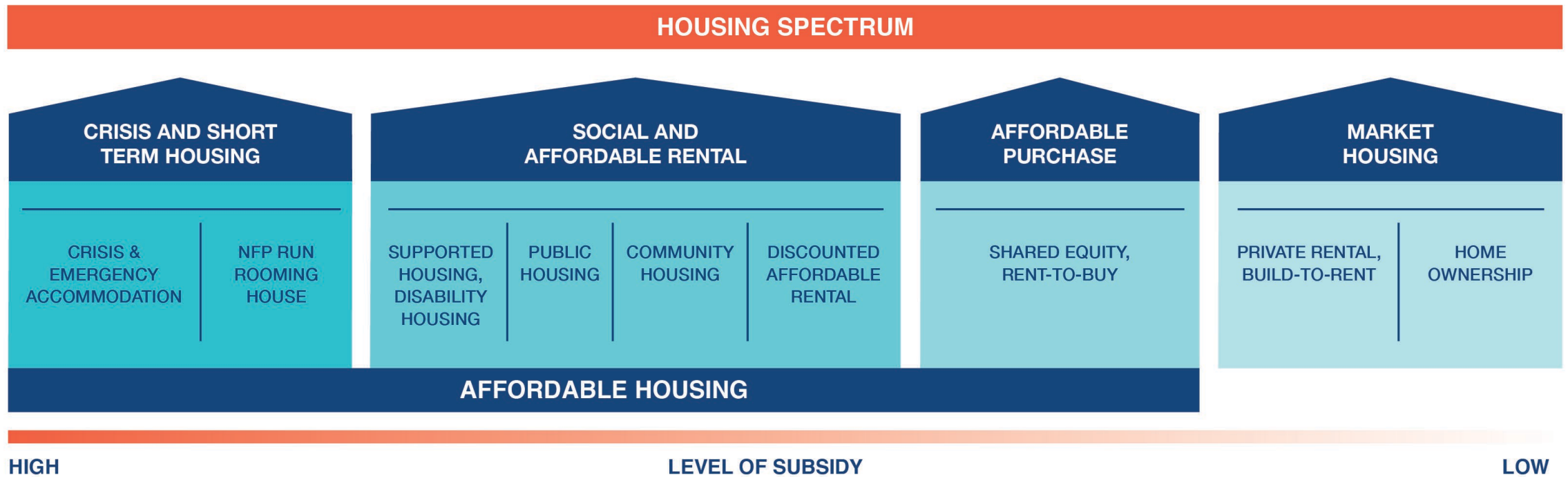


Role of Local Government

- Advocate.
- Provide essential services. Social planner and manager of community services.
- Planning authority – establish local planning framework to direct land use in accordance with State planning legislation and policy. Administrator of planning policy.
- Asset owner and manager – community facilities, car parks, recreation spaces, roads etc.



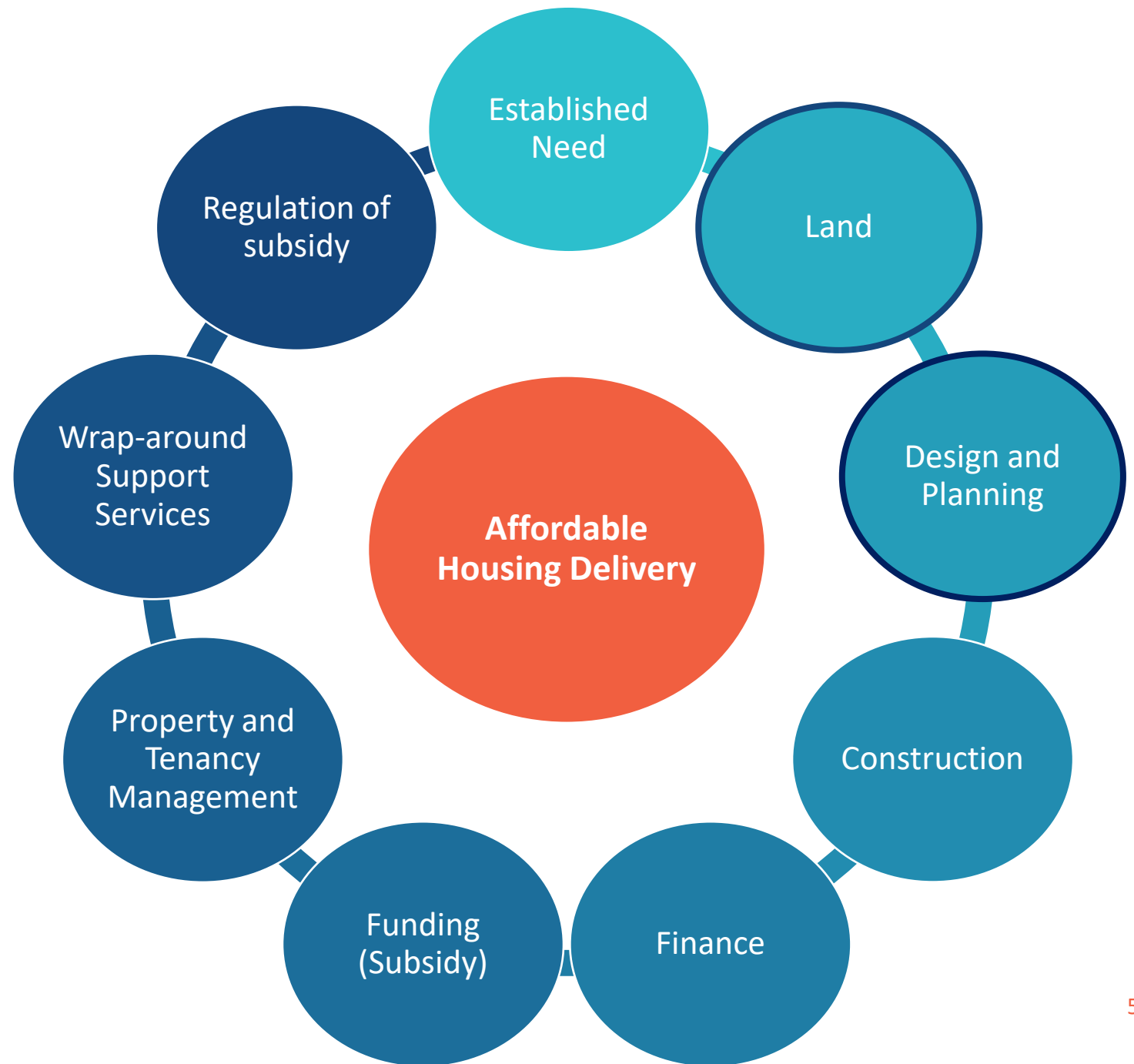
Affordable Housing



Affordable Housing – housing, including Social Housing, that is appropriate, allocated and affordable for very low, low or moderate income households in housing need.



Elements required to deliver Affordable Housing



Role of Planning System in Facilitating Affordable Housing

- Land-use planning can enable or constrain housing supply, diversity and affordability.
- Differences in views on what role land-use planning should play:
 - ‘Neo-liberal’ view; minimal intervention, planning is a barrier to market development, adds costs, Market should be free to deliver unconstrained (natural ‘right’).
 - ‘Social democratic’ view – planning should benefit community, market needs boundaries to ensure balanced outcomes, ability to develop is not a right.
- Supply or diverse housing does not necessarily equal affordability.



Potential Planning Tools/Regulation

- **Development Contribution** - mandatory requirement (\$ or floor space/land contribution), applies to all development types similar to public open space contribution.
- **Mandated Inclusionary Zoning requirement** - mandatory requirement in defined circumstances such as a rezoning. Typically requires delivery of floor space/dwellings.
- **Voluntary Planning Incentive** - i.e. floor area uplift / 'density bonus', dispensations for delivery of dwellings into Affordable Housing purpose.
- **Site-specific 'voluntary' agreement** – landowner agreement to deliver dwellings or land or cash (form of inclusionary zoning)
- **Specialised provisions** – controls and planning requirements relating to specialised housing provision.



Examples of specialised Affordable Housing planning provisions

- **Social / Affordable Housing development by government of a housing provider** - planning clauses in Victoria set standards, reduce requirements to comply with other clauses, make Minister the decision maker, removes third party appeals.
- **Boarding / Rooming Houses** – e.g. NSW planning policy sets standards, allows reduced car parking, increased yield,
- **Crisis Accommodation, Community Care Accommodation** – e.g. Victoria planning provisions, set standards and planning dispensations.



Mandatory Requirements and Inclusionary Zones

- Limited application globally.
- Requirement typically offset by other incentives such as additional floor area/density or other investment.
- Application of a Developer Levy for Affordable Housing in parts of Sydney is a rare example of an area-specific mandatory development contribution (an 'inclusionary zone') Affordable Housing levy in Australia.
- Other 'inclusionary zones' are typically negotiated by site and rezoning.



Developer Levy - Ultimo-Pyrmont NSW

- Section 94F, NSW Environmental Planning and Assessment Act 1979
- Requires developer to provide 0.8% of the total residential use floor area or 1.1% of non-residential use.
- Can opt to provide cash - \$31.90 / m² (residential) and \$45.84 / m² (non-residential) (2020/21)
- Monetary contributions directed to State Government who allocates City West Housing to build or purchase dwellings in the area.
- Over 900 dwelling delivered over 25 years – combination developer contributions, government land and funding.

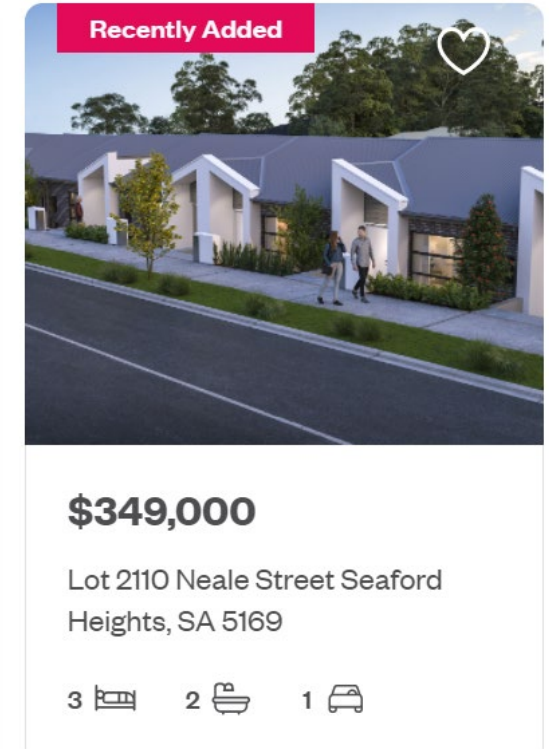


Affordable Housing in Pyrmont (Source: City West Housing)



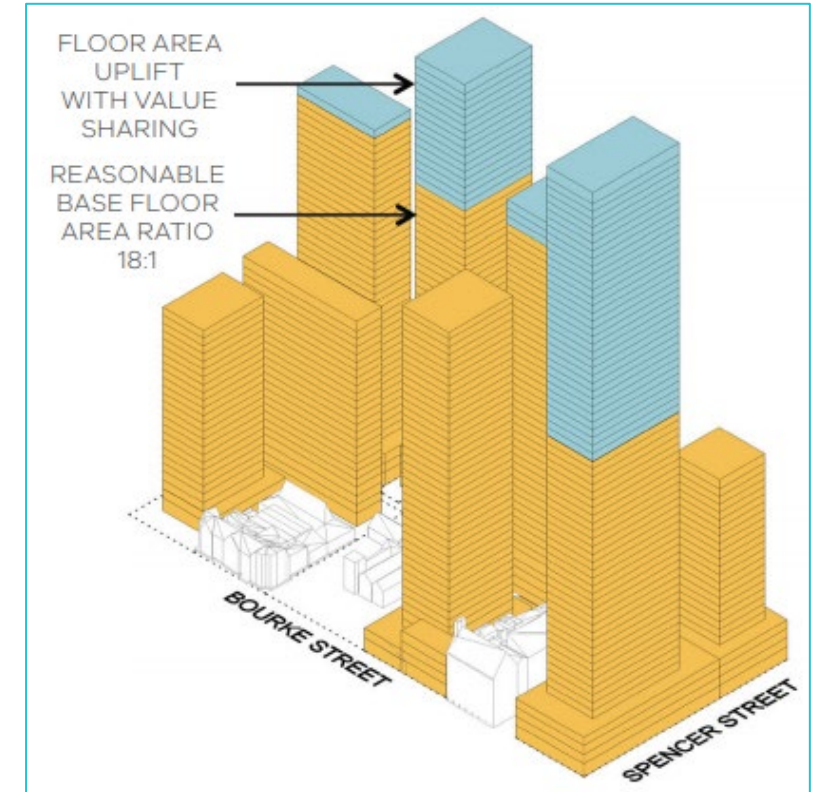
'Inclusionary Zoning' Affordable Housing objective (SA)

- 15% Affordable Housing target for government land and significant developments established in 2007.
- Allowance for increase in yield and height, reduction in dwelling lot size, reduced car parking. Outcomes can include affordable rental or purchase.
- Developer enters an Affordable Housing Land Management Agreement with government.
- 17% of dwellings committed in major developments between 2005 – 2015. Majority on former government land and/or supported by other government incentive or subsidy.



Planning Incentive - Floor Area Uplift (Melbourne)

- Base floor area established (developable area). Developer can seek an uplift in Floor Area if an approved Public Benefit is delivered.
- Public benefit value is determined by a clear methodology. Range of benefits can be provided (developer choice).
- Value of Public Benefit translated to market value of dwellings that are gifted to Social Housing provider.
- Intention is that additional floor area offsets cost of gifting dwellings.



Voluntary Negotiated Agreement

- Council and landowner agree to an Affordable Housing inclusion as part of a planning approval.
- Draws on concepts of value share and also inclusionary zoning but applies on a site-by-site basis.
- May be offset by additional yield / floor space or planning dispensations.
- Contribution may be floor space, land, dwellings gifted or sold at a discount.
- Increasingly used by some Councils in Melbourne – verging on mandatory.



Voluntary Negotiation – East Village, Bentleigh (Vic)

- Large rezoning from Industrial to Mixed-Use to result in approx. 3000 dwellings.
- Agreement between Council and developers for 5% Affordable Housing (150 dwellings):
 - Land to accommodate 150 units gifted to Housing Agency (3 sites);
 - Housing Agency to fund construction;
 - In event land not provided, developer required to gift approx. 1% of completed dwellings.



Use of Council Land

- Councils own various assets that could be provided to a housing agency to develop as Affordable Housing.
- Could be land or air-rights.
- Ways land could be provided include:
 - Long-term lease;
 - Gifting;
 - Sold at a discount;
 - Placed in Council Trust;
 - Special Purpose Vehicle.



Example – Air rights (Vic)

- Kyme Place
 - City Port Philip car park
 - Redeveloped into 29 units + replacement car park



Example – Air Rights (Vic)

- City of Darebin owned carpark in Activity Centre adjacent to library precinct comprising 42 car spaces.
- Decision to lease to Registered Housing Agency for 50 years.
- Indicative plans:
 - 5 Storeys
 - Approx. 41 Affordable Housing units including NDIS
 - Replacement public car park – reduced to 30 spaces
 - 1 car space for residential
 - Pocket park
 - Community / office space.



Challenges

- Lack of sufficient and regular Federal and State funding.
- Local Governments have limited financial capacity and powers.
- Mixed view as to whether a local government should play a role - view by some that Affordable Housing provision is a State Government responsibility. Some Councils not taking any action whilst others putting in significant effort (equity issue).
- Lack of systemised approach to application of planning tools nationally and within jurisdictions. Piecemeal, often dependent on negotiations and lacking clear guidance.
- Development sector resistance to development contributions (“another tax”). Contrasting views on how it would work in practice.
- Community opposition to Affordable Housing / stigma.



Haris Transportable Project – Launch Housing (Vic)





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Thank you

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