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Attention: David Jack, City Future

City of Stirling
25 Cedric Street
STIRLING WA 6021

Dear Mr. Jack,

DRAFT LOCAL PLANNING POLICY 2.12 – AFFORDABLE HOUSING

I refer to the City's recent publication of draft *Local Planning Policy 2.12 – Affordable Housing* for the purpose of public comment and industry feedback. On behalf of Taylor Burrell Barnett Town Planning & Design I provide the following for the consideration of the City's officers and Elected Members.

Summary

As an overall position, we recognise and commend the City's intention to assist in the provision of affordable housing within its municipal area.

Affordability is perhaps the biggest challenge in the Australian housing industry, and Western Australia is by no means immune to this challenge. In identifying measures to improve affordability, however, we as an industry need to keep front of mind that this is a highly complex and multi-faceted issue, and solutions need to be cognisant of the role of each stakeholder and the potential negative implications which may result.

We have significant concern that seeking to mandate the provision of affordable dwellings through LPP2.12 will:

a) Undermine the investment undertaken within the important urban infill areas of Herdsman Glendalough and Stirling City Centre, as the policy comes more than 10 years after these areas were identified for substantial redevelopment, and as a result could not have been anticipated by those investing in the precinct to date;

b) Undermine confidence and certainty in developing within the designated areas, and as a result disincentivise development, as the policy provides a huge amount of discretion in the application of the requirements and the appropriate responses, making feasibility analysis and investment decisions all the more challenging; and

c) May ultimately be counter productive to affordability within these areas, as the requirement may disincentivise development altogether or incentivise landowners to 'under develop' their landholdings to avoid the complexities associated with delivering the expected 'affordable dwellings'.

We respectfully take the view that the City should reconsider the policy in its entirety, and instead work to collaborate with key industry representatives and the State Government to identify measures to improve housing affordability which have been proven effective and provide a balance between the needs and expectations of all stakeholders. In our view such measures are likely to be more effective if they are incentive based, rather than mandatory, as this will provide flexibility to respond to market variability.

Detailed Considerations

In reviewing the policy provisions in more detail, we provide the following commentary for consideration:

a) Purpose and Objectives

We note the policy applies to the Stirling City Centre and Herdsman Glendalough areas, and the stated purpose is to outline *'requirements for new mixed use and multi-residential development within the City to incorporate affordable housing that contributes towards delivery of sustainable and inclusive communities'.*

The purpose appears to be counter to the City's position taken within the detailed planning framework applicable to both of the project areas, however, noting the following:

i) The Stirling City Centre Structure Plan seeks to improve affordability through the delivery of dwelling diversity through the provision of *'minimum dwelling targets for single bedroom dwellings* [which] *have been set. These include a minimum target of 10% for single bedroom dwellings in Innaloo and Woodlands Precincts and 20% for all other precinct areas. These targets would also inform the precinct planning for all the areas.'* There is no suggestion in the Structure Plan of mandatory affordable dwelling requirements.

ii) Scheme Amendment 114, which as advertised and endorsed by the City provides no requirement for the provision of affordable housing within the Herdsman Glendalough Area; and

iii) The Herdsman Glendalough Area Structure Plan, which at section 4.6 notes that:

'The area provides a significant opportunity to provide affordable housing in an area where significant development incentives can be provided to justify minimum amounts of residential development as well as affordable housing. ***No affordable housing will be provided as mandatory through this Precinct Structure Plan.****'*

The above extracts reinforce our view that the application of mandatory requirements for affordable dwellings now, more than 10 years after the identification of these areas for redevelopment, is an unreasonable impost on those who have embraced the City's vision and undertaken investment aligned with this vision.

b) Section 3 (Development Subject of this Policy)

This section is written in a manner which suggests that the City is anticipating the inclusion of additional 'project areas' through future amendments to the policy. The imposition of unique development requirements requires thorough strategic interrogation and analysis, and as such the potential to include areas through the simple addition of a dot points as a minor amendment to a local planning policy is of significant concern.

We are also not clear as to whether the City has identified a housing affordability issue within the municipality itself, as we anticipate housing affordability throughout the City would vary significantly, and as such are not aware of why these two areas in particular have been identified as warranting mandatory housing affordability provisions.

If the City is to continue with LPP2.12, clear strategic rationale as to why the project areas have been identified for these development requirements should be included, particularly in the context of the City's contrasting positions taken in the extracts outlined in a) above.

c) Section 4 (Submission Requirements)

This section identifies that the onus is on the proponent to identify the extent, location, size and product type of affordable housing units, and the built form policy variations deemed necessary to offset the impact on project feasibility. We anticipate this is intended to provide the proponent with flexibility to incorporate affordable dwellings within their design, and ensure that the impact on feasibility is managed and minimised.

Counter to this flexibility, however, is that a proponent has no clear indication of what the City or the determining authority expects in the design response. This uncertainty is likely to act as a disincentive to providing the required affordable dwellings, as a proponent is likely to be required to go through multiple design review processes which will add further time and complication to a project.

We recommend that if the City is to continue LPP2.12, further guidance be provided on the expected design standards for affordable dwellings and supported variations to the planning framework as a form of

compensation, to ensure that proponents and assessing officers / design review panels have clarity, and the design and assessment process can be consistent and efficient.

d) Section 5 (Acceptable Outcomes)

We have a number of concerns with the provisions outlined in Section 5 which we summarise as follows:

i) Sub-section a) outlines that the threshold for applicability of the policy is 20 or more residential units, and that the minimum affordable housing requirement is applied as 12%, but the City does not appear to have provided any data or analysis which assists in justifying why these thresholds are deemed appropriate. We recommend the City provides this analysis to assist in understanding the rationale of the requirement.

ii) Sub-section a) also notes that *'The City shall, at its discretion, determine the affordable housing product to be provided'*. We are not clear as to the intent of this statement, particularly in the context of the 'Quantity' sub-section that it sits within, and recommend the City revises it to provide clarity.

iii) Sub-section b) notes that the affordable housing units *'shall be sold by the developer at construction cost to a housing provider approved by the City...'*. We are concerned that local government is unlikely to have experience or qualification in the selection or approval of housing providers, and the policy offers no clear process for the definition or selection of these housing providers. This is a significant risk for the City and any developer seeking to meet the City's policy requirements, and we recommend this is further clarified and detailed.

iv) Sub-section b) also notes that a restrictive covenant is to be registered against the certificate of title noting that the affordable housing units are restricted for 'affordable housing only'. We are unclear as to who the intended restrictive covenant is to be in favour of, and what experience or ability that authority has to seek enforcement of the restrictive covenant. We are also unclear as to how 'affordable housing only' uses would be enforced, as the definitions provided in the policy are not sufficiently clear or circular in their wording. We recommend that the City detail the wording of any proposed restrictive covenant to ensure that the above matters are clarified.

e) Section 6 (Cash in lieu)

The suggestion that cash-in-lieu will be applicable where the affordable dwelling provision is not met in our view is inappropriate, as the City has not made clear how such cash-in-lieu will be spent in accordance with the purpose for which it is taken.

Whilst it is recognised the policy defers guidance on cash-in-lieu expenditure to an 'Affordable Housing Strategy' under sub-section i), given the City is unlikely to:

a) be in the business of constructing affordable dwellings and providing these to market; or

b) provide grants to developers to construct affordable housing;

in our view such cash-in-lieu collection is highly unlikely to be considered a valid condition of approval. We recommend this section be removed from the policy unless further rationale and clarity can be included.

Conclusion

We greatly appreciate the opportunity to provide feedback on the City's initiative. Industry collaboration on important issues such as housing affordability is critical to finding effective solutions, and we look forward to working with the City further on the delivery of a diverse and affordable array of housing throughout the municipality.

Should you require any further information please do not hesitate to contact the undersigned.

Yours faithfully

JARROD ROSS
PRINCIPAL