

National Housing Conference 2008

Waverley Council

Affordable Housing Program



Waverley – A Snapshot

- Rising land, housing and development costs
- Expensive rental market
- Shift in social composition – gentrification of low to moderate income households & older persons unable to afford to stay in the LGA leading to social dislocation
- 58% of dwellings are units
- Number of rental dwellings decreased from 43% in 1996 to 35% in 2006 (i.e. converted to owner occupier dwellings)
- Average repayments in 2006 ranged between \$1600 - \$1999, a figure 30% above the Sydney average of \$1050 - \$1400
- According to DoH in 2006 68% of Waverley LGA is in housing stress (i.e. more than 30% of income to rent).
- Average rent in Waverley is 29% higher than the Sydney average
- Between 2001 and 2006 average household income in Waverley increased by 23.7%



Background to Waverley Affordable Housing Program (WAHP)

Since 1999 the Waverley Affordable Housing Program (WAHP) has procured 32 units. (tenure includes perpetuity + rent-cap).

WAHP objectives and actions:

- Encourage, retain and replace low rental accommodation;
- Research and advocacy; and
- Management of affordable housing stock.

WAHP units generated by Waverley Development Control Plan 2006 (WDCCP 2006) –Multi-Unit Housing (Additional floorspace benefits are shared between developer and community i.e. social benefits).



Introduction – WAHP Review

The introduction of Section 93F Voluntary Planning Agreements *Environmental Planning and Assessment Act 1979* initiated the WAHP Review.

The purpose of the WAHP Review:

- Reinforce legality, probity and transparency;
- Reaffirm Councils affordable housing objectives;
- Streamline process;
- Structure and introduce Voluntary Planning Agreements (VPAs) to acquire and secure future affordable housing; and
- Review & produce suite documents providing procedural guidance to Council and the community.



The Review resulted in:

Draft Waverley Affordable Housing Program Policy 2007

Draft Voluntary Planning Agreements Policy 2007

Revised WAHP Calculator

Procedures (Internal + DA)

Conditions of consent

The possible application of the WAHP to the Bondi Junction Commercial Centre



Draft Waverley Affordable Housing Program Policy 2007

Draft Policy 2007 outlines the manner in which Council will increase and manage the supply of affordable housing in Waverley. The policy sets out:

- Means and manner Council will increase the supply of affordable housing;
- How those interested in participating in the program will proceed;
- How council will negotiate and enter into VPAs (e.g. the operation and mechanisms to deliver the program); and
- Process and procedures by which affordable housing is provided and managed (i.e. accountability, management and reporting systems).



Summary Draft Affordable Housing Policy 2007



- Introduces VPAs to attain and secure affordable housing stock;
- Expands the program to include alterations and additions to mixed use development containing a residential component.
- Revises contributions rates (monetary + physical);
- Revises Calculator (to be publicly accessible);
- Outlines responsibilities and probity matters;
- Introduces VPA Register.



Continued ...

Review process has also sought to:

- Re-affirm the position that exceeding permissible FSR limits are not 'as of right' controls. The achievement of the maximum FSR will be dependant on compliance with all other relevant controls in WDCP 2006 and an acceptable environmental impact.
- All offers to access affordable housing provisions in WDCP 2006 – Multi-unit Housing must be made at time of DA lodgment pursuant to Section 93F Voluntary Planning Agreements of the EP & AA 1979.



WAHP Calculator - Model

Waverley Affordable Housing Program Calculator

Developed by Hill PDA - Ver 1.6

Street & Suburb	Site Address
Development Application	Development Application Number
Zoning	
Applicant	Applicant's Name
Land Owner	Owner's Name
Contact Person & telephone	Contact Person

- Excel spreadsheet
- To be publicly accessible - Responsibility of applicant to insert correct data

Value of Benefit to Developer

Site Area	0	square metres
Purchase price (or market value)	\$0	
Code's Maximum FSR	0.000	:1
Developable Floor Space Area	0	sqm
Land Value	\$0	/sqm of GFA
Bonus FSR	0.000	:1
Bonus Floor Space	0	sqm
Estimated Benefit	\$0	

Key Information:

- Site area
- Purchase price or property value (last 12 months)
- Permissible FSR
- Proposed bonus
- Estimated Benefit expressed as a dollar value



Continued ...

Contribution Options					
Option 1. Units granted in perpetuity					
	Quantity	Sale value		Benefit Captured	
Bedsit / Studio Units	-	\$0		\$0	
1 bedroom unit	-	\$0		\$0	
2 bedroom unit	-	\$0		\$0	
3 bedroom unit	-	\$0		\$0	
Option 2. Rental Capped Units					
Gross Yield on residential investment properties		4.3%			
Estimated outgoings as a percentage of Sale Value		1.5%			
Discount rate to apply to rental cap		2.8%			
	Quantity	Market Wkly rent	Affordable rent	Cap Term	Benefit Captured
Bedsit / Studio Units	0	\$0	\$0	0.0	\$0
1 bedroom unit	0	\$0	\$0	0.0	\$0
2 bedroom unit	0	\$0	\$0	0.0	\$0
3 bedroom unit	0	\$0	\$0	0.0	\$0
Option 3. Developer CASH Contribution					\$0

Three contribution options:

1. Perpetuity
 2. Rent-cap
 3. Monetary
- 50% Benefit (developer / community)
 - Out-put sheets to be submitted at time of DA lodgment



Draft Voluntary Planning Agreement Policy 2007

Draft VPAP 2007 outlines:

- When Council consider VPAs;
- Legal context and mandatory requirements of VPAs;
- Form of contribution within a VPA and benefits sought;
- Method for determining public benefits;
- Procedures for negotiating and entering into VPAs;
- Notification and exhibition of VPAs;
- Implementation and conditions of consent;
- Planning obligations;
- Monitoring, review and registration; and
- How Council value public benefits under a VPA



Summary proposed WAHP process

Step 1: Initial negotiations - pre-DA

Step 2: Applicant prepares VPA (including Calculator)

Step 3: Submit DA / process

Step 4: Payment made (rent capped, perpetuity, monetary)

Step 5: Unit made available for portfolio

Step 6: Tenancy placement/management – Community Housing Association



Bondi Junction Planning Review

- On 25 June 2007, Council resolved to seek a Section 65 Certificate for exhibition of draft Bondi Junction Centre Local Environmental Plan 2007 (BJCLEP 2007).
- Original draft BJCLEP 2007 contained objectives, provisions and development standards enabling affordable housing.
- In issuing the Section 65 Certificate, the Department of Planning (DoP) required the affordable housing provisions be deleted.
- Currently, Council in process of negotiating with DoP to reinstate provisions.



Case Study:

270-272 Bondi Road, BONDI

3-4 storey Residential Flat Building containing 14 units

Zone

No. 2(c1) Residential – Medium and High Density

Permitted FSR

0.9:1

Approved FSR

1.29:1 (40% Bonus)

Contribution

1x1brm in perpetuity

1x1brm for 4yrs at \$100p/w



Case Study:

Units 4, 5 and 6 184 – 186 Bronte Road, BRONTE

3 Storey RFB
Building containing 12 units

Zone

No. 2(c1) Residential –
Medium and High Density

Permitted FSR

0.9:1

Approved FSR

1.14:1

Contribution

2x Bedroom – 9 Years
\$100p/w



Discussion/Questions

