

11 August 2021

Mr Ashley Lindsay  
General Manager  
Clarence Valley Council  
Locked Bag 23  
GRAFTON NSW 2460

Dear Ashley,

**Re: Exemption from Section 64 Development contributions for seniors affordable housing  
DA2010/0592**

In 2019 Clarence Valley Council resolved to commit \$175,000 in settlement of S64 Development Contributions payable for the development of Clarence Village's Clarence Village Heights development at 95 Armidale St. The funding was to be sourced from the Clarence Care and Support Administration Reserve and this commitment was conditional on:

- Approval of grant funding of \$3.25m from the Building Better Regions Fund; and
- Completion of transfer of land title for 95 Armidale Street, South Grafton to Clarence Village Limited.

Clarence Village was unsuccessful for round 4 of Building Better Regions funding, but has made submissions to round 5 (and other funding rounds). It has also purchased this property and now holds the title to 95 Armidale St, South Grafton.

As the need for affordable housing for seniors becomes ever-more acute, Clarence Village continues to seek funding sources to develop this project. This may involve solutions that could achieve the financial goal of developing affordable seniors housing, but which may not satisfy the wording of the original Council resolution – eg if Clarence Village receives multiple smaller grants or concessional financing. At present this could create a perverse outcome where the project's financial viability is negatively affected by the source of funding not matching the wording of the original resolution.

Clarence Village seeks to have an amended resolution presented to Council's August meeting for consideration, seeking commitment of funds sufficient to settle section 64 contributions for a 22-unit development (DA2010/0592) conditional on Clarence Village providing the developed dwellings at affordable rental rates as defined by Clarence Valley Council's Affordable Housing Policy. As at August 2021 we believe this figure to be \$237,600.

I thank you for your assistance in this matter.

Yours Sincerely,



**Duncan McKimm**  
CEO  
Clarence Village Limited

<b>ITEM</b>	<b>6b.19.056</b>	<b>CONSTRUCTION OF AFFORDABLE SENIORS HOUSING GRAFTON BY CLARENCE VILLAGE LIMITED</b>
<b>Meeting</b>	Council	17 December 2019
<b>Directorate</b>	Environment, Planning & Community	
<b>Reviewed by</b>	General Manager - Ashley Lindsay	
<b>Attachment</b>	Yes	

### SUMMARY

Clarence Village Limited is applying for assistance from the Federal Government Building Better Regions Round 4 – Drought Support funding to build 22 affordable seniors housing units at 95 Armidale Road, South Grafton. These units will be offered to seniors who are eligible for Commonwealth Rent Assistance for 25% of their single pension per fortnight. In the current commercial market a comparable property costs 55% of the single aged pension. Clarence Village Limited is asking for assistance from Council to waive section 64 funds; section 7.11 (old section 94) are already eligible to be waived for seniors housing.

### OFFICER RECOMMENDATION

That

1. Council waive section 64 funds of \$175,000 for Clarence Village Limited if the Building Better Regions application to build 22 seniors affordable housing units is successful.
2. Funding for this be provided by the Clarence Care and Support Administration Reserve RA10240 if the grant is successful.

### COUNCIL RESOLUTION – 6b.19.056

**Ellem/Lysaught**

That

1. **Council pay the section 64 funds of \$175,000 on behalf of Clarence Village Limited if the Building Better Regions application to build 22 seniors affordable housing units is successful and at the completion of the property transfer of 95 Armidale Road, South Grafton to the ownership of Clarence Village Limited.**
2. **Funding for this be provided by the Clarence Care and Support Administration Reserve RA10240 if the grant is successful.**

**Voting recorded as follows:**

**For: Ellem, Lysaught, Novak, Williamson, Kingsley, Simmons**

**Against: Baker, Toms**

### AMENDMENT TO MOTION - WITHDRAWN

**Kingsley/Novak**

That

1. Council waive section 64 funds of \$175,000 for Clarence Village Limited if the Building Better Regions application to build 22 seniors affordable housing units is successful and at the completion of the property transfer of 95 Armidale Road, South Grafton to the ownership of Clarence Village Limited.
2. The waiver of the \$175,000 is subject to an amendment of the Development Application (through application by Clarence Village Limited to Council) to insert a condition requiring that rentals be no more than 25% of the single pension per fortnight.
3. Funding for this be provided by the Clarence Care and Support Administration Reserve RA10240 if the grant is successful.

**ORDINARY COUNCIL MEETING**

**LINKAGE TO OUR COMMUNITY PLAN**

Theme 1 Society  
Objective 1.2 We will have a safe, active and healthy region  
Strategy 1.2.2 Improve outcomes for the Clarence Valley through partnerships with key agencies and community organisations

**BACKGROUND**

There is a lack of affordable rental housing for seniors in the Clarence Valley as shown by the Council's Affordable Housing Strategy and other studies. Given the ageing population there is a growing demand for affordable seniors' rental housing, especially at ground accessible units/townhouses.

Under the Clarence Valley Contributions Plan 2011 Seniors Housing is exempt from paying section 7.11 (old section 94) contributions under section 2.8 of the plan.

**KEY ISSUES**

The water and sewer funds cannot be used to subsidise section 64 contributions and must be funded from a recurrent source, it is therefore recommended if Council decides to support the request from Clarence Village Limited that the \$175,000 is funded from the Clarence Care and Support Reserve if the funding application to Building Better Regions is successful.

**COUNCIL IMPLICATIONS**

**Budget/Financial**

The current balance in the Clarence Care and Support Administration Reserve is \$3.28 million.

**Asset Management**

N/A

**Policy or Regulation**

Clarence Valley Affordable Housing Strategy 2010  
Clarence Valley Contributions Plan 2011  
Building Better Regions Funding Guidelines

**Consultation**

N/A

**Legal and Risk Management**

N/A

**Climate Change**

Smaller units rather than large houses are more energy efficient.

Prepared by	Des Schroder, Director Environment, Planning & Community
Attachment	Letter requesting the waiver from Clarence Village Limited

Clarence Village Limited  
194 Turf Street  
GRAFTON NSW 2460  
ABN 46 135 598 097



Mr Ashley Lindsay  
General Manager  
Clarence Valley Council  
Locked Bag 23  
GRAFTON NSW 2460

6 December 2019

Dear Ashley,

***Re: Request for exemption from Section 64 contributions for DA2010/0592***

Clarence Village Limited is a community-owned company and registered charity whose mission is to provide a home, community and care through its retirement villages and aged care facility to seniors in the Clarence Valley. Since its origins 49 years ago in a resolution of the then Grafton City Council, Clarence Village has provided appropriate housing, care and support for many hundreds of seniors and currently accommodates over 200 residents.

Since the construction of five social housing units at Clarence Village in 1992 through a joint venture of Clarence Village and the NSW Department of Housing, no social housing for seniors has been constructed in Grafton. Due to the aging of the Clarence Valley's population, the supply of appropriate and affordable housing for the aged is woefully insufficient to meet current, let alone future demand. Clarence Village currently has almost three dozen seniors on its waiting list for independent living units and the wait for social housing is 5-10 years. The loss of around 140 dwellings to bushfires in the Clarence Valley since September will further compound this issue.

Clarence Village has publicly advocated for the need to address this shortfall through the construction of suitably designed housing for seniors, particularly those without the means to purchase suitable accommodation as they age. To address the issue, Clarence Village has secured a site on conditional contract, developed architectural plans and has an approved Development Application (DA2010/0592) for the construction of 22 housing units suitable for seniors at 95 Armidale St, South Grafton. These units will be offered to seniors eligible for Commonwealth Rent Assistance for 25% of their single aged pension per fortnight. In the current market a comparable property costs 55% of single aged pension.

In efforts to attract funding from various Government bodies, Clarence Village has publicly pledged \$1 million towards the cost of developing these dwellings. To date we have been unsuccessful in securing the additional \$5.5 million required to complete this project. Through the Federal Government's Building Better Region's Round 4 – Drought Support funding, Clarence Village is again seeking funding for this project. The purpose of this program is to provide economic stimulus to regions affected by drought by developing infrastructure projects that benefit the community economically and socially.

Clarence Village believes its project soundly meets the eligibility requirements of this funding. However, funding in this program is provided on a matched basis, requiring us to contribute \$3.25 million. Clearly, this is a significantly larger financial outlay than the \$1m previously pledged, requiring the commitment of \$2.25 million in resident funds loaned to Clarence Village as entry contributions. We are prepared to invest these funds for the benefit of the community, but request support from Clarence Valley Council in order to do so in a sustainable and responsible manner.

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Clarence Village believes that under Section 2.8 of Clarence Valley Council's Contributions Plan 2011, affordable seniors' housing developments such as this are exempt from Section 94 contributions. However, the Section 64 contributions of \$175,000 represent a significant financial barrier to the ability of Clarence Village to deliver this community development. Clarence Village requests Councillors consider allowing an exemption from Section 64 contributions for DA2010/0592. We believe this contribution represents a sound investment in the community, leverages Commonwealth funding and represents minimal cost over the course of the developments life.

Clarence Village will mark its 50<sup>th</sup> year of operation in 2020 – a significant milestone for any organisation, let alone a charitable one. How fitting it would be then, if Council could again answer the call for appropriate seniors housing, by supporting the organisation it helped create for this purpose half a century ago. I call on Council to recognise and seize this opportunity to tangibly improve the lives of seniors in the Clarence Valley by providing this exemption.

Yours Sincerely,

A handwritten signature in black ink, appearing to read 'Duncan McKimm', with a stylized flourish at the end.

**Duncan McKimm**  
CEO  
Clarence Village Limited