

Affordable Housing Policy



Responsible Manager (Title)	Murray Lane – Manager Development and Land Use Planning		
Adopted by Council	Date	Minute Number	
File Reference Number	DWS	Version	Review Due
Document(s) this policy Supersedes	Affordable Housing Policy 2015		
Community Plan Linkage	1.8 Society - An appropriate mix of housing that meets the various stage of life		

1 Purpose

The purpose of the Policy is to support the delivery of diverse and affordable housing in the right locations to meet the needs of Clarence Valley’s current and future residents at every stage of life.

2 Definitions

Act means the Environmental Planning and Assessment Act 1979

Adaptable housing means housing that meets Australian Standard AS4299-1995 and can therefore be easily and cost effectively adapted to meet the needs of seniors and/or people with disability with minimal disturbance to the dwelling’s inhabitants.

Affordable housing is defined by the Act as housing for very low-income households, low income households or moderate income households, being such households as are prescribed by the regulations or as are provided for in an environmental planning instrument.

Clarence Valley LEP means Clarence Valley Local Environmental Plan 2011.

Council means Clarence Valley Council.

Housing stress refers to a situation where a household pays more than 30% of its gross income on housing costs and that household is in the bottom 40% of national equivalised incomes.

Housing SEPP means the State Environmental Planning Policy (Housing 2021). This is a State-wide policy that aims to facilitate the supply of diverse and affordable housing options across NSW.

Key workers are those workers who are employed in roles essential to the functioning of the local area, and who are typically paid low to moderate salaries. For example, police, fire fighters, teachers, childcare workers.

Low-income household means a household with a gross income between 50% and 80% of the median household income and pays no more than 30% on rent or is eligible to occupy rental accommodation under the National Rental Affordability Scheme and pays no more than the rent that would be charged if the household were to occupy rental accommodation under the Scheme.

Moderate-income household means a household with a gross income between 80% and 120% of the median household income and pays no more than 30% on rent, or is eligible to occupy rental accommodation under the National Rental Affordability Scheme, and pays no more than the rent that would be charged if the household were to occupy rental accommodation under the Scheme.

Planning proposal is a document and supporting information that explains the intended effect and justification for a local environmental plan (LEP) or an amendment to an LEP (for example, a spot rezoning).

Social housing is secure and affordable rental housing provided by the Land and Housing Corporation for people on low incomes who are unable to access suitable accommodation in the private rental market. Social housing includes public, Aboriginal and community housing.

Very low-income household is defined by the Housing SEPP as a household with a gross income lower than 50% of the median household income and pays no more than 30% on rent, or is eligible to occupy rental accommodation under the National Rental Affordability Scheme, and pays no more than the rent that would be charged if the household were to occupy rental accommodation under the Scheme.

3 Background

Access to affordable, appropriate, and secure housing is a basic human right. It also essential for creating a prosperous and thriving community that is socially, economically, and environmentally sustainable in the long-term.

In 2023, Council prepared the Clarence Valley Local Housing Strategy, which highlights the urgent need for more diverse and affordable housing options to meet the needs of residents. Based on an analysis of demographic indicators, and housing supply and demand, there is a mismatch between the housing that is needed in Clarence Valley and what is being delivered by the market. There is a growing need for more diverse and affordable housing to better meet current and future needs, including smaller homes and housing for students, older people, and key workers. However, the delivery of diverse and affordable housing is a significant challenge.

Most local housing continues to be delivered in the form of large, detached dwellings. The lack of smaller dwellings means one or two person households have few options, whilst the low supply of rental housing and tight vacancy rates mean some households cannot find a home. This situation places certain residents at risk of homelessness or forces them to live in substandard housing, including dwellings that are overcrowded.

A lack of housing diversity in terms of housing types, size, tenure and price, is a serious issue that will worsen over time if the types of housing that are supplied, predominantly large, detached houses, do not change to meet changing housing needs.

Smaller, accessible dwellings that are located close to centres and services are needed to house Clarence Valley's ageing population and to provide appropriate accommodation for smaller households. There are also broader environmental, social and economic benefits of minimising urban sprawl in favour of more compact growth patterns.

3.1 Affordable housing

Affordable housing is separate and distinct from social housing. The statutory definition of affordable housing specifically relates to housing that is developed under an environmental planning instrument for households with very low, low, and moderate incomes. Mortgage repayments or rents for such housing are priced so these households can meet their other essential living costs, such as food, clothing, transportation, medical care, and education.

Affordable housing can be delivered or owned by private developers, investors, Governments, charitable organisations, and not-for-profit community housing providers (CHPs). While some affordable housing dwellings are owner-occupied, in most cases they are leased and managed by a community housing provider or private investor.

Occupants of affordable housing include younger residents looking to move out of home, key workers, people with a disability, single parents and elderly residents looking to downsize. Given that the needs and preferences of occupants differ within and between each group, and change over time, diversity in this sector is essential.

As shown in Figure 1, affordable housing is part of a wider 'housing spectrum' ranging from homelessness and fully subsidised crisis housing at one end, to completely unsubsidised market housing/home ownership at the other. People may move back and forth along the spectrum throughout their lifetime, depending on life circumstances, aspirations, and capacity. For some people, affordable housing provides a stepping-stone to market housing. For others, it provides an essential safety net during challenging times so they can continue to fully participate in society.

Figure 1 – Housing spectrum



Source: *Housing 2041 (NSW Government)*

3.2 Housing diversity

Increasing the supply of a diverse mix of housing options across the housing spectrum is key to maximising affordability outcomes and satisfying community needs. It also helps to create vibrant and sustainable urban neighbourhoods, that are better integrated, more cohesive, with reduced levels of social disadvantage.

Through the application of this Policy, Council seeks to support the direct delivery of affordable housing (as defined by the Act) as well as the indirect delivery of affordable housing (in the broader sense) by promoting housing diversity.

Housing diversity includes lot sizes, the number of bedrooms, tenure, or whether housing is suitable for special needs groups, including seniors, students, people with disability, and/or is culturally responsive to the needs of First Nations communities.

The North Coast Regional Plan promotes the diversity of housing choices in existing areas to give people more options at different stages of life and to reduce pressure on greenfield release areas on farmland and biodiversity. This also maximises the use of existing and new infrastructure and provide greater access to jobs, services and lifestyle opportunities.

4 Policy statement

4.1 Scope

This policy applies to all development involving a residential component in the Clarence Valley LGA.

4.2 Guiding principles

In applying this Policy, Council will be guided by the following key principles.

- a) Affordable housing is essential social infrastructure and a basic human right.
- b) Affordable housing must aim to create mixed and balanced communities.
- c) Affordable housing must be created and managed so that socially diverse residential population, representative of all income groups, is developed and maintained in a locality.
- d) Affordable housing must be made available to very low, low and moderate income households, or a combination of these households.
- e) Affordable housing must be rented to appropriately qualified tenants and at an appropriate rate of gross household income.
- f) Land provided for affordable housing must be used for that purpose.
- g) Buildings provided for affordable housing must be managed to maintain their continued use for affordable housing.
- h) Affordable housing must consist of dwellings constructed to a standard that, in the opinion of the consent authority, is consistent with other dwellings in the area.

5 Implementation

5.1 General

In exercising its plan-making and decision-making functions under Part 3 the Act, Council will encourage the delivery of:

- a) affordable and low-cost infill housing in high-amenity locations that are in walking distance to public transport and other services and facilities.
- b) a diverse mix of smaller (studio, one and two bedroom) strata dwellings
- c) subdivisions offering a mix of lot sizes, including smaller lots (400 square metres or less) and diverse housing types, reflective of market demand.
- d) adaptable housing to meet the needs of seniors and people with disability.

5.2 Development applications

Note: Under the current NSW contributions framework, Council may no longer impose conditions of consent requiring contributions for affordable housing without an Affordable Housing Contribution Plan in place, that is authorised by its Local Environmental Plan. Action 3.2 of the draft 2023 Clarence Valley Local Housing Strategy is to progress the preparation of a local or regional Affordable Housing Contribution Scheme and update Clarence Valley LEP to authorise the Scheme.

- a) For development applications involving residential development on land that would otherwise be considered and determined under the under the Housing SEPP except that it does not strictly meet the location requirements, but involves the delivery of affordable housing, Council will consider the application of the Housing SEPP provisions where appropriate, along with other relevant policies.
- b) Where 10 or more dwellings are proposed, the development must include an appropriate mix of dwelling sizes, including studio and 1-and 2-bedroom dwellings, reflective of local needs. At least 5% of the dwellings (rounded up to the nearest whole number) must be designed in accordance with Livable Housing Australia's Livable Housing Design Guidelines. Where 1 dwelling is designed in accordance with the Liveable Housing Design Guidelines, the dwelling must achieve 'platinum' level accreditation. Where 2 or more dwelling are designed in accordance with the Liveable Housing Design Guidelines, at least half of these dwellings must achieve 'platinum' level accreditation and half must achieve 'gold' level accreditation. Planning proposals

5.3 Planning proposals

Note: Action 3.3 of the draft 2023 Clarence Valley Local Housing Strategy is to prepare separate Voluntary Planning Agreements (VPA) Policy and Guideline to outline the processes, procedures and general requirements for negotiating and preparing VPAs, calculating the value of contributions, and assessing feasibility.

For all planning proposals involving a residential component, Council will:

- a) consider and ensure that adequate planning controls are place to ensure the delivery of diverse housing options, consistent with Clarence Valley Local Housing Strategy.
- b) seek to negotiate a planning agreement to encourage private investment in social and affordable housing.

Requirements for such planning agreements are as follows:

- a) The contribution may include land for affordable housing, direct provision of affordable housing on-site, or a cash contribution for affordable housing within the local area.
- b) In certain circumstances, a monetary contribution for off-site delivery of affordable housing may be more appropriate. For example, where the planning proposal relates to a site with a high land value.
- c) The value of the planning agreement must be equivalent to 50% of the unearned increment of land value uplift arising from the planning proposal.
- d) A valuation must be obtained to provide an estimate of the land value uplift that is likely to arise from the planning proposal, using a direct sales-comparison method.
- e) For planning agreements involving the direct provision of affordable housing on-site:
 - i. The proposed affordable housing must be for households with low or very low incomes, or a combination of both.
 - ii. Where 10 or more dwellings are proposed, the development must include an appropriate mix of dwelling sizes, including studio and 1-and 2-bedroom dwellings, reflective of local needs. At least 5% of the dwellings (rounded up to the nearest whole number) must be designed in accordance with Livable Housing Australia's Livable Housing Design Guidelines. Where 1 dwelling is designed in accordance with the Liveable Housing Design Guidelines, the dwelling must achieve 'platinum' level accreditation. Where 2 or more dwelling are designed in accordance with the Liveable Housing Design Guidelines, at least half of these dwellings must achieve 'platinum' level accreditation and half must achieve 'gold' level accreditation.
- f) In negotiating a VPA, consideration will be given to:
 - i. The dedication of the affordable housing dwellings to Council and the timing of such dedication.
 - ii. Criteria for assessment of future tenants, or reference to a policy of the nominated housing provider/manager which specifies such criteria.

- iii. The lodgement of a security and any other mechanisms to ensure due delivery of the contribution.
- iv. Site-specific conditions and any other relevant matters.

6 Appeal/objections process

Nil.

7 Related Documents

This Policy should be read in conjunction with:

- a) Environmental Planning and Assessment Act 1979
- b) State Environmental Planning Policy (Housing) 2021
- c) North Coast Regional Plan 2041
- d) Clarence Valley Local Strategic Planning Statement 2020
- e) Clarence Valley Housing Strategy 2023

8 Review and monitoring

Council is committed to ongoing research into housing needs and issues in the Clarence Valley LGA. The outcomes of such research will continue to form the basis of local housing policy formulation and implementation.