

City of Salisbury Values: Respectful, Accountable, Collaborative, Helpful

# Affordable and Community Housing Policy – Development of Surplus Council Owned Land

Adopted by: Council

Responsible Division: Strategic Development Projects

First Issued/Adopted: 26 June 2012

Last Reviewed: 26 June 2023 (Resolution No. 0366/2023)

Next Review Date: July 2027

### 1. Purpose

Secure and affordable housing provides a fundamental basis for wellbeing and prosperity for our community. Council recognises market pressures continue to impact supply and demand resulting in the erosion of housing affordability for low to moderate income households earning less than \$1250.00 per week. In the City of Salisbury ('the City') this represents 42.9%¹ of households, compounded by 11.2%² of total households experiencing housing stress.

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<sup>&</sup>lt;sup>1</sup> ABS Census 2021, community profile.id <u>Household income | City of Salisbury | Community profile (id.com.au)</u>

<sup>&</sup>lt;sup>2</sup> ABS Census 2021, housing monitor.id, <u>Housing Stress & Need | City of Salisbury | housing monitor (id.com.au)</u>

Council's commitment to develop a welcoming and liveable City in The City Plan 2035 includes facilitating housing choices and the provision of between 15-20% affordable housing through Council's development projects for the City's diverse population and those yet to call Salisbury home.

Affordable Housing features in the State Land Use Planning system. The *Planning and Design Code* <sup>3</sup> includes an Affordable Housing Overlay that expects development comprised of 20 dwellings/residential allotments or more to include at least 15% affordable housing.

Council can contribute to the Code's expectation to deliver affordable housing through development of surplus Council owned land for residential purposes and continue to meet Council's values inclusive of being respectful, accountable, collaborative, helpful.

## 2. Scope

This policy applies where Council develops surplus Council owned land for residential purposes.

## 3. Legislative Requirements and Corporate Policy Context

- 1. Community Housing Providers (National Law) (South Australia) Act 2013
- 2. Planning Development and Infrastructure Act 2016
- 3. Planning, Development and Infrastructure (General) Regulations 2017
- **4.** Planning and Design Code (Version 2023.2)
- 5. South Australian Housing Trust Act 1995
- 6. South Australian Housing Trust Regulations 2010
- 7. *City Plan 2035*
- **8.** Affordable Housing Implementation Plan 2020
- 9. Age Friendly Strategy/Action Plan
- **10.** *Salisbury Homelessness Strategy*

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<sup>&</sup>lt;sup>3</sup> Government of South Australia 2023, Planning and Design Code (Version 2023.2)

## 4. Interpretation/Definitions

For the purposes of this Policy:

- 4.1 The term *Affordable Housing* adopts the definition and criteria as specified by gazette notice pursuant to Regulation 4 of the *South Australian Housing Trust Regulations 2010 Determination of criteria for the purposes of the concept of affordable housing*<sup>4</sup>. The current gazettal<sup>4</sup> contains the following criteria that must be met for land or a dwelling in a development to meet the affordable housing determination:
  - a) The development must be subject to a legally enforceable obligation such as a Land Management Agreement and/or condition of planning approval to ensure the sale and/or purchase of the land or dwelling complies with the requirements of the notice, and either;
  - b) The land or a dwelling is offered for sale to an eligible home buyer at or below the Price (refer 4.2 below); or
  - c) A dwelling or land is provided for affordable lease or rent by an Eligible Rental Provider, which includes the SA Housing Authority and/or Registered Community Housing Provider;
  - d) Developer/owner may seek approval from the South Australian Housing Authority for an increase to the Price by up to 10% for any one variance, and up to 15% for any two variances combined. Available variances include where the dwelling:
    - has features which make it more energy efficient and environmentally sustainable; or
    - Is on a small allotment within close proximity to public transport;
       or
    - Is offered for sale in conjunction with a financing product that increases an Eligible Home Buyer's purchasing capacity as outlined in the industry guidelines published from time to time by the South Australian Housing Trust.
- 4.2 Price,<sup>4</sup> as gazetted 8 September 2022, means:

Affordability Indicators (February 2021)	Greater Adelaide
Dwelling or house and land purchase price (inc GST)	\$417,000.00
Land purchase price (Inc GST)	\$187,560.00

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<sup>&</sup>lt;sup>4</sup> Notice Dated 24 August 2022, The South Australian Government Gazette 8 September, 2022, No.62 p.5913 Page **3** of **7** 

- 4.3 *Community Housing* means housing for people on a very low, low or moderate income or for people with additional needs that is delivered by non-government organisations<sup>5</sup>.
- 4.4 *Housing Stress* is defined as households in prescribed income brackets, spending more than 30% of their gross household income on either rent or mortgage repayments. Income brackets are classified as Very Low (< 50% of median), Low (50% to 80% of median) and Moderate (80% to 120% of median)<sup>6</sup>.

# 4.5 An **Eligible Buyer** is:

- a) A person who is assessed as being eligible by the SA Housing Authority (eligibility is limited to low and moderate income South Australian households, and is adjusted for household size. An asset assessment is required to determine eligibility);
- b) A registered housing cooperative under the *Community Housing Providers (National Laws) (South Australia) Act 2013*
- c) SA Housing Authority;
- d) A person (natural or corporate) approved to provide affordable rental under the National Rental Affordability Scheme (noting the Scheme will end in 2026);
- e) Defence Housing.

# 5. Policy Statements

- 5.1 Council commits to providing a minimum of 15-20%% affordable housing when developing surplus Council owned land for residential purposes, through Strategic Development Projects, to comply with legislation and where the site is considered appropriate. Appropriate sites include those considered to have good access to public transport, activity centres and community services.
- 5.2 Where a site is not considered appropriate for provision of affordable housing, any shortfall in provision may be provided in subsequent developments.

<sup>&</sup>lt;sup>5</sup>Community Housing Providers (National Law) (South Australia) Act 2013, Part 1-Preliminary Section 4 – Definitions

<sup>&</sup>lt;sup>6</sup>Profile.id <u>Housing Stress & Need | City of Salisbury | housing monitor (id.com.au)</u>

- 5.3 In accordance with household income level of the City's community, Council commits to offering affordable homes for sale at or below the City of Salisbury specific price points, set at 10-15% below the State Government's affordable housing price points to cater for the demographic of the local community where the site is located.
- 5.4 Council will seek every opportunity to partner with Community Housing Providers to provide affordable housing outcomes including, when undertaking Council's process of identifying suitable land.
- 5.4 The objectives of this policy guide Council's Affordable Housing Implementation Plan and include:
  - a) Achieve quality housing outcomes for the City's diverse population;
  - b) Facilitate delivery of inclusive communities where people of all ages, backgrounds and incomes have a place to call home;
  - Advocate for increased low cost and affordable housing choices that are appropriate, sustainable and responsive to current and future needs of our community;
  - d) Explore innovative solutions and partnership opportunities to deliver affordable housing for improved socio-economic outcomes;
  - e) Explore delivery models that promote a commercial return to Council.

### 6. Related Policies and Procedures

6.1 None applicable

# 7. Approval and Change History

Version	Approval Date	Approval By	Change
	23 April 2018	Council	Minor edits and changes
	25 May 2020	Council	Reviewed to align with Council's Affordable housing Implementation Plan, include Community housing component, and criteria to reflect State Government regulations and definitions

17 June 2020 Council

Outcomes of Salisbury Homelessness Strategy

17 April 2023 Council (0223/2023)

Policy amended to incorporate changes to the legislative framework to improve consistency and alignment.

These include:

Planning, Development and Infrastructure (General) Regulations 2017, that provide further guidance to the Act; and Planning and Design Code (Version 2023.2).

26 June 2023 Council (0366/2023)

Policy reviewed and updated in the Council's new policy format;

Changes include:

New legislative requirements; and increases to affordable housing price points.

Increasing the percentage of affordable housing from a minimum of 15% to 15-20% where appropriate when developing surplus Council owned land for residential purposes.

Increasing the City of Salisbury affordable housing from 10% below to 10-15% below the State Governments affordable housing price points.

A new Policy Statement that Council will seek to partner with Community Housing Providers to provide affordable housing outcomes including through the identification of land.

## 8. Availability

- 8.1 The Policy is available to be downloaded, free of charge, from Council's website <a href="https://www.salisbury.sa.gov.au">www.salisbury.sa.gov.au</a>
- 8.2 The Policy will be available for inspection without charge at the Civic Centre during ordinary business hours and a copy may be purchased at a fee as set annually by Council.

City of Salisbury Community Hub 34 Church Street, Salisbury SA 5108

Telephone: 84068222

Email: <a href="mailto:city@salisbury.sa.gov.au">city@salisbury.sa.gov.au</a>

#### 9. Review

- a) Every four years, within 12 months of a Council election; or
- b) Earlier in the event of changes to legislation or related policies and procedures; or
- c) If deemed necessary by Council

#### **Further Information**

For further information on this Policy please contact:

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