



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

<b>Policy Type:</b>	<b>Policy</b>		
<b>Approved By:</b>	<b>Council</b>	<b>Decision No:</b>	<b>2466/2018, 0535/2020</b>
<b>Approval Date:</b>	<b>26/06/2012</b>	<b>Last Reapproval Date:</b>	<b>25 May 2020</b>
<b>Review Date:</b>		<b>Internal Reference No.:</b>	
<b>Department:</b>	<b>City Development</b>	<b>Division:</b>	<b>Strategic Development Projects</b>
<b>Function:</b>	<b>3 - Development Control</b>	<b>Responsible Officer:</b>	<b>Manager, Strategic Development Projects</b>

### **A - PREAMBLE**

Secure and affordable housing provides a fundamental basis for wellbeing and prosperity for our community. The issue of affordable housing is of concern to the City of Salisbury (“the City”) as escalating house prices pose a threat to its established reputation as an affordable and liveable city, and the social impacts on particular groups in the community are becoming increasingly apparent.

It is estimated that 48% (23,900) of households across the City with a weekly income of less than \$1,250 cannot afford a typical 3 bedroom house with single frontage within a new land division project<sup>1</sup>. 15.6% (8,034) of households in the City are experiencing housing stress (defined as households in the lowest 40% of incomes who are paying more than 30% of their income on housing costs), which is higher than Greater Adelaide (12.6%)<sup>2</sup>. Housing stress is disproportionately experienced by those members of the community who are renting. 34.3% (4,974) of renting households in the City are experiencing rental stress compared to 31.9% in Greater Adelaide<sup>3</sup>.

The State Government has adopted a target of 15% affordable housing to be provided in all new significant developments (defined as developments of 20 allotments or more) within designated affordable housing Overlays, as well as Zones and Policy Areas that include affordable housing in Council Development Plans. 15% affordable housing is also included on sale of government land, and must be addressed in major

---

<sup>1</sup> Holmes Dyer 2018, Low Cost Affordable Housing Research Paper prepared for City of Salisbury

<sup>2</sup> ABS Census 2016 via atlas.id, <https://atlas.id.com.au/salisbury>

developments through the Environmental Impact Study (EIS) process. In the future there will be an Affordable Housing Overlay in the Planning and Design Code.

One additional way in which Council can directly contribute to the affordable housing target is through the provision of affordable housing where Council seeks to develop surplus Council owned land for residential purposes.

## **B - SCOPE**

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

## **C – POLICY PURPOSE/OBJECTIVES**

1. The City Plan 2030 states that Council will provide a range of housing options appropriate for our diverse community.
2. Council's Affordable Housing Implementation Plan outlines the goals of the Implementation Plan to:
  - a. Achieve better housing outcomes for individuals and families;
  - b. Facilitate delivery of inclusive communities where people of all ages, backgrounds and incomes have a place to call home; and,
  - c. Advocate for increased low cost and affordable housing outcomes that are responsive to current and future needs of our community.

## **D - DEFINITIONS**

1. For the purposes of this policy 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*. The current gazetta<sup>3</sup> contains three criteria that must be met for land or a dwelling in a development to meet the affordable housing determination:
  1. The land or a dwelling must be offered for sale to an eligible buyer ;
  2. If being sold for home ownership, the land or the dwelling must be offered for sale at or below the Gazetted price; and
  3. The development must be subject to a legally binding Land Management Agreement to ensure these requirements are met.

The associated price point is determined with reference to the General Affordability Indicator (mortgage or rental payments should be less than 30% of moderate household gross income). In 2018/19 the price for affordable housing is \$365,000 or less for dwelling (inclusive of GST), and \$164,250 or less for land only (inclusive of GST) for Greater Adelaide. Prices are reviewed and gazetted annually and should be considered at the time of each development.

In light of household income level of the City's community, the affordable housing will be offered for sale at or below the City of Salisbury specific price points, set at 10% below the State Government's affordable housing price points. Prices will be reviewed annually at the same time as the Greater Adelaide's Affordable Housing Price Points.

---

<sup>3</sup> Notice Dated 29 November 2019, The South Australian Government Gazette No.13, 13 February 2020, pp.328-329

For the purpose of this policy, “Community Housing” is defined to be housing provided by community housing organisations that are eligible for the mandatory rates rebate under the provisions of the *Community Housing Providers (National Law) (South Australia) Act, 2013*.

For the purposes of this policy, a legally binding agreement is only necessary where Council seeks to on-sell a vacant allotment, to ensure subsequent development meets the affordable housing criteria.

For the purposes of this policy an Eligible Buyer is:

1. 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);
2. A registered housing cooperative under the *Community Housing Providers (National Laws) (South Australia) Act 2013*;
3. A person (natural or corporate) approved to provide affordable rental under the National Rental Affordability Scheme;
4. Defence Housing.

## **E - POLICY STATEMENT**

1. Council commits to providing a minimum of 15% affordable housing when developing surplus Council owned land for residential purposes, where the site is considered appropriate. Appropriate sites are those considered to have good access to public transport, activity centres and community services.
2. Where a site is not considered appropriate for provision of affordable housing, any shortfall in provision may be provided in subsequent developments.
3. Council commits to offering affordable homes for sale at or below the appropriate price for the City of Salisbury to cater for the demographic of the local community where the site is located.
4. Examples of how affordable housing may be delivered include:
  - Lot size and dwelling design – design and construction of simple, high quality homes, resulting in a market value within the affordable price limit (e.g. smaller homes on smaller lots).
  - Delivering affordable rental options which may include partnering with, or selling to, an affordable rental provider such as Community Housing Provider or Defence Housing.
  - Exploring new delivery models through partnership which achieve commercial return as part of any future expressions of interest process and further investigate suitable mechanisms to facilitate balanced outcomes that consider financial and non-financial benefits arising from the projects (including exploration and investigation of opportunities for inclusion of a Community Housing component for the projects).
  - Financing that increases eligible buyer’s purchasing power – the sale of a residence in conjunction with specialised financing products that increase the buyer’s purchasing power up to 15% above the maximum sale price as an approved variation (such as subsidised financing options, which may make the sale price within reach of low and moderate income buyers).

- Exploring innovative approach to affordable housing by reducing the cost to the purchasers (e.g. grant funding attraction, occupation before completion, deferred payment or shared equity products).
5. Where Council is the developer of affordable housing, or enters into a partnership, (as opposed to selling a vacant allotment for future provision of affordable housing), the following measures will be considered during the design stage of the dwelling:
    - Environmental sustainability features that reduce on-going living expenses (such as measures to reduce utilities bills etc.);
    - The delivery of improved design outcomes;
    - Housing innovation and diversity by considering a range of product types.

## **F - LEGISLATION**

1. South Australian Housing Trust Act 1995
2. South Australian Housing Trust Regulations 2010
3. Development Act 1993
4. Planning, Development and Infrastructure Act 2016
5. Community Housing Providers (National Law) (South Australia) Act 2013

## **G - REFERENCES**

1. Housing SA Affordable Housing Design Guidelines

## **H - ASSOCIATED PROCEDURES**

1. N/A

### **Document Control**

<b>Document ID</b>	<b>Affordable and Community Housing Policy – Development of Surplus Council Owned Land</b>
<b>Prepared by</b>	<b>Hiroe Terao</b>
<b>Release</b>	<b>3.00</b>
<b>Document Status</b>	<b>Endorsed</b>
<b>Date Printed</b>	