



Planning Proposal for Affordable Rental Housing Contributions for Glenmore Park Stage 3 and Orchard Hills North

Fact Sheet

PLANNING PROPOSAL

A Planning Proposal is a document that explains and justifies any changes being proposed to planning controls such as the Penrith Local Environmental Plan (LEP) 2010. An LEP is a legal document prepared by Council and approved by the State Government that guides future development through land use zones and development controls.

A planning proposal is a request to the NSW Department of Planning and Environment to amend the planning controls, explaining the justification and effect of the proposed changes. The NSW Department of Planning and Environment's process requires any Planning Proposal to be placed on public exhibition for community and stakeholder comment, prior to making a decision on whether to adopt the changes.

WHAT CHANGES ARE PROPOSED?

The LEP amendment seeks to apply an affordable rental housing contribution to the proposed urban release areas of Glenmore Park Stage 3 and Orchard Hills North for the purpose of delivering affordable rental housing across Penrith Local Government Area (LGA)

WHY ARE WE PROPOSING THIS?

Over the past two decades, across much of Australia's east coast, significant and sustained price growth in property values has outpaced wage rises. This has resulted in declining housing affordability and growing public debate around the need to improve accessibility to the housing market.

Council currently seeks the provision of 3% affordable rental housing for all its urban release areas under the *Sustainability Blueprint for Urban Release Areas*. This affordable housing requirement has historically been implemented through Voluntary Planning Agreements (VPA).

The Planning Proposal seeks to apply an affordable rental housing contribution, consistent with Council's existing policy, through Penrith LEP 2010, as a condition of consent, rather than a VPA. This is to provide certainty and transparency about how affordable rental housing contributions will be determined on individual sites and the contribution rate that will be applied.

Relationship to the Glenmore Park Stage 3 and Orchard Hills North Planning Proposals

Glenmore Park Stage 3 and Orchard Hills North are subject to two separate planning proposals. These areas are where land is proposed to be rezoned for increased residential development. Council's *Sustainability Blueprint for Urban Release Areas* requires the provision of 3% affordable housing in these proposed urban release areas.

The proposed LEP clause will apply an affordable rental housing contribution to these areas, as a condition of consent. If made, the LEP clause will be triggered when development consent is sought in Orchard Hills North and Glenmore Park Stage 3, where the rezoning of these precincts occurs.

Proposed Contribution Rates

The proposed affordable housing contributions rates are provided in the draft Affordable Rental Housing Contribution Scheme (ARHCS) prepared by Atlas Urban Economics. The below rates are proposed for eligible residential development in the nominated areas and are based on the land area, not the number of dwellings proposed:

Affordable Rental Housing Contribution Rates for Orchard Hills North:

Year of commencement	Contribution per ha NDA	Equivalent Contribution per ha NDA
2024	\$76,000	1%
2027	\$152,000	2%

Affordable Rental Housing Contribution Rates for Glenmore Park Stage 3:

Year of commencement	Contribution per ha NDA	Equivalent Contribution per ha NDA
2024	\$152,000	2%
2027	\$304,000	4%

Affordable rental housing contributions are in addition to other development contributions across the LGA.

Frequently Asked Questions

Does this proposal affect my property?

The draft affordable rental housing contributions is proposed to apply to the urban release areas of Glenmore Park Stage 3 and Orchard Hills North. These precincts have been subject to a specific Planning Proposal to rezone the land to urban release area. To determine if your property is within these areas, please refer to the site specific planning proposal details on Councils website:

Orchard Hills North: <https://yoursaypenrith.com.au/planning-proposal-orchard-hills-north-public-exhibition>

Glenmore Park Stage 3: <https://yoursaypenrith.com.au/planning-proposal-glenmore-park-stage-3>

How will this impact the value of my land?

Land values within the future urban release areas will increase when they are rezoned from rural uses to urban uses. Development Feasibility has been considered in determining the suitability of the proposed contribution, with viability testing underpinning the proposed contribution rates.

How will this impact any future development?

The affordable rental housing contributions will be imposed as a condition of consent when additional residential development is approved. This contribution will not have an impact on the redevelopment potential of land.

When will the Affordable Rental Housing Contribution need to be paid?

When consent is to be granted to the subdivision of land for residential purposes, conditions of the consent



will specify that payment will need to be made prior to the issue of a Subdivision Certificate or Construction Certificate (this will be dependent on the development type).

How was the Affordable Rental Housing Contribution rate developed?

The proposed rate is determined based on a range of considerations including development feasibility, market notice and other existing local development contribution rates. The Viability Assessment supporting the Affordable Rental Housing Contribution Scheme provides specific details on how the rates were developed.

Why are different rates proposed at different years?

The viability assessment that supports the Affordable Rental Housing Contribution Scheme indicates that a staged approach to the implementation of affordable rental housing contributions would be better tolerated, as it would provide suitable market notice and certainty. Natural market growth over time will also assist to offset any potential impact.

Why are different rates proposed for Glenmore Park Stage 3 and Orchard Hills North?

The proposed affordable rental housing contribution rates were determined based on a range of factors including the capacity of future development to contribute to affordable rental housing. A key consideration of capacity to pay is other development contributions that may apply to each area.

The draft development contributions plan for Orchard Hills North is higher in cost than the equivalent draft Development Contributions Plan for Glenmore Park Stage 3. A higher affordable rental housing contribution was applied to Glenmore Park Stage 3 future urban release area as this area can contribute further to affordable rental housing.

The proposed affordable rental housing contribution will be reviewed in line with the local development contribution rates to ensure development feasibility.

What will the collected contributions go towards?

Community Housing providers have told Council that affordable rental housing should be located near railway stations and city centres, close to services and facilities. In consideration of this feedback, it is proposed that affordable rental housing contributions will be pooled to enable affordable rental housing to be provided in areas close to transport and access to services. Any affordable rental housing that is funded by the proposed contribution will remain affordable in perpetuity. The management and use of contributions will be guided by suitable governance arrangements.

WANT TO KNOW MORE?

If you have any questions, please contact Kathryn Sprang, Senior Planner on 4732 7834 or email cityplanning@penrith.city