

## Response to DPHI Comments on Draft AHCS 02

Department Feedback	Input to BSC Response
1. Suffolk Park and Mullumbimby precincts appear to be constrained by small lot size and heavy vegetation. Given this and the requirement for infrastructure, it is unclear how many dwellings would be able to be dedicated under the scheme. A monetary contribution may however be suitable in these instances.	The Scheme as drafted provides for a monetary contribution where the contribution required is less than 75% of minimum lot size.
2. Council should update its scheme to clearly outline the expected total contribution based on the scheme, including real dwellings, and the extent to which this would have towards addressing the assessed needs and demand for affordable rental housing in the LGA.	In keeping with its context, the Scheme is based on the contribution of residential lots.  It is not possible precisely estimate the affordable housing dwellings that will be enabled through the Scheme and this is not a requirement of the Department's Guideline.
3. The specified exemptions from the scheme are noted. However, it could be beneficial to include secondary dwellings and boarding houses.	Exemptions for secondary dwellings and boarding houses are not relevant to the Scheme as it applies to land being released as residential lots.  Further in the context of Byron Shire, such exemptions may support development that is not affordable or available as long term housing.
4. The viability assessment notes that the traditional approach using the Department affordable housing viability tool has not been used in this instance and instead uses real market transactions to test scenarios. This approach is adequate; however, it differs from the approach used in the first AHCS. It is therefore important for Council/the AHCS to demonstrate why a different approach is being used in this instance for the same land in the Byron Shire.	An FAQ will be drafted to be provided with the explanatory material to accompany the Scheme to explain the variation in approach used for AHCS 01 and 02.
5. The viability assessment report provides an analysis of unimproved land values across the precincts using NSW valuer general data for the R2, RU1 and RU2 and R5 zoned land. However, the recent land sale transaction data provided in the report does not indicate any land zoned R2. In that case, how has the value been calculated?	R2 data is provided in Table A1, Table A2 and Table A3 in Appendix 2.

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<p>6. As noted above, several of the sites include land that is heavily vegetated and will require clearing and possible biodiversity offsets. Council should clarify if the feasibility assessment and unimproved land value has taken into consideration any costs required for clearing and potential biodiversity offset.</p>	<p>Allowances are made for the restrictions in some sites for clearing through changes in the net yield.</p>
<p>7. It is unclear why a distribution plan has been referenced in the scheme. This information should be included within the AHCS.</p>	<p>Section 3.4 Delivery Program has been expanded to provide further detail on the selection process for identifying nominated community housing providers.</p> <p>It would be premature to provide further details as this stage. Instead the Scheme identifies that a Distribution Plan may be prepared.</p>
<p>8. The worked examples applying to dedication of dwellings show rounding up. This indicates that the applicant is unduly providing a higher contribution than required. In the first worked example, 8 apartment dwellings should be required with the difference provided in monetary form. Council needs to ensure the scheme allows for reasonable payment and part contribution of land/dwelling and monetary contribution where this is a shortfall. It is highly unlikely that dwelling dedication will be applied as essentially the applicant is providing the land and construction of the dwellings. Otherwise, it is essentially double dipping. Clarification needs to be provided under what scenario Council envisage an applicant to deliver dwellings under the proposal given the relatively small scale of the precincts.</p>	<p>Where Council is supportive, a contribution of dwellings in lieu of some of the required land is an option under the draft Scheme.</p> <p>This is a voluntary option and proponents are not compelled in any way to pursue this avenue.</p> <p>The dwelling component is in lieu of some of the land required as residential lots under Section 2.2 of the Scheme. The value of the land associated with the dwellings is recognised as part of the contribution. As such, there is no “double dipping”.</p> <p>The heading for section 2.3 has been adjusted to refer to “DEDICATION OF DWELLINGS AND ASSOCIATED LAND”. Some text has also been adjusted to clarify this.</p>
<p>9. The approach detailed above (double dipping) is not supported by the Department. Clarification is required to clearly demonstrate how this will be avoided (i.e. if the contribution is paid at the subdivision stage, then no further affordable housing contribution can be levied at the future built form stage).</p>	<p>Section 1.3 provides that “The Scheme does not apply where an Affordable Housing Contribution has previously been applied unless the proposal involves an intensification of the development.</p>

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<p>10. The scheme notes that where there is a shortfall in the area of lots to be dedicated equivalent to less than 75% of a typical lot size, the proponent may elect to meet the shortfall through a monetary contribution determined in accordance with Part 2.4 or through the dedication of an additional lot. Where the shortfall is 75% or more of the area of a typical lot, then a further residential lot is required to be dedicated. The term <i>typical</i> should be changed to minimum lot size. Allowing for land less than the minimum lot size where there is a shortfall would be contradictory to the proposed subdivision layout and minimum lot sizes in accordance with the LEP controls. It is unclear why this approach would be taken resulting in variations to the minimum lot size.</p>	<p>The Scheme has been revised to adopt the approach proposed in DPHI feedback.</p> <p>The worked examples on page 16 have been adjusted to reflect this approach.</p>
<p>11. The scheme notes that all dwellings will meet the requirements for liveable housing design in the National Construction Code (2022). It is unclear why this information would be included in the scheme when the dwelling design standards and thresholds would be within the DCP? This should be clarified</p>	<p>In response to feedback, Section 2.3 has been updated to specify that “All dwellings will meet the requirements for residential dwellings of relevant Development Control Plans, as applicable”.</p>
<p>12. The investigation areas that have not been approved by the Department for inclusion in the Residential Strategy should be removed from the scheme. These sites may be considered for a future scheme subject to satisfaction of all relevant matters and inclusion in the Residential Strategy.</p>	<p>In response to this request, the map for Area 6 will be updated in draft Scheme.</p>
<p>13. It is questioned whether Area 19 at 64 Corkwood Crescent, Suffolk Park is appropriate to include in the scheme as it will only deliver a maximum of 3 dwellings under an assumed high yield scenario.</p>	<p>The Scheme as drafted provides for a monetary contribution where the contribution required is less than 75% of the area of a minimum lot.</p>
<p>14. The scheme requires contributions in the form of undeveloped land to be provided <i>within the development site</i>. It is recommended <i>within the development site</i> is defined to clarify where contributions in the form of undeveloped land may be provided.</p>	<p>In general, undeveloped land is not suitable to be dedicated for affordable housing purposes.</p> <p>To clarify this, Section 2.2 ‘Dedication of Land’ has been revised to add:</p> <p style="padding-left: 40px;">b) A land contribution for the purpose of affordable housing is to be</p>

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	provided in the form of serviced residential lots zoned, suitable for residential use
<p>15. The final adopted version of scheme No 2 should be a consolidated version of scheme No 1 and scheme No 2.</p>	<p>Through its Residential Strategy 2041 and supporting policy framework, Byron Shire Council has established a systematic approach to progressively include land within an Affordable Housing Contribution Schemes as and when it is upzoned.</p> <p>This approach provides for the progressive creation of Affordable Housing Contribution Schemes as land is considered for upzoning, based on an appropriate affordable housing contribution framework tailored to the conditions and opportunities relevant to each area.</p> <p>This allows Schemes to be responsive to local conditions and circumstances and for the form of contributions to be determined in response to the local context. By way of illustration, in an established area such as Byron Bay Town Centre, the contribution of residential lots will not in general be viable and contributions in the form of dwellings and/or cash will be more suitable.</p> <p>Given the likely variations in approach, as well the timespan over which Schemes will be introduced, there is little benefit in progressively incorporating Affordable Housing Contribution Areas in a single scheme. Further, inclusion of differing approaches within the single scheme is likely to give rise to confusion.</p>
<p>16. Maps showing the contribution areas in the final adopted scheme should exclude the text <i>illustrative purposes only</i> so that it is clear the areas have been defined.</p>	<p>There is no reference to <i>illustrative purposes only</i> in maps provided in Schedule 1 of AHCS 02.</p>