

Clause 4.6 Request for Variation to Floor Space Ratio

Subdivision and Boarding House – 11 Duke Street Coffs Harbour

Version 03 12 December 2023

CLAUSE 4.6: REQUEST FOR VARIATION TO HEIGHT LIMIT

Background

The subject development proposes a variation to the height standard specified in Floor Space Ratio Clause 4.4(2A) of Coffs Harbour Local Environmental Plan 2013.

This request relates to a Development Application for a multi-storey 25 unit boarding house to be constructed at Lot 5 DP 5344, 11 Duke Street, Coffs Harbour. The proposed development will be owned and operated by Mission Australia Housing and is co-located with the Mission Australia office premises at 9 Duke Street and the recently completed 40 unit boarding house at 3 Duke Street

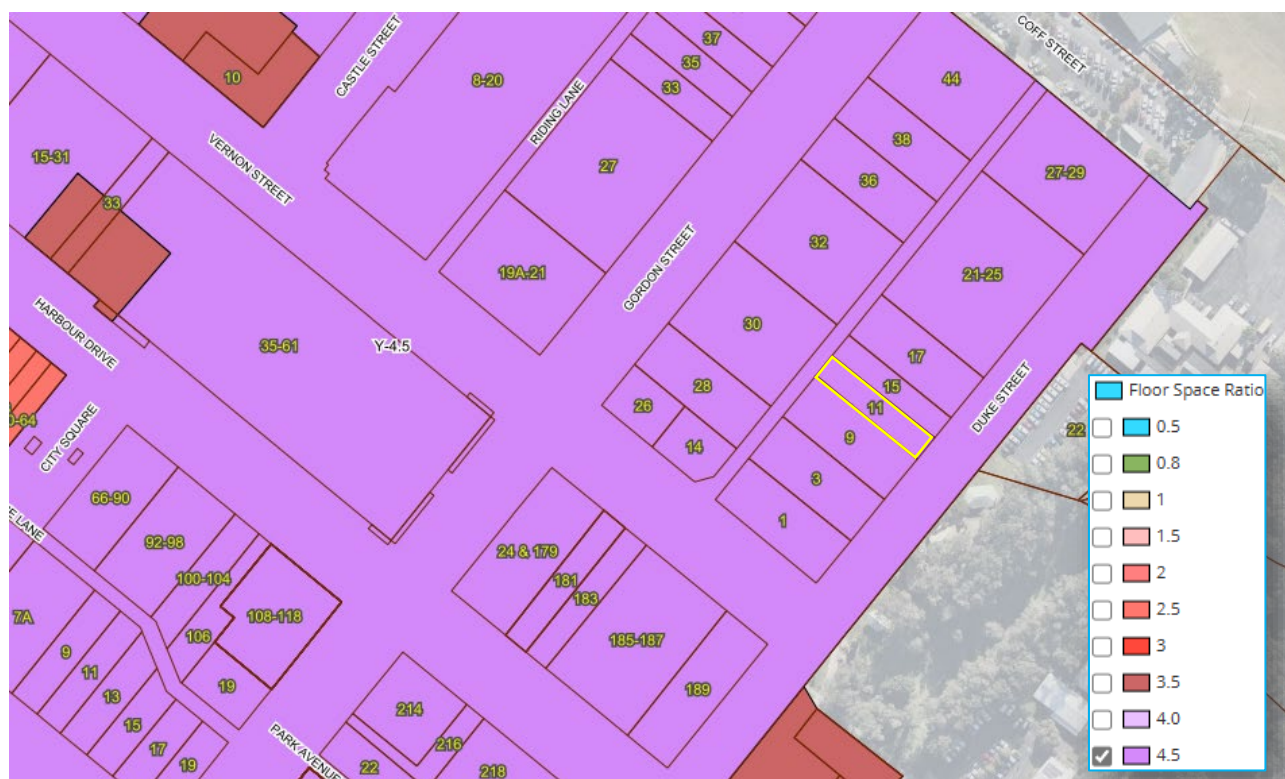
The development involves a minor boundary alteration subdivision between the subject land and the adjoining Mission Australia office premises. The boundary alteration involves transferring 31.3 m² of land from the rear of the adjoining office premiss to the subject land to provide sufficient width for car parking and forward in / forward out vehicle manoeuvring.

The subject land and the adjoining land are owned by two separate Mission Australia entities and cannot be amalgamated.

The subject land has an area of 505.9 m². Following the boundary alteration subdivision, the subject land will have an area of 537.2 m².

The LEP floor space map identifies the floor space ratio for the site as 4.5:1. The floor space ratio for the development is 2.27:1.

Floor Space Ratio Map



CHCC: Floor Space Ratio Map Sheet FSR_006D

The objectives of Clause 4.4 Floor Space Ratio, are as follows:

- (a) to define the allowable development density of a site,
- (b) to encourage increased building densities through site amalgamation at certain locations.

The Floor Space Ratio (LEP Map Sheet FSR_006D) for the subject land, including most of the City Centre Precinct, is 4.5:1 meaning that the maximum allowable floor area for the proposed boarding house is $(4.5 \times 537.2) = 2,417.4 \text{ m}^2$.

Allowable density

The floor area of the proposed boarding house is well below the mapped floor space ratio, however, Clause 4.4(2A) has the effect of reducing the maximum floor space ratio from 4.5:1 to 1:1 where the site area for the development is less than 600 m^2 .

The site area, subject to the boundary alteration subdivision that will occur in Stage 1 of the development, is 537.2 m^2 .

Therefore, the defined allowable development density assuming a floor space ratio of 1:1, rather than 4.5:1, is 537.2 m^2 .

Site Amalgamation

Increased building densities are encouraged through site amalgamation at *certain locations*. The LEP is silent on the identification of *certain locations*.

A site amalgamation has been investigated with the adjoining land (Lot 12 DP 1265199 – 9 Duke Street) to south of the subject land. Whilst both properties are occupied by the Mission Australia Group, they are owned by two separate entities, being:

- Mission Australia Housing (MAH) (ABN 13003683261) own Lot 5 DP 5344 – 11 Duke Street.
- Mission Australia (MA) (ABN 15000002522) own Lot 12 DP 1265199 – 9 Duke Street

Further, each lot is used for separate purposes.

The Department of Communities and Justice (DCJ) funding for the proposed boarding house (social housing) is only available to a Community Housing Provider (CHP) and must be secured through a charge against land owned by a CHP. Mission Australia Housing is a Tier One registered CHP and in the subject case, the funding agreement is secured on title of Lot 5 DP 5344.

By contrast, Mission Australia is a not for profit non-government organisation (NGO) and registered charity that provides community services on behalf of Government and other social services, such as mental health and AOD services and aged care. It is not a registered CHP.

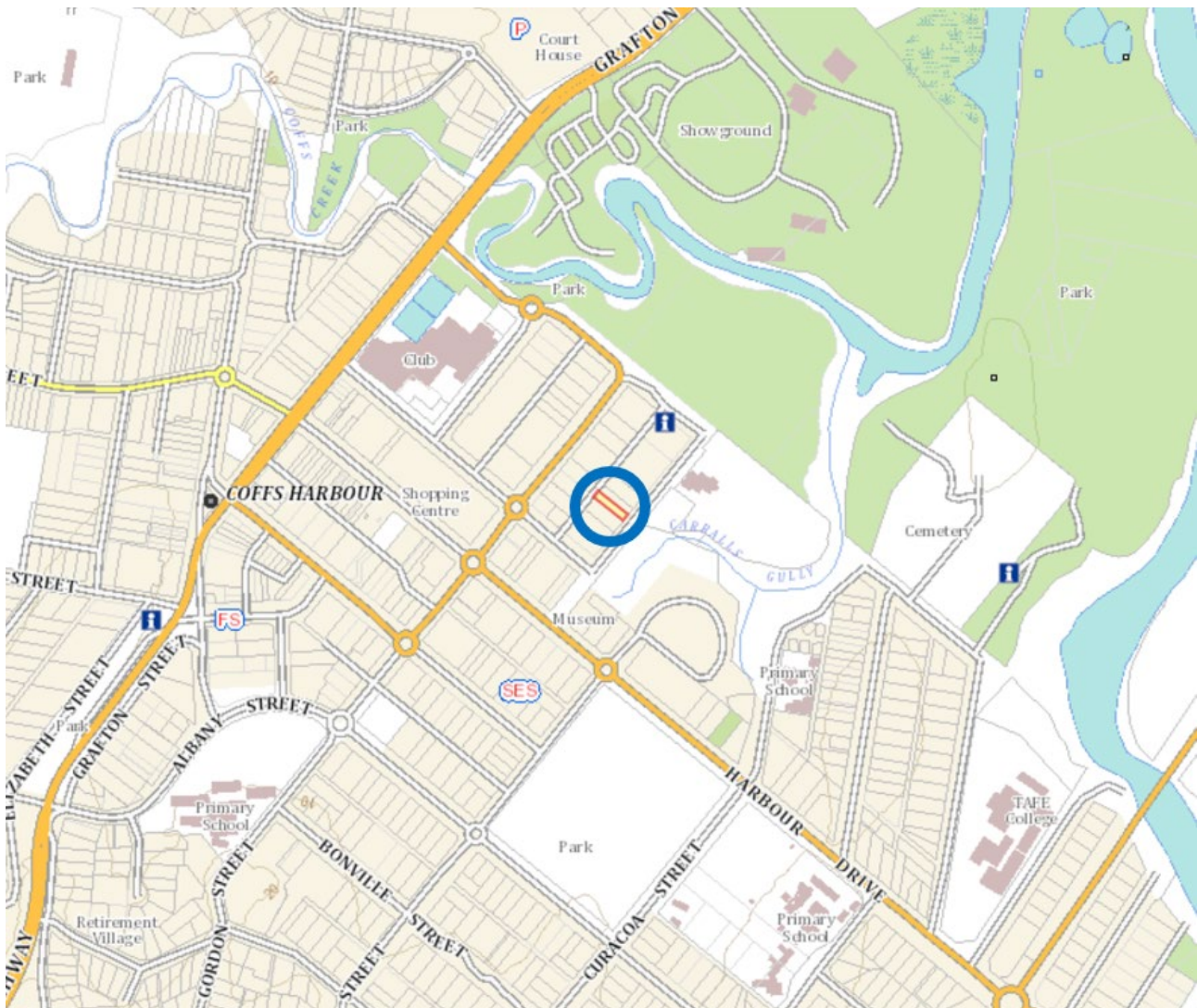
Were the sites to be amalgamated this would mean that the DCJ charge would extend to the commercial (non-social housing) assets. This would not reflect good governance or sound stewardship of Mission Australia's assets.

Further, an amalgamation would not meet the terms of the DCJ funding agreement or any future funding agreement from DCJ. DCJ itself has recognised the most urgent need for social housing in the Coffs Harbour area by awarding funding to Mission Australia Housing for the development of social housing on Lot 5 in DP5344 in what was a competitive tender process.

It is understood that the adjoining land to the north of the site is in private ownership and a commercial agreement for amalgamation has not been offered or executed.

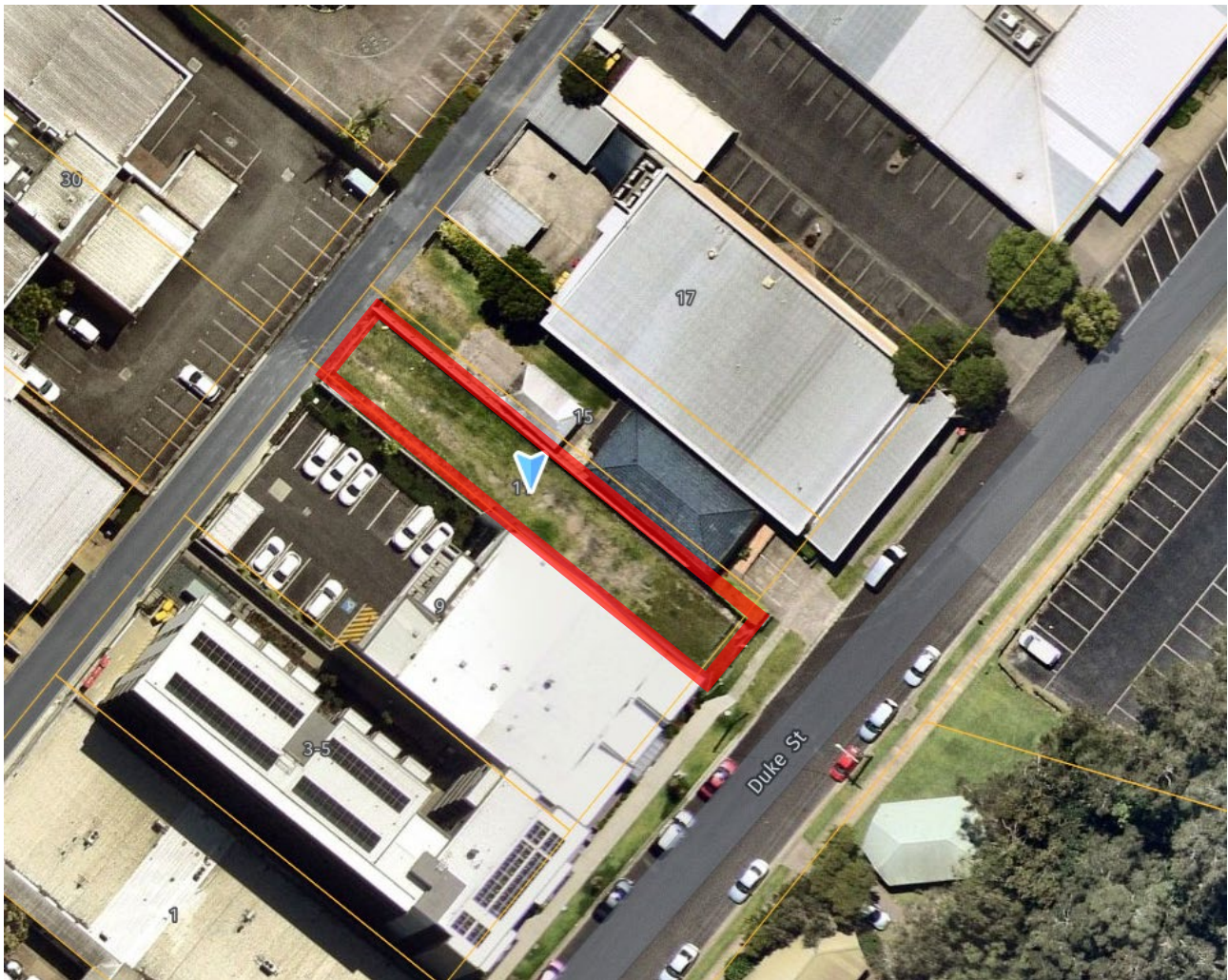
Full particulars of the proposed development are provided in the accompanying architectural drawings and Statement of Environmental Effects.

Site Locality:



NSW Planning 2023

Aerial Photo



Nearmap 2023

Reason for the Variation

The reason for the variation is to enable the site to be developed for affordable housing to provide 25 boarding house units for social housing clients of Mission Australia. Whilst the City intentions for the site are to allow a floor space ratio (FSR) of 4.5:1, Clause 4.4(2A) has the effect of reducing the FSR to 1:1.

Clause 4.4(2A) applies as the site has an area of less than 600 m². The resultant lot area will be 537.2 m² representing a **10.5% variation** from the required lot area.

The development has been modified in response to Council's request for increased communal areas. Whilst noting that SEPP (Housing) 2021 does not apply to the development, the development has been amended to increase the quantum of communal open space required. This amendment has resulted in a loss of unit yield and a decrease in development FSR.

Consistency of E2 Commercial Centre Zone Objectives

The objectives of the Zone E2 Commercial Centre under the CHLEP 2013 are as follows:

- *To strengthen the role of the commercial centre as the centre of business, retail, community and cultural activity.*

- *To encourage investment in commercial development that generates employment opportunities and economic growth.*
- *To encourage development that has a high level of accessibility and amenity, particularly for pedestrians.*
- *To enable residential development only if it is consistent with the Council's strategic planning for residential development in the area.*
- *To ensure that new development provides diverse and active street frontages to attract pedestrian traffic and to contribute to vibrant, diverse and functional streets and public spaces.*
- *To ensure the scale and nature of development reinforces the role of the Coffs Harbour City Centre as the principal business, office, cultural, civic, entertainment and retail hub, while supporting the objectives of other employment zones.*
- *To ensure development makes a positive contribution to the streetscape through opportunities for improved pedestrian links, retention and creation of view corridors and the provision of a safe public domain.*
- *To promote the Coffs Harbour City Centre for higher density living to provide for housing diversity and choice that supports the changing housing needs of the population.*
- *To promote uses that activate and add to the vibrancy of the Coffs Harbour City Centre and contribute to the night-time economy.*
- *To ensure development is consistent with the Coffs Harbour City Centre Masterplan.*
- *To encourage active living through the provision of healthy, walkable, green and safe built environments and streets, greener connections and walking and cycling infrastructure.*
- *To ensure development reflects design excellence and a high visual standard within the public domain.*

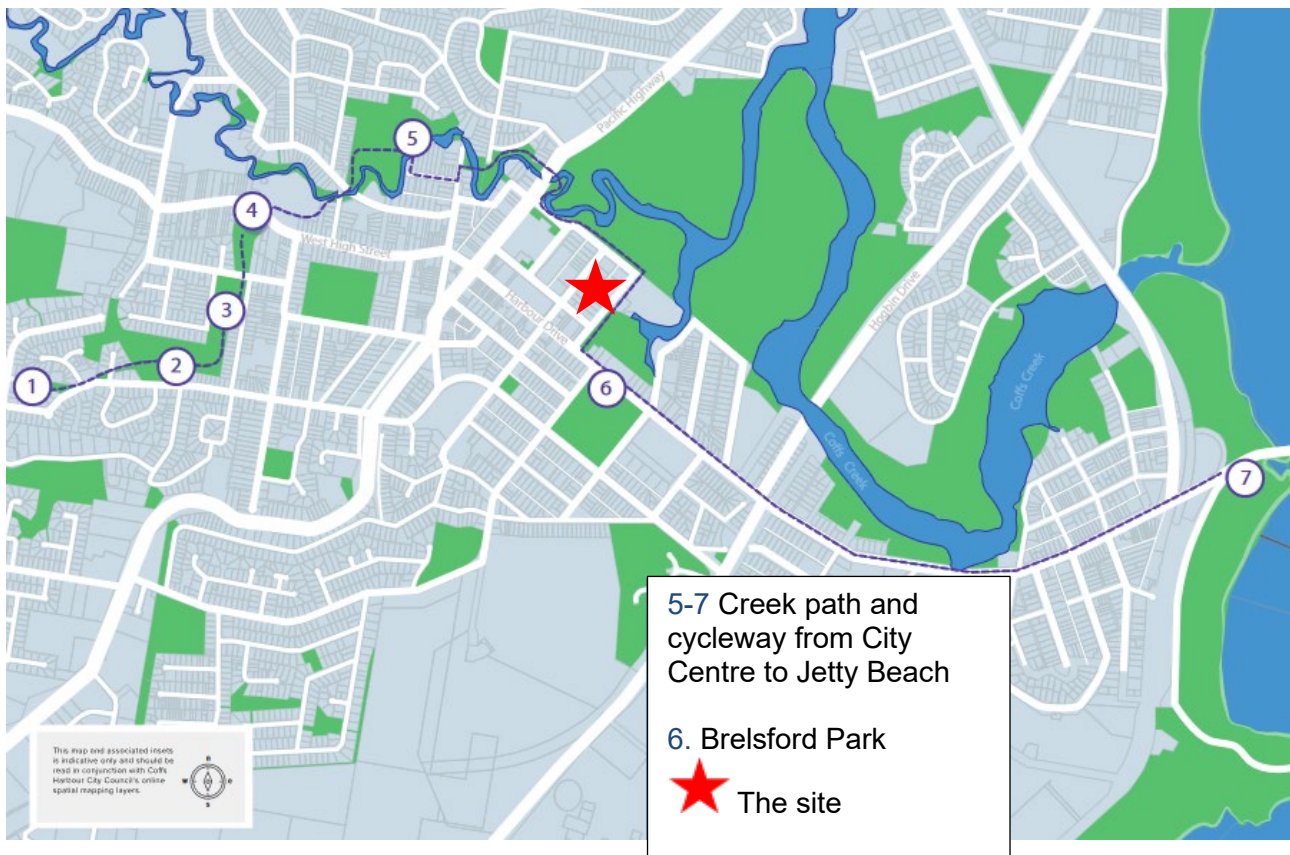
In determining the development application, Council must have regard to these Zone objectives pursuant to clause 2.3 (2) of the CHLEP.

The proposed development seeks to provide well serviced and provisioned infill residential development on land identified as part of a desired 'office living' area in Council's adopted Precinct Analysis: Gordon Street Library & Gallery. It is compatible with the existing urban renewal occurring in the locality and the planned future range of building types and densities and is well positioned to encourage active living and central business district vibrancy.

The proposed boarding house provides for additional housing stock and variety aligning with demand and trends in household densities, and assists in addressing affordable and social housing issues in a manner that is consistent with the North Coast Regional Plan 2041, the Council's Affordable Housing Strategy and Policy, and the Coffs Harbour Local Growth Management Strategy. There is a clear line of sight between the proposed development and the CHLEP Zone objectives:

The proposed boarding house is well positioned to encourage active living, being directly opposite a public cycleway that provides level connectivity to local public open spaces including the Botanic Gardens, Brelsford Park and active spaces and services within the City Centre area.

Active Living



Draft Coffs Harbour Public Realm Strategy 2022 (Public realm network and active transport links)

Clause 4.6 Exceptions to Development Standards

Approval of the development relies on a **Clause 4.6 exception to development standards** of the Coffs Harbour Local Environmental Plan 2013. The objectives of Clause 4.6 seek to provide appropriate flexibility to the application of development standards in order to achieve better planning outcomes both for the development and from the development. The objectives of Clause 4.6 are:

- *to provide an appropriate degree of flexibility in applying certain development standards to particular development,*
- *to achieve better outcomes for and from development by allowing flexibility in particular circumstances.*

The approach to clause 4.6 was set out in a Land and Environment Court decision of Preston CJ in *Initial Action Pty Ltd v Woollahra Municipal Council* [2018] NSWLEC 118 on 14 August 2018.

Flexibility is sought in this application. Strict compliance with the height development standard would not result in a better planning outcome. This request follows the approach in the Initial Action case in setting out the preconditions that need to be satisfied. When a development relies on the contravention of a development standard, the applicant must demonstrate that:

- *compliance with the development standard is unreasonable or unnecessary in the circumstances of the case, and*
- *that there are sufficient environmental planning grounds to justify contravening the development standard.*

This assessment has found that the exception to the lot size standard at Clause 4.4(2A) meets the objectives of Clause 4.6. The following table sets out the relevant matters for consideration when seeking to vary development standards and how these preconditions are satisfied.

Clause 4.6(3) outlines that a written request must be made seeking to vary a development standard and that specific matters are to be considered. This written request justifies the contravention of the development standard by demonstrating that compliance is unreasonable or unnecessary in these circumstances; and there are sufficient environmental planning grounds to justify the non-compliance. These matters are discussed in the following sections.

Clause 4.6 Matters for Consideration

4.6(3)(a)

Is compliance with the development standard unreasonable or unnecessary in the circumstances of the case?

Yes.

Compliance with the standard is unreasonable and unnecessary. Compliance would result in a development outcome that is inconsistent with the City Centre Masterplan 2031 which specifically aims to increase the provision of on-site affordable housing through LEP height and FSR standards and the City's Developer Incentive Policies.

The exception will enable a better planning and urban design outcome in terms of provision of affordable housing (social housing) within a multi storey building.

How the objectives at clause 4.3 are achieved is set out in more detail below.

4.6(3)(b)

Are there sufficient environmental planning grounds to justify contravention of the development standard?

Yes.

Environmental planning grounds to justify the proposed contravention of the lot size development standard are:

1. The proposed building meets State and local planning controls and building guidelines, including BCA 2022, Premises Standards, fire and bushfire requirements, aimed at ensuring residential amenity and safety, despite the lot size of 527 m² rather than 600 m².
2. Maintaining the development standard would result in an allowable floor area of 527 m². Disregarding Clause 4.4(2A) would result in an allowable floor area of 2,371.5 m². The proposed floor area of the building is 1,219 m².
3. As set out in (2) above, the proposed building has not been designed to maximise floor area, rather, it demonstrates a balanced approach to achieving a reasonable site outcome in terms of maintaining the amenity of the precinct and delivering affordable housing.
4. It remains in Coffs Harbour, as across New South Wales, that there is a strong need for affordable

housing. The proposed development seeks to enhance the supply, accessibility, quality and liveability of affordable housing in the Coffs Harbour Central Business District while injecting planned vibrancy into this key commercial domain.

5. The proposed building will deliver 25 affordable housing units to the City of Coffs Harbour. Whilst the City's Affordable Housing Strategy is presently under development, it recognises *that a lack of affordable housing in the Coffs Harbour Local Government Area is a significant issue that is likely to have adverse, long term social and economic effects and therefore must be addressed. We recognise that access to affordable, secure and appropriate housing is a basic human right.*
6. The proposed development does not rely on any other exceptions or variations to Council's standards and controls.

4.6(4)(a)(ii)

Is the proposed development within the public interest?

1 Yes.

The proposed development is well within the public interest as detailed in the accompanying Statement of Environmental Effects. The public interest is well served by the provision of social housing by Mission Australia Housing, a Tier One Community Housing Provider within a suitable City centre location.

The Department of Communities and Justice (DCJ) funding for the proposed boarding house was awarded to Mission Australia Housing in a competitive tender process. In addition to the aims and objectives of Council's own draft Affordable Housing Policy, the DCJ also recognised the most urgent need for social housing in Coffs Harbour.

The proposal satisfies the objectives of clause 4.3 (development standard) as set out below.

4.6(4)(a)(ii)

Is the proposal consistent with the objectives of the development standard that it wishes to contravene?

The objectives of Clause 4.4 Floor space ratio are as follows:

(a) to define the allowable development density of a site,

Yes

As set out below, the proposal meets the objectives of the clause to encourage increased building density.

Allowable Density:

The Floor Space Ratio shown for the land on the Floor Space Ratio Map is 4.5:1.

(b) to encourage increased building densities through site amalgamation at certain locations.

The floor area of the proposed boarding house is well below the mapped floor space ratio, however, Clause 4.4(2A) has the effect of reducing the maximum floor space ratio from 4.5:1 to 1:1 where the site area for the development is less than 600 m².

The site area, subject to the boundary alteration subdivision that will occur in Stage 1 of the development, is 537.2 m².

Therefore, the defined allowable development density assuming a floor space ratio of 1:1, rather than 4.5:1, is 537.2 m².

Site Amalgamation:

The subject land cannot be amalgamated with adjoining land for the following reasons:

1. Whilst 9 and 11 Duke Street are occupied by the Mission Australia Group, they are owned by two separate entities and used for separate purposes, being:
 - Mission Australia Housing, a Tier One registered Community Housing Provider (CHP).
 - Mission Australia is a not for profit non-government organisation (NGO) and registered charity that provides community services on behalf of Government and other social services, such as mental health and AOD services and aged care. It is not a registered CHP. 5-7 Duke Street is occupied by a commercial building.
2. Were the Mission Australia Group sites to be amalgamated this would mean that the Department of Communities and Justice (DCJ) funding charge would extend to the commercial (non-social housing) assets. This would not reflect good governance or sound stewardship of Mission Australia's assets.
3. It is understood that the adjoining land to the north of the site (15 Duke Street) is in private ownership and a commercial agreement for amalgamation has not been offered or executed.

4.6(4)(b)

The consent authority may assume the Secretary's concurrence for exceptions to development

Has the concurrence of the Secretary been obtained?

standards in respect of applications made under clause 4.6. This was set out in Planning Circular PS 18-003 issued on 21 February 2018.

4.6(5)(a)

No.

Does contravention of the development standard raise any matter of significance for State or regional environmental planning?

4.6(5)(b)

No.

Is there a public benefit in maintaining the development standard?

Public benefit will not be adversely affected by allowing the variation to the lot size development standard of the FSR clause for this development on this particular property.

The applicant submits that development consent can be granted for the proposal despite the minor contravention (10.5%) of the 600 m² lot size development standard set out in Clause 4.4(2A) of the Coffs Harbour LEP 2013.

Overall, the proposal satisfies the floor space ratio objectives. Providing flexibility in the subject case will result in a better outcome in terms of providing affordable housing in the right location.

Mission Australia's completed and operational Boarding House located at 3 Duke Street is fully occupied and is meeting its objective to provide emergency accommodation for homeless people since it opened in 2021. This boarding house is featured on the cover of the City's draft Affordable Housing Strategy 2023. Design objectives, housing principles and amenity values inherent in Mission Australia's boarding house at 3 Duke Street, have guided the design for the subject boarding house at 111 Duke Street.

The Five Part Test

Clause 4.6(3)(a) requires the applicant to demonstrate that compliance with the development standard is unreasonable or unnecessary in the circumstances of the case. In *Wehbe v Pittwater Council (2007) 156 LGERA 446 (Wehbe)*, Preston CJ established five potential tests for determining whether a development standard could be considered unreasonable or unnecessary. This is further detailed in Initial Action where Preston CJ states at [22]:

These five ways are not exhaustive of the ways in which an applicant might demonstrate that compliance with a development standard is unreasonable or unnecessary; they are merely the most commonly invoked ways.

An applicant does not need to establish all the ways. It may be sufficient to establish only one way, although if more ways are applicable, an applicant can demonstrate that compliance is unreasonable or unnecessary in more than one way.

It is considered that the proposal satisfies Test 1 established in Wehbe and for that reason, the development standard is unreasonable and unnecessary in this instance. The five-part test is addressed as follows:

TEST 1

The objectives of the standard are achieved notwithstanding noncompliance with the standard;

As justified above, the objectives of the standard are:

- (a) *to define the allowable development density of a site,*
- (b) *to encourage increased building densities through site amalgamation at certain locations.*

The allowable density is governed by the Floor Space Ratio. The FSR shown for the land on the Floor Space Ratio Map is 4.5:1. There is no opportunity to increase building density through site amalgamation. Despite the above, the objectives of the standard are achieved by adopting a mid-range FSR for the site resulting in a justifiable outcome in terms of maintaining visual and functional cohesion with the surrounding 'office/living' precinct, restraining building mass to ensure that the amenity of surrounding developments is protected and delivering affordable housing.

TEST 2

The underlying objective or purpose of the standard is not relevant to the development and therefore compliance is unnecessary;

The objectives are relevant in terms of defining site density, however, compliance is unnecessary to achieve the objective having regard to the limitations of the reduced FSR for lots of less than 600 m² in area. In the subject case, the building has been architecturally designed with due regard to the City Centre location, building height, scale and co-location of the development with Mission Australia's office premises and recently completed 40 unit boarding house.

TEST 3

The underlying object or purpose would be defeated or thwarted if compliance was required and therefore compliance is unreasonable;

Compliance is not required to meet the objective of the clause. Non-compliance with the FSR lot size standard will result in a better environmental outcome in terms of achieving a higher site density and greater yield of affordable housing units.

The development standard has been virtually abandoned or destroyed by the council's own actions in granting consents departing from the standard and hence compliance with the standard is unnecessary and unreasonable;

To the writer's knowledge this standard has not been routinely varied. In the subject case the variation is justified on environmental planning grounds. Strict compliance with the standard is unnecessary and unreasonable in the subject case.

TEST 4

Compliance with development standard is unreasonable or inappropriate due to existing use of land and current environmental character of the particular parcel of land. That is, the particular parcel of land should not have been included in the zone.

The subject land and surrounding land are appropriately zoned.

Conclusion

This variation request has demonstrated that application of the strict numeric standard at Clause 4.4(2A) resulting in a FSR of 1:1 for lots with an area of less than 600 m² is unreasonable and unnecessary in this instance as the area of the subject land is within 89.5% of the standard and the objectives of the standard, to encourage increased building densities through site amalgamations, to be achieved by the proposal.

The proposed development has planning merit in terms of the provision of affordable housing within the City centre.

It is considered that the consent authority should be satisfied that the proposed development will be in the public interest because it is consistent with the objectives of the standard and the development objectives of the E2 Commercial Centre Zone pursuant to the LEP. The FSR is well below 4.5:1 as mapped for the precinct, including the subject land.

Maintaining the development standard would result in an allowable floor area of 527 m². Disregarding Clause 4.4(2A) would result in an allowable floor area of 2,371.5 m². The proposed floor area of the building is 1,219 m².

The building design has adopted a balanced approach to development floor space within slender buildings that are well below the allowable building height standard and do not overwhelm the site or surrounding area.

On the basis of the justification provided in this report, the request to vary Clause 4.4(2A) should be upheld.

It is requested that the consent authority approve this request for a minor variation to floor space ratio lot size standard at Clause 4.4(2A) of the Coffs Harbour Local Environmental Plan 2013.



KEILEY HUNTER

12 December 2023.

APPENDIX A

CITY OF COFFS HARBOUR AFFORDABLE HOUSING POLICY

DRAFT CITY OF COFFS HARBOUR AFFORDABLE HOUSING STRATEGY

Affordable Housing Policy

1 Purpose

This Policy establishes key principles that will guide Coffs Harbour City Council's work in addressing the issue of access to **Affordable housing** in the Coffs Harbour Local Government Area (LGA). **Affordable housing** is defined by Coffs Harbour City Council as 'housing that is appropriate for the needs of a range of very low to moderate income households and priced so that these households are also able to meet other basic living costs such as food, clothing, transport, medical care and education.'

The supply of **Affordable housing** and **Social housing** in the Coffs Harbour LGA is currently insufficient to meet demand. The cost to purchase housing in the Coffs Harbour LGA has been steadily rising for many years, significantly outpacing wages growth over the same period. Rental affordability is also an issue, particularly for low to moderate income households. Changes to domestic migration patterns and employment as a result of the COVID-19 pandemic have exacerbated existing issues.

Affordable housing and **Social housing** are part of the bigger issue of housing supply and affordability. The issues around housing supply and housing affordability are complex. Traditionally, local government does not deliver housing: State governments are responsible for delivery of **Social housing** and private developers and individuals generally build other housing. However, Council acknowledges that it is the tier of government closest to the community and an important source of local leadership.

The Policy supports the MyCoffs Community Strategic Plan. It responds to the themes of *Community Wellbeing* and *A Place for Community* and the following Objectives and Strategies:

A vibrant, inclusive place: We address the causes of disadvantage (A1.3).

An active, safe and healthy community: We cultivate a safe community (A2.4).

Liveable neighbourhoods with a defined identity: We undertake development that is environmentally, socially and economically responsible (C1.2).

2 Policy

Council will assist delivery of **Affordable housing** within the scope of its responsibilities and powers in accordance with the following principles:

2.1 Importance of housing

- Council recognises that a lack of **Affordable housing** in the LGA is a significant issue that is likely to have adverse, long term social and economic effects and therefore must be addressed.
- Council recognises that access to affordable, secure and appropriate housing is a basic human right.

2.2 Partnerships and advocacy

- a. Council will look for opportunities to partner with and/or support Government and the affordable housing sector to assist them to deliver **Affordable housing**.
- b. Council will advocate State and Federal Governments to develop and implement policy positions that improve the availability of **Affordable housing**.

2.3 Planning

- a. Council will encourage and facilitate the provision of affordable and diverse housing through Council's local planning controls while achieving adopted place, environmental and transport objectives.
- b. Council will encourage and promote development opportunities provided by State and local planning instruments.

2.4 Decision making

- a. Council will consider the impact its decisions (including decisions on planning and development matters) will have on the supply of **Affordable housing** in the LGA.

3 Definitions

Affordable housing: Affordable housing is housing that is appropriate for the needs of a range of very low to moderate income households and priced so that these households are also able to meet other basic living costs such as food, clothing, transport, medical care and education. As a rule of thumb, housing is usually considered affordable if it costs less than 30% of gross household income.

Affordable housing has usually been developed with some assistance from the NSW and/or Commonwealth governments, including through planning incentives. It is only available in some locations and eligibility criteria apply. Although affordable housing is sometimes available for purchase, it is most commonly available to rent.

Affordable housing that is available to rent may be owned by private developers or investors, local governments, charitable organisations or community housing providers. It is usually managed by not-for-profit community housing providers, and sometimes by private organisations.

Source: <https://www.facs.nsw.gov.au/providers/housing/affordable/about>. Accessed 15 February 2022.

Homelessness: Homelessness is defined in Council's Homelessness Policy.

Housing affordability: Housing affordability typically refers to the relationship between expenditure on housing (purchase cost, mortgage payments or rents) and household incomes. Measuring housing affordability is not straightforward. A household's financial situation, the overall demand in the housing market and housing tenure type (whether a household is seeking to rent, is renting, is looking to buy or is a home owner with or without a mortgage) all influence individual housing affordability. The simplest measure of housing affordability compares housing costs to gross household income.

Source: <https://www.aihw.gov.au/reports/australias-welfare/housing-affordability>. Accessed 15 February 2022.

Low income earners: People earning more than 50% but less than 80% of the NSW or Sydney median income. This could include many people working in jobs such as a child care worker, secretary or cleaner.

Source: <https://www.facs.nsw.gov.au/providers/housing/affordable/about/chapters/who-are-very-low-to-moderate-income-earners>. Accessed 15 February 2022.

Moderate income earners: People earning between 80-120% of the NSW or Sydney median income. They may include people working in occupations such as teaching, policing or nursing, particularly if they are in earlier stages of their careers.

Source: <https://www.facs.nsw.gov.au/providers/housing/affordable/about/chapters/who-are-very-low-to-moderate-income-earners>. Accessed 15 February 2022.

Social housing: Social housing is secure and affordable rental housing for people on low incomes with housing needs. It includes public, community and Aboriginal housing. Public housing is managed by the NSW Government while community housing is managed by non-government organisations. Aboriginal housing is specifically for Aboriginal people managed by government or community housing providers, including Aboriginal community housing providers.

Source: <https://www.facs.nsw.gov.au/housing/help/ways/social-housing#:~:text=Social%20housing%20is%20secure%20and,managed%20by%20non%2Dgovernment%20organisations>. Accessed 15 February 2022.

Very low income earners: People described as being on a very low income are those earning less than 50% of the NSW or Sydney median income, depending on where they live. They include workers in a range of lower paid occupations, or who are on an aged or disability pension or other government benefit.

Source: <https://www.facs.nsw.gov.au/providers/housing/affordable/about/chapters/who-are-very-low-to-moderate-income-earners>. Accessed 15 February 2022.

4 Key Responsibilities

Position	Group/Directorate	Responsibility
Mayor	Council	To lead Councillors in their understanding of, and compliance with, this policy and guidelines.
General Manager	Executive	To lead staff (either directly or through delegated authority) in their understanding of, and compliance with, this policy and guidelines.
Directors	All directorates	To communicate, implement and comply with this policy and related guidelines.
Group and Section Leaders	All directorates	To plan, action, communicate, implement and comply with this policy and related guidelines as it impacts your areas of responsibility.
All Council officials	Council	To comply with this policy and related procedures.
Group Leader	Sustainable Places	To maintain this policy.

5 References (laws, standards and other Council documents)

- Coffs Harbour City Council Affordable Housing in Coffs Harbour Issues and Options Paper 2020
- Coffs Harbour City Council Homelessness Policy
- Coffs Harbour City Council Local Strategic Planning Statement 2020
- Coffs Harbour City Council Local Growth Management Plan 2020
- Coffs Harbour City Council MyCoffs Community Strategic Plan 2016

- *Environmental Planning and Assessment Act 1979*
- *Local Government Act 1993*
- *North Coast Regional Plan 2036*
- *Residential Tenancies Act 2010*

6 Details of Approval and revision

- **Approval date:** 24/03/2022
- **Responsible Group:** Sustainable Places Group
- **Responsible Section:** Local Planning
- **Superseded policies/procedures:** N/A
- **Next review date:** 24/03/2026

Table of amendments

Amendment	Authoriser	Approval ref	Date



DRAFT City of Coffs Harbour Affordable Housing Strategy

August 2023



Acknowledgement of Country

City of Coffs Harbour acknowledges the traditional custodians of the land, the Gumbaynggirr people, who have cared for this land since time immemorial. We pay our respects to their elders, past, present and emerging, and commit ourselves to a future with reconciliation and renewal at its heart.

Artist: Reece Flanders

Have your say

It is important that the community has the opportunity to express its views on how City of Coffs Harbour proposes to assist delivery of affordable housing.

The draft Coffs Harbour Affordable Housing Strategy is now available for your review and comment until the end of the exhibition period.

There are two ways to provide your comments:

1. Online at www.haveyoursay.coffsharbour.nsw.gov.au/
2. Mail written submissions to: The General Manager, City of Coffs Harbour, Locked Bag 155, Coffs Harbour, NSW 2450

Council is committed to openness and transparency in its decision making processes. The Government Information (Public Access) Act 2009 requires Council to provide public access to information held unless there are overriding public interest considerations against disclosure. Any submissions received will be made publicly available unless the writer can demonstrate that the release of part or all of the information would not be in the public interest. However, Council would be obliged to release information as required by court order or other specific law.

DRAFT City of Coffs Harbour Affordable Housing Strategy 2023

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Appendix 1 – Affordable housing benchmarks



Statement from the Mayor

Coffs Harbour is known for its attractive natural environment, its connected and supportive community, enviable lifestyle and economic opportunities. However, a shortage of affordable housing is restricting the ability of our residents to stay in their communities as well as our ability to attract new residents. A shortage of affordable housing impacts families and individuals and is detrimental to businesses and essential services because employers can find it hard to attract and retain staff.

To address this issue, the City of Coffs Harbour has prepared this Affordable Housing Strategy to guide our work in assisting the delivery of more affordable housing. The aim of the Strategy is to assist and encourage the delivery of more affordable housing for the residents of Coffs Harbour which will help create a more connected, sustainable and thriving city.



Councillor Paul Amos
Mayor, City of Coffs Harbour

What is affordable housing?

'Affordable housing' is housing that is priced so that people on very low, low and moderate incomes can rent or buy that housing using no more than 30% of their household income.

Who needs affordable housing?

Anyone in the community could need affordable housing, including:

- A young person seeking to live near where they grew up.
- A recently separated person for whom home ownership may no longer be economically viable.
- Households dependent on one, or even two low waged 'key worker' jobs.
- An older person on a reduced retirement income, including after the death of a spouse.
- A person providing full time care for a relative or friend.

1. About the Strategy

Overview of Strategy

Affordable, secure and appropriate housing meets an essential human need for shelter and security. It also provides a foundation for people to engage with education, employment, their families and their community. Affordable housing is priced to allow very low, low and moderate income households to meet their housing costs as well as other living costs such as education, transport, food, clothing, utilities and health care.

There is currently a shortage of affordable housing in the City of Coffs Harbour local government area (LGA); Census figures show 5,147 households were in 'housing stress' in 2021. Housing stress is where a household is spending more than 30% of its gross income on housing costs, either through rent or mortgage payments. City of Coffs Harbour (the City) has prepared this Affordable Housing Strategy to guide the organisation's work in addressing the shortage of affordable housing in our city.

The City of Coffs Harbour *Affordable Housing Strategy 2023* (the Strategy) proposes solutions that will assist to address the growing need for affordable housing in the LGA. The Strategy is guided by principles outlined in the City of Coffs Harbour *Affordable Housing Policy* and is informed by detailed background research and consultation. The Strategy proposes initiatives that are consistent with the remit, responsibilities and statutory powers of the City and objectives and outcomes in the *MyCoffs Community Strategic Plan 2032*.

What is affordable housing?

Housing is generally considered to be 'affordable' when households can meet their housing costs and still have sufficient income to pay for other basic needs such as food, clothing, transport, utilities, health care and education.

'Affordable housing' has a statutory definition under the Environmental Planning and Assessment Act 1979 (the Act), being housing for very low, low and moderate income households who pay no more than 30% of their gross household income on their rent or mortgage repayments. Households paying more than 30% of their income on housing costs are deemed

to be in 'housing stress' and at risk of after-housing poverty. Table 1 in Appendix 1 provides benchmarks that are used in this Strategy when referring to 'affordable housing' in accordance with the statutory definition.

Affordable housing includes a wide range of housing products, tenures and price points. This includes, but is not limited to, special needs accommodation, social (public and community) housing, 'key worker' (discount market rent) housing and assisted purchase housing (such as shared equity or community land trusts). It also includes lower cost housing provided by private housing developers such as smaller flats and units, boarding houses, co-living housing and caravan parks, as long as affordable housing benchmarks for that particular location are met.

Why is affordable housing important?

Affordable housing is an important form of community infrastructure that supports;

- personal and community wellbeing;
- social and economic sustainability, including a diverse labour market and economy; and
- strong and inclusive communities.

Lack of affordable housing affects families, couples and individuals who may be sacrificing basic necessities to pay for their housing and who in some cases, may need to leave the area to access affordable housing. The displacement of long-term residents reduces social cohesion, community connection and extended family support.

A shortage of affordable housing can also have a serious impact on businesses and essential services as employers face difficulty retaining staff or attracting new employees to the area because they are unable to access housing. For many 'key workers' in services such as aged care, health care, hospitality and emergency services, wages are increasingly insufficient to allow them to afford rental or purchase housing close to where they work. The loss of young families and workers from an area adversely affects local economies and is contributing to labour shortages in many regions.

A modern, two-story house with a light-colored facade and large, multi-paned windows. The house has a flat roof with a slight overhang. The windows are illuminated from within, showing a warm yellow light. The house is set against a clear sky. In the foreground, there is a dark, possibly black, fence or wall, and some greenery is visible on the right side.

Alignment with *MyCoffs Community Strategic Plan 2032*

The *MyCoffs Community Strategic Plan 2032* is the community's plan for what is important to preserve about the City of Coffs Harbour and how the City should address changing circumstances and challenges. The Affordable Housing Strategy is aligned with, and supports the achievement of, a number of objectives and outcomes of the Community Strategic Plan, including the following:

We address the causes of disadvantage:

- We explore innovative solutions to affordable housing provision.

We undertake development that is environmentally, socially and economically responsible:

- Sustainable design and best practice development provide quality housing options.

We collaborate to deliver housing opportunities for all:

- Housing is affordable.
- Development meets the changing needs and expectations of the community.
- We have the ability to access, afford and secure rental or long-term housing.

2. Purpose and Aim

Purpose of the Strategy

The purpose of this Strategy is to identify initiatives and actions to be undertaken by the City of Coffs Harbour to assist to increase the supply of affordable housing in the LGA.

Aim of the Strategy

The aim of this Strategy is to encourage and facilitate the funding and delivery of affordable housing by those organisations whose role and/or responsibility this is and to thereby increase the supply of affordable housing in the LGA.

Affordable housing targets

This Strategy adopts a target of delivery of 2,215 additional affordable housing dwellings (including social housing) by 2041 to meet **additional need only**. This represents around 17% of total projected dwellings to be delivered by 2041. 90% of these dwellings should be rental dwellings and 10% for purchase. At least 65% of these dwellings should be smaller dwellings with the balance being dwellings suitable for families. Whilst these numbers represent a target, this cannot and will not be solely delivered as a result of this Strategy or City of Coffs Harbour actions.

Table 2.1 details the various housing types and price points of affordable housing required.

Table 2.1: Additional Affordable (including Social) Housing needed 2021-2041

	Renting Households			Purchasing Households		
	Suitable for lone persons or couples w/ out children	Suitable for families with children	TOTAL	Suitable for lone persons or couples w/o children	Suitable for families with children	TOTAL
Affordable to Very Low Income Households	566	179	745	67	31	98
Affordable to Low Income Households	184	244	428	72	59	131
Affordable to Moderate Income Households	56	178	234	59	56	115
Social Housing (Affordable to Very Low Income Households)	353	111	464	n/a	n/a	n/a
Total Affordable (incl Social) Housing	1,159	712	1,871	198	146	344

Source: JSA calculations, using data from ABS Census of Population and Housing 2021 and .id Consulting Dwelling Forecasts

Population and housing snapshot

Population



79,598 in 2022 (ABS ERP)



106,575 in 2041 (.id Forecast)

Dwellings



34,696 in 2021 (current)



47,963 in 2041 (projected)

Housing costs (median cost of entry level property in 2021)



unit rent- \$395/week
unit purchase- \$435,000



house rent- \$530/week
house purchase- \$734,250

Housing stress (2021)

5,147

households in housing stress

16%

% of all households (31,859)

Data source: .id Community Profile & Housing Monitor

3. Background and Rationale

The *City of Coffs Harbour Affordable Housing Background Report* and *Affordable Housing Options Report*¹ set out the evidence supporting this Strategy. This part presents a summary of relevant findings on housing demand, supply, need and affordability, as well as options available to the City to help address these issues. The issues and options identified provide the background and rationale for the initiatives outlined in Part 4.

Affordable housing issues

A number of housing, funding, economic and environmental factors has led to an acute shortage of affordable housing in the LGA, these include:

- inadequate supply of long-term private rental accommodation amid increasing demand;
- declining home ownership;
- incomes not rising in comparison with the rising cost of housing (rent and purchase);
- cyclical demand from itinerant workers in sectors like construction;
- the increase in lower paid workers in service sectors such as health and aged care;
- the movement of people on higher incomes from cities to regions as a result of the COVID-19 pandemic, and;
- Coffs Harbour's status as a first point of settlement for humanitarian refugees.

These factors have contributed to a near 0% rental vacancy rate and a dramatic increase in rental costs locally during 2021 and 2022. There has also been unprecedented growth in the real cost to purchase housing in the LGA in this period.

There has also been a reduction in housing diversity in the LGA since 2007 which has reduced the supply of the types of dwellings more likely to be low cost and more affordable, as well as the supply of private rental dwellings, noting that 60% of units enter the private rental market compared with 15% of houses. Increasing housing diversity in well located areas is

also crucial in meeting the needs of an aging population, allowing older people to down-size to areas where they can 'age in place'.

Increasing housing diversity in well located areas is also crucial in meeting the needs of an aging population, allowing older people to down-size to areas where they can 'age in place'.

Importantly, social housing supply has failed to keep pace with growing need over many years, and has actually decreased over the past few decades through sale and non-replacement of dwellings lost and lack of funding for growth. There is now a 10+ year waiting time for most housing types and a wait of 12-18 months for priority applicants.

Very low income renters and those with special needs have been most seriously affected by the lack of affordable (or almost any) private rental properties and the declining supply of social housing. Very low and low income renters make up the majority of those in housing stress. These households are unable to even affordably rent a studio or one-bedroom unit in the LGA.

The severe shortage of crisis, short-term and transitional accommodation for the increasing number of people at risk of homelessness is affecting those most vulnerable in the housing market as well as lower income 'key workers' and families.

Affordable housing need

In 2021 approximately 5,147 very low, low and moderate income households were in housing stress². By 2041, this is projected to **grow by 1,750 households** to a **total of 6,897 households**.

Of these households in stress, around 80% are likely to be renters and 20% purchasers. Of renters, 50% are likely to be very low income households, 30% low income households and 20% moderate income households. By far, the largest group in housing stress is likely to be very low income smaller (lone person and couple) renting households.

¹ Judith Stubbs & Associates (2023) *City of Coffs Harbour Affordable Housing Background Report*, City of Coffs Harbour Council; Judith Stubbs & Associates (2023) *City of Coffs Harbour Affordable Housing Options Report*, City of Coffs Harbour Council; related appendices, and *Affordable Housing Case Study Booklet*.

² ABS (2021) Census.

3.1: Total Need for Affordable (including Social) Housing (current & projected to 2041)

	Renting Households			Purchasing Households		
	Suitable for lone persons or couples w/ out children	Suitable for families with children	TOTAL	Suitable for lone persons or couples w/o children	Suitable for families with children	TOTAL
Affordable to Very Low Income Households	2,583	816	3,399	263	123	386
Affordable to Low Income Households	725	962	1,687	283	232	515
Affordable to Moderate Income Households	221	701	922	231	222	453
TOTAL	3,529	2,479	6,008	777	577	1,354
Source: JSA calculations, using data from ABS Census of Population and Housing 2021 and .id Consulting Dwelling Forecasts						

There is also a need for an **additional 464 social housing dwellings** by 2041 to maintain the existing LGA rate of 4.2%, with 70% suitable for smaller households and 30% for families. Furthermore, there is a need for an **additional 450 places** in crisis, short-term, transitional and temporary accommodation to meet the need for those at risk of long-term homelessness. Table 3.1 provides a breakdown of total affordable housing need to 2041

Contribution of the private housing market to affordable housing supply

It is estimated that only 15% of current and projected affordable housing need is likely to be met by the private housing market. This is likely to be through the following housing types and products:

- Studio and one bedroom apartments.
- Boarding houses and co-living housing.
- Lower cost caravan parks and manufactured home estates.

As the private housing market is unable to meet the majority of existing and forecast need for affordable housing, government and the not-for-profit sector will need to deliver the shortfall. This Strategy proposes Initiatives that aim to encourage the delivery of smaller, lower-cost housing by the private sector, as well as Initiatives that will support the efforts of government and not-for-profit entities who deliver affordable housing.

City of Coffs Harbour's role and responsibilities

NSW planning policy and legislation provide opportunities for local government to support creating and maintaining affordable housing. Local government has an explicit role in 'affordable housing' under relevant legislation and can influence affordability through land use zoning, development controls, the timing of land release, location of services and facilities and the levying of rates, development contributions and application fees.

One of the Objectives in Section 1.3(d) of the Act is the '**maintenance and provision of affordable housing**'. Likewise, there are **definitions and benchmarks** related to 'affordable housing' in section 1.4 of the Act and in clause 13 of *State Environmental Planning Policy (Housing) 2021*, which have been adopted for the purpose of this Strategy.

Section 7.4 of the Act provides for the making of a **voluntary planning agreement** in relation to an amendment of a planning instrument or development application. Under such an agreement, a developer is required to make a contribution in cash or in kind for 'affordable housing'.

Section 7.32 of the Act also enables councils to levy mandatory contributions under an **Affordable Housing Contribution Scheme**, provided they can demonstrate affordable housing need and the economic viability under the NSW Department of Planning and Environment (DPE) *Guideline for Developing and Affordable Housing Contribution Scheme*³ and *Affordable Housing Viability Tool*⁴.

³ NSW Department of Planning and Environment (2019) Guideline for Developing an Affordable Housing Contribution Scheme, February, available online <https://www.planning.nsw.gov.au/-/media/Files/DPE/Guidelines/guideline-sepp70-developing-affordable-housing-contribution-scheme-2019-02-28.pdf>

⁴ NSW Department of Planning and Environment (2020) Affordable Housing Viability Tool, available online <https://www.planning.nsw.gov.au/-/media/Files/DPE/Other/Policy-and-legislation/SEPP-70-Affordable-Housing-Contributions-Scheme-Viability-Tool-Template.xlsx?la=en>

Target groups for this Strategy

The *Affordable Housing Background Report* identifies that **very low and low income renters and moderate income renting families** are most likely to face difficulty accessing affordable housing in the LGA. These groups are the least likely to have their needs met through the private housing market without planning intervention or the direct creation of affordable housing and consequently, these groups are the focus of this Strategy.

Very low income ‘key worker’ households - these households would need to pay less than \$210 in rent, and could not afford even a studio or one bedroom unit anywhere in the LGA. Examples include a lone person working part-time as an aged care worker on \$700; or a couple with a young child, with one working a typical 30 hour week as an Assistant in Nursing (AIN).

Very low income households dependent on Centrelink payments - these households would need to pay less than \$210 in rent, and could not afford even a studio or one bedroom unit anywhere in the LGA. Examples include a single aged pensioner on a pension of \$494 per week including supplements, who could afford to pay \$210 in rent including Commonwealth Rental Assistance (CRA); and a single person on JobSeeker Allowance, who would have an income of \$321 per week, and could afford to pay \$169 in rent.

Low income ‘key workers’ - these households would need to pay \$250 to \$295 per week in rent and could not afford even a one bedroom unit in the LGA, although those lone person or couple-only households at the upper end of the income range could affordably rent a room in a boarding house or co-living housing accommodation. Examples include a full-time process worker earning \$835 per week; a cleaner earning \$865; or a couple with two small children, one working full time as an AIN on \$941 per week.

Moderate income ‘key worker’ households - none of these households could afford to rent a separate house in the LGA, although those at the upper end of the income range could afford a two bedroom apartment. Examples include a lone person working full-time as an ambulance officer or an entry level teacher or registered nurse earning around \$1,115 per week; or a couple with one person working part-time as a cleaner and the other as an enrolled nurse on a combined income of around \$1,660 per week.

Under section 4.15(1)(b) of the *Act*, it is also a requirement that a consent authority consider the social impacts of a development application as part of an assessment. This is relevant to development applications that may result in the loss of affordable or low cost housing, or otherwise generate a need for affordable housing.

As such, the City has a role and indeed a statutory responsibility to seek to preserve and create affordable housing through the powers available to it.

The City also has an important role to play in advocacy to other levels of government to ensure that their local communities receive an equitable share of funding and resources, co-ordination of action, and ensuring that government policies are implemented at the local level.

Options available to the City




As outlined in the *Affordable Housing Options Report*, there are a wide range of potential strategies available to the City to address the shortage of affordable housing in the LGA. These strategies range from ‘light’ interventions such as advocacy and facilitation through the planning system (incentive based mechanisms and ensuring that there are no undue impediments), to ‘strong’ interventions such as requiring contributions for affordable housing and mandating low cost dwelling types. Strategies that focus on advocacy and facilitating delivery through planning controls are considered to be the most efficient and cost-effective way for the City to influence funding and delivery of affordable housing.



4. Initiatives and Actions

Overview of framework

This Part lists 15 Initiatives that are intended to encourage and facilitate the funding and delivery of affordable housing. The Initiatives focus on advocacy and facilitating delivery of affordable housing through the City's planning controls. This is considered to be the most efficient and cost-effective way for the City to assist to increase the supply of affordable housing in the LGA. Each Initiative includes an outline of its rationale and/or an explanation of why it is a priority or why it is required. The Initiatives are not listed in any order of priority but are grouped under 3 themes:

-  A. Advocate
-  B. Facilitate and Incentivise
-  C. Mandate

Implementation

Each Initiative will be carried out through a number of detailed Actions outlined below each Initiative. The descriptions of each Action also identify who is responsible for undertaking each Action and the timeframes within which each Action will be carried out.

The timeframes for initiating or undertaking each Action outlined in the tables below correspond to the following time periods:

- Immediate = within 1 year
- Short term = 1-4 years
- Medium term = 5-10 years
- Long term = 10+ years
- Ongoing = will be carried out on an ongoing basis
- As and when required= will be carried out at the time that opportunities or situations that require action present themselves.

All Initiatives and Actions can be delivered using existing staff resources and budget allocations.

ADVOCATE

Responsibility for delivery of social housing rests with the NSW Government. Surplus or under-utilised government land that is suitable for development and well located presents an opportunity for development of affordable housing. The City will advocate for improved outcomes in relation to social and affordable housing in accordance with the following Initiatives.

INITIATIVE

1

Advocate for additional social housing in the City of Coffs Harbour local government area.

There has been a significant decline in the proportion of social housing over the past 15 years, from 5.2% of all dwellings (in 2007) to 3.7% (in 2022) as well as a loss of social housing stock in absolute terms. At least 464 new social housing dwellings will be needed by 2041 to maintain the current local proportion. However, the very high rates of housing stress among very low income renters and the aging of the population indicate that this would need to be increased to meet future need.

Evidence shows a supply-demand mismatch in relation to existing social housing, including under-occupancy of at least 30% of dwellings, and waiting list data indicating that more than 60% of households on the waiting list require one-bedroom dwellings and 30% need two-bedroom homes.

There are significant opportunities for the redevelopment of public housing to meet changing need, particularly older, separate dwellings on large lots, and in precincts with a large concentration of public housing. Any redevelopment of existing social housing must achieve a net gain of social housing dwellings.

ACTIONS

Action 1a- Seek the following commitments from the NSW Government:

- That the proportion of social housing in the LGA will not fall below current levels.
- Funding and delivery of at least 464 additional social housing dwellings in the LGA by 2041.
- Funding of at least 450 places of crisis, short-term, transitional and supported accommodation for people at risk of homelessness in the LGA by 2041.

TIMEFRAME: Immediate RESPONSIBILITY: Local Planning Section

Action 1b- Advocate to NSW Government on behalf of local Community Housing Providers (CHPs) for a transfer of title or long-term lease (50 or 99 year lease) of existing public housing in appropriate areas to facilitate redevelopment of selected stock through increased economic viability for CHPs.

TIMEFRAME: Short term RESPONSIBILITY: Local Planning Section

INITIATIVE 2

Advocate for development of affordable housing on NSW and federal government owned land.

Certain parcels of under-utilised or vacant government owned land may have potential for development of affordable housing. It is noted that multiple NSW Government departments are currently undertaking strategic land audits in part to identify surplus land that may have potential for residential development, including for affordable housing. City of Coffs Harbour will advocate for development of suitable land parcels.

ACTIONS

Action 2a- Advocate for development of housing on any surplus or disused government owned land, and that any such development should include at least 30% affordable housing.

TIMEFRAME: Short term RESPONSIBILITY: Local Planning Section

INITIATIVE 3

Advocate for increased government funding for affordable housing.

Developing affordable housing (including social housing) is often significantly dependant on government funding. City of Coffs Harbour can advocate on behalf of its community for the dedication of increased funding to deliver affordable housing (including social housing).

ACTIONS

Action 3a- Advocate for an increase in funding for affordable housing (including social housing and housing for 'key workers') under relevant NSW and federal government programs.

TIMEFRAME: Immediate RESPONSIBILITY: Local Planning Section

INITIATIVE

4

Advocate for provision of housing for workers employed on major projects.

Major construction and infrastructure projects can create demand for housing, depending on how many workers are employed on the project, over what period, and how many are from outside the local area. Given the current shortage of affordable housing in the LGA, providing accommodation for workers should be considered as a key element in the construction or delivery of major infrastructure projects. Where a major project will create a significant demand for housing, the City will advocate to proponents of major projects for the provision of housing for workers.

ACTIONS

Action 4a- Advocate for provision of housing for workers on major projects where the accommodation of workers is likely to increase the demand for housing or have adverse impacts on local housing supply and affordability.

TIMEFRAME: As and when required **RESPONSIBILITY:** Local Planning Section

FACILITATE AND INCENTIVISE

The establishment of strategic and statutory land use planning provisions is one of the key responsibilities of local government and is a mechanism through which local government can influence the delivery of affordable housing. City of Coffs Harbour will facilitate and incentivise the development of affordable housing through the following Initiatives.

INITIATIVE

5

Amend local planning controls to facilitate delivery of lower cost and diverse housing in infill or renewal areas.

Future affordable housing need is likely to be highest among very low and low income renters and smaller households. Around 65% of projected affordable housing need for smaller strata dwellings and 35% for housing suited to families with children. The high level of need among very low and low income lone person renting households is also noted.

Studio and one bedroom units provided through the market have the potential to be affordable to moderate income renters, whilst boarding houses and co-living housing can be affordable to low income households, including lone person and couple only households who are employed as 'key workers'. Increasing supply in urban centres will also support the needs of an aging population and City's Compact City growth model.

The Affordable Housing Options Report provides an analysis of planning and economic constraints to developing more affordable, lower cost and diverse housing types in the main commercial and residential zones in areas close to urban centres. The analysis indicates that affordability would be enhanced through reducing the size of dwellings, reducing parking and removing impediments in local planning instruments to the development of such accommodation through the market.

A review of the City's local planning instruments found that they provide many opportunities to develop smaller dwellings in the LGA. However, there are a number of ways planning controls could be amended to improve feasibility and further encourage development of smaller and lower cost forms of housing. A number of these amendments are outlined in the Coffs Harbour Local Growth Management Strategy 2020.

The City will undertake amendments to its planning controls to improve the feasibility of developing diverse and lower cost dwellings.

ACTIONS

Action 5a- Amend Coffs Harbour DCP 2015 to:

1. Remove minimum parking requirements for studio, one and two bedroom apartments.
2. Ensure that minimum parking requirements are not more onerous than State Environmental Planning Policy (Housing) 2021.
3. Reduce the private open space requirement for Multi dwelling housing to 24 square metres.

TIMEFRAME: Immediate RESPONSIBILITY: Local Planning Section

Action 5b- Amend Coffs Harbour DCP 2015 to ensure that controls that apply to residential flat buildings do not substantially exceed controls in the NSW Government's Apartment Design Guide, such as minimum open space requirements.

TIMEFRAME: Short term RESPONSIBILITY: Local Planning Section

Action 5c- Amend Coffs Harbour LEP 2013 to make Dwelling houses prohibited in Zone R3 Medium Density Residential and to make Secondary dwellings prohibited in Zone R4 High Density Residential and R3 Medium Density Residential.

TIMEFRAME: Short term RESPONSIBILITY: Local Planning Section

Action 5d- Amend Coffs Harbour LEP 2013 to remove the requirement for development of dual occupancies to be carried out on lots greater than 800 square metres in area.

TIMEFRAME: Short term RESPONSIBILITY: Local Planning Section

Action 5e- Amend Coffs Harbour DCP 2015 to change the measure of dwelling density from dwellings per site area to bedrooms per site area in residential zones other than Zone R2 Low Density Residential.

TIMEFRAME: Short term RESPONSIBILITY: Local Planning Section

INITIATIVE

6

Amend local planning controls to facilitate more diverse and smaller housing types in greenfield development areas.

The Affordable Housing Options Report provides an analysis of planning and economic constraints to the development of more affordable, lower cost and diverse housing types in greenfield development areas where it would be beneficial to increase housing diversity and reduce cost. The analysis indicates that affordability would be enhanced through delivery of smaller and more diverse housing types in these areas. The City will apply planning controls to encourage or facilitate development of an increased proportion of smaller dwellings in greenfield release areas.

ACTIONS

Action 6a- Amend Coffs Harbour DCP 2015 to encourage a mix of lot sizes to be delivered through development of greenfield release areas.

TIMEFRAME: Immediate RESPONSIBILITY: Local Planning Section

Action 6b- Apply low-rise medium density provisions to appropriate parts of greenfield development areas to facilitate development of smaller lots and dwellings.

TIMEFRAME: As and when required RESPONSIBILITY: Local Planning Section

INITIATIVE

7

Ensure development and major projects do not adversely impact on affordable housing supply.

Major construction and infrastructure projects can create temporary demand for housing, depending on how many workers are employed on the project, over what period, and how many workers relocate from outside the local area. It is important that the potential housing impacts of major construction and infrastructure projects be properly considered and that appropriate mitigations be provided (where required) in project approvals. DPE have developed Social Impact Guidelines and Cumulative Impact Assessment Guidelines for State significant projects to understand, evaluate and mitigate the social and cumulative impacts.

The City will work with the NSW government to ensure project proponents follow DPE guidelines for State significant projects and that housing impacts are identified, assessed and addressed in the Social Impact Assessment and Cumulative Impact Assessment.

Certain local development can also result in the loss of low-cost housing due to demolition or re-development. The City will implement development controls to ensure potential impacts on existing affordable housing are assessed.

ACTIONS

Action 7a- Amend Coffs Harbour LEP 2013 to include a requirement that the City consider whether proposed development will adversely impact on existing affordable housing.

TIMEFRAME: Short term RESPONSIBILITY: Local Planning Section

Action 7b- When required to assess or carry out peer review of social impact assessment reports or environmental impact statements prepared for State Significant Development, ensure that potential impacts on the local housing market are properly considered, and that appropriate mitigation measures are proposed and conditioned as part of project approvals.

TIMEFRAME: As and when required RESPONSIBILITY: Local Planning Section

INITIATIVE

8

Facilitate delivery of affordable housing through Voluntary Planning Agreements.

Voluntary Planning Agreements (VPAs) allow proponents of development to propose to deliver infrastructure, assets or other contributions as a public benefit as part of a development application or application to amend planning controls in Coffs Harbour LEP 2013. The City's current VPA Policy includes affordable housing as something which can be accepted as a public benefit however, the Policy does not include any specific provisions or criteria such as the nature and quantum of a preferred contribution, the method of calculation or the types of developments and precincts to which it would apply. Providing guidance or criteria on such matters would enhance transparency and accountability and give potential proponents more guidance and certainty.

The City will prepare specific criteria for affordable housing delivered through VPAs in order to provide improved transparency, guidance and certainty.

ACTIONS

Action 8a- Develop and implement criteria to guide the City and proponents in negotiating affordable housing to be delivered through Voluntary Planning Agreements such as; criteria for the nature and quantum of a preferred contribution, the method of calculation and the types of developments and precincts to which it would apply.

TIMEFRAME: Short term **RESPONSIBILITY:** Local Planning Section

INITIATIVE

9

Introduce additional incentives for development that delivers affordable housing.

There are a number of additional incentives that could be implemented to further encourage development of affordable housing and lower cost housing, including density or height bonuses, waiving or reducing development application fees and/or development contributions.

The City will introduce and investigate additional incentives for development that will deliver affordable housing.

ACTIONS

Action 9a- For a period of 2 years waive the following fees for development that will deliver affordable housing:

- Pre-DA lodgement meeting fees.
- Development application fees (excluding integrated development and Planning Reform fees).
- Construction certificate fees (for building work and civil/engineering work).

The waiver will apply to development that will provide affordable housing managed by a Community Housing Provider where rents are guaranteed to be affordable to very low and low income households in perpetuity, or for a lesser fixed period.

TIMEFRAME: Immediate **RESPONSIBILITY:** Development Assessment Section & Customer Resolution Team

Action 9b- Update all s7.11 development contributions plans to list affordable housing as development that is exempt from payment of contributions.

TIMEFRAME: Short term **RESPONSIBILITY:** Strategic Development Contributions Officer

Action 9c- Investigate costs and benefits of introducing a temporary, capped waiver of Section 64 (water and sewerage) service charges for development that delivers affordable housing.

TIMEFRAME: Medium term **RESPONSIBILITY:** Local Planning Section

Action 9d- Investigate additional incentives related to relaxation of development standards (such as height or density bonuses) for development that delivers affordable housing.

TIMEFRAME: Medium term **RESPONSIBILITY:** Local Planning Section

Action 9e- Prioritise processing of applications for development that will deliver affordable housing.

TIMEFRAME: As and when required **RESPONSIBILITY:** Development Assessment Section

INITIATIVE 10

Ensure land use and infrastructure planning facilitates an adequate residential land supply pipeline.

A core objective of the City's strategic land use planning is to ensure that there is an adequate supply of land available for development to meet anticipated demand, and that plans and funding arrangements are in place to deliver infrastructure that is required to support new development in a timely manner.

The NSW Government's North Coast Regional Plan 2041 states that councils should provide for a 10-year pipeline of residential land supply with the first 2-5 years supply being zoned and development ready (planning approvals and infrastructure in place). The City will continue to seek to ensure its strategic land use and infrastructure planning and delivery programs achieve this outcome.

ACTIONS

Action 10a- Plan and undertake land use and infrastructure planning programs to ensure a 2-5 year supply of land that is zoned for residential development with infrastructure plans in place.

TIMEFRAME: Ongoing **RESPONSIBILITY:** Local Planning Section and Asset Planning

INITIATIVE

11

Ensure economic feasibility of residential development in infill and renewal areas.

City of Coffs Harbour's Local Growth Management Strategy seeks to deliver the majority of residential growth within the existing urban boundary through a Compact City growth model. This will ensure efficient use of land and infrastructure, and will deliver housing that is close to services, education and employment. Infill development and redevelopment of existing areas (known as urban renewal) is a critical part of the Compact City model. It is imperative that infill development is economically feasible.

The City will seek funding to carry out an analysis of property economics and development feasibility in existing urban areas to determine whether changes are required to planning provisions to improve viability or feasibility.

ACTIONS

Action 11a- Seek funding to undertake an economic analysis of infill development within the Coffs Harbour Regional City area to understand economic feasibility of infill development in this area.

TIMEFRAME: Short term RESPONSIBILITY: Local Planning Section

Action 11b- Subject to the completion and findings of the economic analysis, amend local planning controls (if required) to improve economic feasibility of infill development that will deliver smaller and lower cost housing.

TIMEFRAME: Short term RESPONSIBILITY: Local Planning Section

INITIATIVE 12

Support redevelopment of existing social housing that will deliver a net increase in social and affordable housing and dwelling diversity.

There is evidence of a supply-demand mismatch in relation to existing social housing, including under-occupancy and data indicating that more than 60% of households on the waiting list require one-bedroom dwellings and 30% need two-bedroom homes.

There are significant opportunities for the redevelopment of public housing to meet changing need, particularly where there are precincts with a large concentration of public housing that contain older, detached dwellings on large lots.

The Affordable Housing Options Report provides preliminary economic modelling of the viability of net replacement and increase in social and affordable housing under several medium to higher density scenarios. This indicates that all scenarios are likely to be economically feasible, including the Argyll Estate precinct and the Hobbs Crescent precinct, as well as on other scattered sites. Modelling shows recent increases in the sale price of strata dwellings could be used to offset the cost of redevelopment and deliver a significant increase in the amount of social housing. The City will collaborate with NSW Land and Housing Corporation to support redevelopment of existing social housing to deliver an increase in affordable housing and dwelling diversity.

Action 12a- Work with NSW Land and Housing Corporation to ensure that redevelopment of social housing within the City of Coffs Harbour LGA achieves a net gain in social housing as well as the delivery of affordable housing for 'key workers'.

TIMEFRAME: Immediate RESPONSIBILITY: Local Planning Section

Action 12b- Review zoning and planning controls in precincts targeted for estate renewal (such as Hobbs Crescent and Barcoo Court, Toormina) or site-specific redevelopment to support increased density and yield.

TIMEFRAME: As and when required RESPONSIBILITY: Local Planning Section

INITIATIVE 13

Consider requests for support or partnerships from public authorities or not-for-profit organisations who seek to develop affordable housing.

Approximately 15% of future affordable (including social) housing need in the City of Coffs Harbour LGA is likely to be met through the private housing market. Consequently, there is a need for the majority of affordable housing to be created by government and the not-for-profit sector (most often Community Housing Providers (CHPs)). One of the ways that the City is able to support creation of affordable housing is by providing land for this purpose.

The development of affordable housing on land owned by the City is discussed in detail in the Affordable Housing Options Report and preliminary modelling has been carried out. The modelling considered development of Residential flat buildings, Boarding houses, Co-living housing and Seniors' housing with a mix of private sales, social and affordable rental housing assumed. Preliminary modelling suggests development will be viable for each of these types of development or a combination of these uses. Further detailed investigation including preliminary concept design and more detailed economic feasibility would be required to enable assessment of the merits of development of affordable housing on land owned by the City. Any project to which the City was a partner would need to be delivered without a financial commitment from the City.

Action 13a- When approached by a public authority or not-for-profit organisation seeking support to develop affordable housing, the City will consider the nature of the request, the merits of the proposal and options to provide support, including potentially through provision of land owned by the City of Coffs Harbour for development of affordable housing.

TIMEFRAME: As and when required **RESPONSIBILITY:** Local Planning Section (lead), Property Services Section (support)

MANDATE

City of Coffs Harbour has responsibility for planning policy and development control within its LGA. Under NSW planning law there are a number of mechanisms that can be included in planning controls to require the delivery of affordable housing or smaller dwellings as part of residential development or the payment of a contribution towards affordable housing. The following Initiatives outline how the City will introduce requirements for certain development to provide affordable housing, smaller dwellings or contributions towards affordable housing.

INITIATIVE

14

Mandate provision of smaller, lower cost dwellings in higher density developments in and near to urban centres.

The Affordable Housing Options Report has considered the feasibility of mandating delivery of smaller strata dwellings (particularly studio, one and two bedroom apartments) as part of Residential flat building, Shop top housing and Multi-dwelling housing development. The analysis shows that this would be feasible and would increase the supply of lower cost housing and private rentals.

Mandating provision of smaller dwellings should only be applied where it does not constitute an undue impost on the feasibility of development. It should be undertaken after local planning controls are amended to maximise incentives and opportunities as proposed elsewhere in this Strategy. It is therefore considered a longer-term strategy.

ACTIONS

Action 14a- Amend local planning controls to require the delivery of smaller dwellings in the following circumstances:

1. Any residential flat building, shop top housing or multi dwelling housing development located within 600 metres of appropriate centres and containing 5-10 dwellings must include at least 20% studio or 1 bedroom apartments/dwellings.
2. Any residential flat building, shop top housing or multi dwelling housing development located within 600 metres of a centre and containing 11 or more dwellings must include at least 20% studio or 1 bedroom apartments/dwellings and 30% 2 bedroom apartments/dwellings.

TIMEFRAME: Medium term RESPONSIBILITY: Local Planning Section

INITIATIVE 15

Consider the implementation of an Affordable Housing Contribution Scheme when planning growth and renewal areas.

The economic viability of developing an Affordable Housing Contribution Scheme (AHCS) to create affordable rental housing in perpetuity under section 7.32 of the Act has been investigated in the Affordable Housing Options Report. Preliminary economic modelling has been undertaken using the DPE Affordable Housing Viability Tool to model potential uplift in certain planned growth and infill development areas identified in the Coffs Harbour Local Growth Management Strategy 2020. Modelling indicates there is likely to be significant land value uplift associated with rezoning of rural land to residential. This is likely to provide significant opportunities for an affordable housing contribution. In these urban growth areas an affordable housing contribution of 15% of developable land area, or the equivalent in cash or dwellings, would not be unreasonable based on the preliminary economic analysis.

Preliminary modelling on proposed changes to controls in precincts within identified infill areas indicates that there is currently insufficient land value uplift from increases in height and density to provide for economic viability of an AHCS. This assessment could change in the future if recent high rates of sales and rental prices continue. It should be investigated in more detail as part of any future place planning exercise. Investigation of an AHCS is an action in the *Coffs Harbour Local Growth Management Strategy 2020*.

ACTIONS

Action 15a- Investigate introduction of an Affordable Housing Contribution Scheme as part of any review of planning controls to increase development density or potential in infill and renewal areas.

TIMEFRAME: As and when required RESPONSIBILITY: Local Planning Section

Action 15b- Investigate introduction of an Affordable Housing Contribution Scheme as part of any rezoning of residential growth (greenfield) areas.

TIMEFRAME: As and when required RESPONSIBILITY: Local Planning Section



5. Monitoring, Reporting and Review

Monitoring

It is important that implementation of the Strategy is monitored to track progress and determine the Strategy's effectiveness and/or the degree to which it achieves its aim. Monitoring the implementation and outcomes of the Strategy will involve tracking and review of the following indicators:

1. Completion of (or progress on) Actions in the Strategy.
2. Housing supply generally- total number of new dwellings approved and constructed, number of medium and high density dwellings approved and constructed and the % of total dwellings that are medium and high density dwellings.
3. Affordable housing supply- total number of new affordable housing dwellings approved and constructed, number of affordable rental dwellings created on City of Coffs Harbour owned land or other government owned land.
4. Social (public and community) housing supply- % of total housing that is social housing, delivery of new (additional) social housing dwellings.
5. The proportion and total number of very low, low and moderate income households in housing stress.⁶
6. Achievement of affordable housing targets outlined in Table 2.1.

Monitoring will be the responsibility of Local Planning Section.

While these indicators will allow the City to monitor implementation and outcomes of the Strategy, it is important to note that the delivery of affordable and social housing is generally not the City's responsibility and is subject to numerous factors outside of the control of the City. Therefore, progress or improvement in these indicators may not necessarily be achieved solely by this Strategy or the City's efforts.

Reporting

Updates on the implementation of the Strategy and Action Plan will be provided through the Integrated Planning and Reporting framework as part of City of Coffs Harbour's Delivery Program and Operational Plan reporting. The Operational Plan is the City's annual plan that lists projects and activities to be undertaken in that year to achieve the Delivery Program. The Delivery Program outlines the City's commitments and focus areas over a four-year period that are intended to deliver on the objectives and outcomes the community has outlined in the Community Strategic Plan.

Reporting will be the responsibility of Local Planning Section.

Review

A review of the Strategy will be commenced within 5 years of its adoption.

⁶ This indicator will be the Housing Stress figures sourced from the .id Housing Monitor. The base housing stress figure is 3,550 households in housing stress (out of a total of 31,859 households) in 2021.

GLOSSARY OF TERMS

Affordable housing: housing that is appropriate for the needs of a range of very low, low and moderate income households, and priced so that these households are also able to meet other basic living costs such as food, clothing, transport, medical care and education. Affordable housing has a statutory definition under the *Environmental Planning and Assessment Act 1979*, being housing for very low, low and moderate income households who pay no more than 30% of their gross household income on their rent or mortgage repayments.

Affordable housing contribution scheme: a council-led document which sets out how, where, and at what rate development contributions can be collected by council for affordable housing (*Guideline for Developing an Affordable Housing Contribution Scheme, NSW Department of Planning and Environment, 2019*). Affordable housing contributions schemes are enabled by Section 7.32 of the *Environmental Planning and Assessment Act 1979*.

Community Housing Provider (CHP): A not-for-profit organisation that provides housing for people on a very low, low or moderate incomes or people with additional needs.

Source: <https://www.facs.nsw.gov.au/providers/housing/affordable/develop/chapters/partnering#:~:text=All%20community%20housing%20providers%20are,within%20a%20particular%20geographic%20region>. Accessed 21 April 2023.

Greenfield development area: An area of non-urban land that is planned and zoned to accommodate new development.

Homelessness: Homelessness is defined in City of Coffs Harbour's Homelessness Policy and Homelessness Policy. Homelessness is not an issue that is specifically addressed by this Affordable Housing Strategy; City of Coffs Harbour's Homelessness Strategy addresses the issue of homelessness.

Housing stress: A situation where a very low, low or moderate income household is spending more than 30% of its income on housing costs (rent or mortgage payments) and consequently may face difficulty meeting other essential living expenses such as food, transport, education, utilities and healthcare.

Key workers: employees in services that are essential to a city's functioning but who earn low to moderate incomes and whose roles require them being physically present at a work site rather than being able to work from home. Key workers (also termed 'essential workers') are typically employed in industries or sectors such as child care, aged care, health care, emergency services and hospitality.

Source: <https://www.ahuri.edu.au/research/brief/key-workers-and-commuting-during-covid-19>. Accessed 21 April 2023.

Low income household: A household whose income is more than 50% but less than 80% of the NSW or Sydney median income. This could include many people working in jobs such as a child care worker, secretary or cleaner.

Source: <https://www.facs.nsw.gov.au/providers/housing/affordable/about/chapters/who-are-very-low-to-moderate-income-earners>. Accessed 15 February 2022.

Moderate income household: A household whose income is between 80-120% of the NSW or Sydney median income. They may include people working in occupations such as teaching, policing or nursing, particularly if they are in earlier stages of their careers.

Source: <https://www.facs.nsw.gov.au/providers/housing/affordable/about/chapters/who-are-very-low-to-moderate-income-earners>. Accessed 15 February 2022.

Social housing: Social housing is affordable rental housing for people on low incomes with housing needs. It includes public, community and Aboriginal housing. Public housing is managed by the NSW Government while community housing is managed by non-government organisations. Aboriginal housing is specifically for Aboriginal people managed by government or community housing providers, including Aboriginal community housing providers.

Source: <https://www.facs.nsw.gov.au/housing/help/ways/social-housing#:~:text=Social%20housing%20is%20secure%20and,managed%20by%20non%2Dgovernment%20organisations>. Accessed 15 February 2022.

Very low income household: A household whose income is less than 50% of the NSW or Sydney median income, depending on where they live. They include workers in a range of lower paid occupations, or who are on an aged or disability pension or other government benefit.

Source: <https://www.facs.nsw.gov.au/providers/housing/affordable/about/chapters/who-are-very-low-to-moderate-income-earners>. Accessed 15 February 2022.

Voluntary Planning Agreement: A voluntary and legal agreement between a planning authority and a developer for the delivery of infrastructure, works or other contributions for public benefit as well as positive planning outcomes. Voluntary Planning Agreements are typically offered and negotiated as part of an application for development consent or in connection with an application to amend a planning scheme. Voluntary Planning Agreements are enabled by Section 7.4 of the *Environmental Planning and Assessment Act 1979*.

APPENDIX 1

Affordable housing benchmarks

The following table provides benchmarks that are used in this Strategy when referring to 'affordable housing' in accordance with the statutory definition. These are to be updated annually to reflect changes in CPI or cost of living.

Table 1: Affordable Housing Income, Rental and Purchase Benchmarks applicable to City of Coffs Harbour LGA

	Very Low Income Household	Low Income Household	Moderate Income Household
Income Benchmark	<50% of Gross Median Household Income for Rest of NSW	50%-80% of Gross Median Household Income for Rest of NSW	80%-120% of Gross Median Household Income for Rest of NSW
Income Range (2)	<\$783 per week	\$784-\$1,254 per week	\$1,255-\$1,880 per week
Affordable Rental Benchmarks (3)	<\$235 per week	\$236-\$376 per week	\$377-\$564 per week
Affordable Purchase Benchmarks (4)	<\$201,000	\$201,001-\$323,000	\$323,001-\$484,000
Source: JSA 2022, based on data from Australian Bureau of Statistics (ABS) (2021) Census of Population and Housing, ABS (2022) Consumer Price Index (CPI), ANZ Home Loan Repayment Calculator www.anz.com.au/personal/home-loans/calculators-tools/calculate-repayments/			

(1) All values reported are in December Quarter 2022 dollars

(2) Total weekly household income

(3) Calculated as 30% of total household income

(4) Calculated using ANZ Loan Repayment Calculator using 31/3/23 interest rate (6.49%) and assuming a 20% deposit for a 30 year ANZ Standard Variable Home Loan and 30% of household income as repayments.



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