



GLEN EIRA
CITY COUNCIL

BENTLEIGH
BENTLEIGH EAST
BRIGHTON EAST
CARNEGIE
CAULFIELD
ELSTERNWICK
GARDENVALE
GLEN HUNTLY
MCKINNON
MURRUMBEENA
ORMOND
ST KILDA EAST

GLEN EIRA SOCIAL AND AFFORDABLE HOUSING STRATEGY 2019–2023



CONTENTS

EXECUTIVE SUMMARY IV

INTRODUCTION 1

- 1.1 Background 1
- 1.2 Purpose 1
- 1.3 Structure of this Strategy 1
- 1.4 What is social and affordable housing? 2
- 1.5 Who provides social and affordable housing? 4
- 1.6 Recent affordable housing case studies 6
- 1.7 Community engagement findings 8

GLEN EIRA'S SOCIAL AND AFFORDABLE HOUSING NEEDS 10

- 2.1 A snapshot of the Glen Eira community 10
- 2.2 What is housing stress? 12
- 2.3 Rental stress in Glen Eira 13
- 2.4 The housing needs of key workers and benefits of diversity 16
- 2.5 People experiencing homelessness 17
- 2.6 Households on the Victorian Housing Register 18
- 2.7 Existing social housing in Glen Eira 19
- 2.8 Households in need of housing assistance 20

STRATEGIES AND ACTIONS 22

- 3.1 Advocate 23
- 3.2 Partner 25
- 3.3 Plan 26
- 3.4 Provide 29

IMPLEMENTATION

- 4.1 Action plan 31

The *Glen Eira Social and Affordable Housing Strategy 2019–2023* was endorsed by Glen Eira City Council at a Council Meeting on Wednesday 16 October 2019.

LIST OF FIGURES

FIGURE 1: HOUSING SUPPLY CONTINUUM	3
FIGURE 2: HOUSEHOLDS BY TYPE AND INCOME (2016)	11
FIGURE 3: SHARE OF HOUSEHOLDS IN RENTAL STRESS (2016)	14
FIGURE 4: FORECAST HOUSEHOLDS IN RENTAL STRESS (2016–2036)	15
FIGURE 5: TOTAL APPLICATIONS FOR SOCIAL HOUSING IN VICTORIA	18

LIST OF TABLES

TABLE 1: HOUSEHOLDS IN GLEN EIRA (2016)	11
TABLE 2: INCOME BANDS FOR DIFFERENT HOUSEHOLD TYPES	11
TABLE 3: RENTAL COSTS IN GLEN EIRA AND GREATER MELBOURNE (2016)	12
TABLE 4: HOUSEHOLDS IN RENTAL STRESS BY HOUSEHOLD TYPE (2016)	13
TABLE 5: HOUSEHOLDS IN RENTAL STRESS BY INCOME BAND (2016)	13
TABLE 6: FORECAST SCENARIO ASSUMPTIONS	15
TABLE 7: HOUSEHOLDS IN RENTAL STRESS BY HOUSEHOLD TYPE BASE CASE (2036)	15
TABLE 8: HOUSEHOLDS IN RENTAL STRESS BY INCOME BAND BASE CASE (2036)	16
TABLE 9: VICTORIAN HOUSING REGISTER: BAYSIDE — PENINSULA SERVICE AREA	18
TABLE 10: EXISTING SOCIAL HOUSING BY TYPE (2017)	19
TABLE 11: GROWTH IN SOCIAL HOUSING IN GLEN EIRA (2014–2017)	19
TABLE 12: SUMMARY OF ACTIONS AND STRATEGIES	31

Glen Eira City Council acknowledges the Boon Wurrung people of the Kulin Nation as the traditional landowners and the historical and contemporary custodians of the land on which the City of Glen Eira and surrounding municipalities are located.

We acknowledge and pay tribute to their living culture and their unique role in the life of this region.



Image: McIntyre Drive Social Housing, Altona.
MGS Architects.
Image: Rhiannon Slatter.

EXECUTIVE SUMMARY

Affordable housing is integral to the liveability and accessibility of communities throughout Glen Eira. The trend over recent decades for rising house prices and rents with limited investment in social and affordable housing, has led to an increase in the number of households experiencing housing stress.

Through community engagement, the Glen Eira community supports the need to ensure there is enough affordable housing locally, to reduce the displacement of households due to housing stress, to help maintain social networks, and to provide housing for specific groups who are in need of housing assistance.

The purpose of the *Social and Affordable Housing Strategy 2019–23* is to assess the need for social and affordable housing in Glen Eira and to identify Council's role in developing solutions that will see an increase in the provision of social and affordable housing.

In recent years, there has been a growing focus on what can be done to address housing affordability by different levels of government and interested stakeholders. This includes new ways to address affordable housing delivery.

Changes to the *Planning and Environment Act 1987* (the *Act*) have clarified how the planning system can be used legitimately to facilitate the supply of social and affordable housing. The *Act* now includes a specific objective to “facilitate the provision of affordable housing in Victoria” and a definition of affordable housing (including social housing). These changes assist Council to negotiate affordable housing contributions through its planning policies and decisions. However, it is recognised that while planning has a role, it is a limited role in fixing the problem, particularly in areas which have high land values and/or limited land supply.

Given this is an evolving area of policy and action, this *Strategy* has a timeframe of four years. This accounts for the formative nature of potential changes to the planning system. As more councils focus on this problem, it is highly likely that different approaches and models of provision will emerge and mature. State legislation and the current suite of options and mechanisms may also shift over this time. The *Strategy* will be reviewed and updated in 2023, at which time further tools and options may be available.

The strategies and actions in this *Social and Affordable Housing Strategy* will in part deliver on each of the commitments made in Council's *Statement of Commitment on Affordable Housing* (endorsed in 2018).

MEASURING THE NEED FOR HOUSING ASSISTANCE (DEMAND FOR SOCIAL AND AFFORDABLE HOUSING)

The need for housing assistance in Glen Eira has been estimated by considering the number of homeless persons, households living in social housing, and the prevalence of renting households that are in housing stress. Housing stress is defined as a household paying more than 30 per cent of its gross income on rent.

These groups combined represent approximately 7,533 households or 13 per cent of all households in Glen Eira. Of households in housing stress, lone person households account for the largest single group; more than 3,200 households. More than half of all households in housing stress are very low income households. A significant share — more than 50 per cent — of households in rental stress are experiencing severe housing stress, that is, they are paying more than 50 per cent of their income on rent.

WHAT IS THE SCALE OF THE UNMET NEED?

A small number of low income households in Glen Eira are already fortunate enough to be housed in subsidised accommodation. There are currently 839 social housing dwellings in the municipality, which accounts for around 1.4 per cent of all dwellings. This is significantly lower than the Melbourne average, which is 3.3 per cent, but is comparable with neighbouring areas. By deducting the number of households already in social housing dwellings from the total estimated need, the unmet need for affordable housing is in the order of 5,883 dwellings. Looking ahead to 2036, if there was no increase in the number of social and affordable housing, it is estimated the level of unmet need will increase to around 7,529 dwellings.

IT IS LIKELY THAT OVER TIME, GLEN EIRA WILL BECOME A LESS DIVERSE COMMUNITY AS LOWER INCOME HOUSEHOLDS ... ARE UNABLE TO AFFORD TO RENT HOUSING AT MARKET RATES, OR EVEN CONTEMPLATE THE OPTION OF HOME OWNERSHIP.



Current Victoria In Future forecasts show that from 2016 to 2036, Glen Eira will increase by 16,540 households from 58,960 to 75,500 households. Based on our calculated need of affordable housing — which is currently 6,660 households — many of these new homes need to be affordable to meet our need. This housing need increases to 8,306 households at 2036. Put simply, this is an enormous task.

Without some form of intervention, a significant number of households in Glen Eira have no choice but to endure housing stress or homelessness. This is also becoming increasingly evident in older people where changing life circumstances lead to significant financial pressures. As a result, some households may move to a more affordable location, although such displacement is likely to result in higher commuting costs and place strain on established ties within the Glen Eira community. It is likely that over time, Glen Eira will become a less diverse community as lower income households, who make a fundamental contribution to the economic and social life of the municipality, are unable to afford to rent housing at market rates, or even contemplate the option of home ownership.

HOW CAN COUNCIL RESPOND?

The strategies and actions described in this document represent a mix of measures that include advocating, partnering, planning, and providing.

Advocacy

A co-ordinated response from all levels of government is required. Council will also pursue advocacy efforts to:

- Encourage the State Government to support provisions that enable residential development to include a component of affordable housing, either cash or product.
- Encourage more Commonwealth and State government investment in affordable housing.
- Encourage the provision of affordable housing on surplus government land.

Partner

Partnerships with Registered Housing Agencies and property developers will be critical to achieving an increase in housing stock as part of redevelopment and rezoning of larger sites.

Council will continue working regionally with Melbourne metropolitan councils and peak housing bodies to further affordable housing.

Plan

In its planning role, Council can seek to leverage more social and affordable housing through the planning system, such as:

- negotiating voluntary affordable housing contribution on sites that are rezoned;
- seeking affordable housing contribution for identified uplift locations, where a limited amount of additional height is permitted in exchange for significant community benefit; and
- local planning policy to encourage affordable housing.

Provide

Council will seek opportunities to expand its role in direct investment and possibly the deployment of Council land and capital towards direct provision of affordable housing.

A TARGET FOR AFFORDABLE HOUSING PROVISION TO 2036

For Glen Eira to meet the estimated need, over half of all new homes will need to be affordable housing. This is not achievable.

A more realistic, but still aspirational target, would be for Glen Eira to reach the Melbourne average rate of 3.3 per cent social housing provision by 2036, which would require a further 1,800 social housing dwellings to be built, at a rate of 106 dwellings per year from 2019 to 2036.¹ This would be an ambitious target, yet it would only address one third of the estimated need for social and affordable housing in 2036 .

¹This is based on current projections.

INTRODUCTION

This section introduces the *Glen Eira Social and Affordable Housing Strategy 2019–23*, outlines its purpose, and provides an overview of the document’s structure.

1.1 BACKGROUND

This draft *Strategy* fulfils the first commitment made in Council’s Statement of Commitment on Affordable Housing (endorsed September 2018): to develop a *Social and Affordable Housing Strategy* to outline Glen Eira’s housing and service needs for groups under housing stress.

The strategies and actions in this *Strategy* align with Council’s Statement of Commitment, and set the scene for Council’s future work in progressing the increased availability of social and affordable housing.

The development of the *Strategy* also reflects Council’s *2018–19 Council and Community Plan* commitments which includes an initiative to increase the future availability of affordable housing, and the *Glen Eira Council and Community Plan 2017–21*, which states an intention to encourage development that benefits the community, by seeking opportunities to incorporate social and affordable housing outcomes in urban renewal sites.

In addition to Council’s local policy directions and commitments, this *Strategy* responds to policy developments at the Victorian Government level.

Following the release of the State Government’s affordable housing strategy *Homes for Victorians* (2017), an amendment made to the *Planning and Environment Act 1987* (1 June 2018) introduced a new objective, to “facilitate the provision of affordable housing in Victoria.” A definition of affordable housing (including social housing) was also provided. These changes at state level have created an opportunity for local governments across Victoria to facilitate provision of social and affordable housing using the planning system.

1.2 PURPOSE

The purpose of this *Strategy* is to identify the extent of need for more social and affordable housing in Glen Eira, determine the strategies and actions that Council will pursue to address this need, and to outline the implementation of key actions.

This *Strategy* identifies several opportunities to address unmet need through the planning system, direct investment and provision, advocacy and through partnerships and collaborations.

This *Strategy* provides a platform for Council’s engagement in policy change and development at the State and Federal level. It also creates opportunities for engagement with registered housing agencies and the broader community.

1.3 STRUCTURE OF THIS STRATEGY

A definition of social and affordable housing is presented in Section 1.4, followed by an overview of Glen Eira’s housing need in Section 2.

Section 3 presents strategies and actions that will be used by Council to advocate, partner plan and provide in order to facilitate efficient housing markets, affordable housing supply and significant benefits for the Glen Eira community. Section 4 presents an implementation plan.

COUNCIL'S STATEMENT OF COMMITMENT TO AFFORDABLE HOUSING (SEPTEMBER 2018)

1. Developing a *Social and Affordable Housing Strategy* to outline Glen Eira's housing and service needs of our most at need groups in Glen Eira.
2. Taking a whole of Council approach to supporting Glen Eira residents experiencing housing stress and homelessness.
3. Advocating to the Victorian Government to provide affordable housing on government owned sites in Glen Eira.
4. Collaborating with other councils to seek a consistent minimum level of affordable housing on larger development sites.
5. Negotiating for on-site affordable housing opportunities through the rezoning process for strategic sites.
6. Partnering with housing associations and providers to increase the overall supply of affordable housing on Council's existing housing sites, where appropriate.
7. Actively explore the inclusion of affordable housing in the redevelopment of Council-owned sites.
8. Advocating to the Victorian Government for planning controls that facilitate affordable housing.

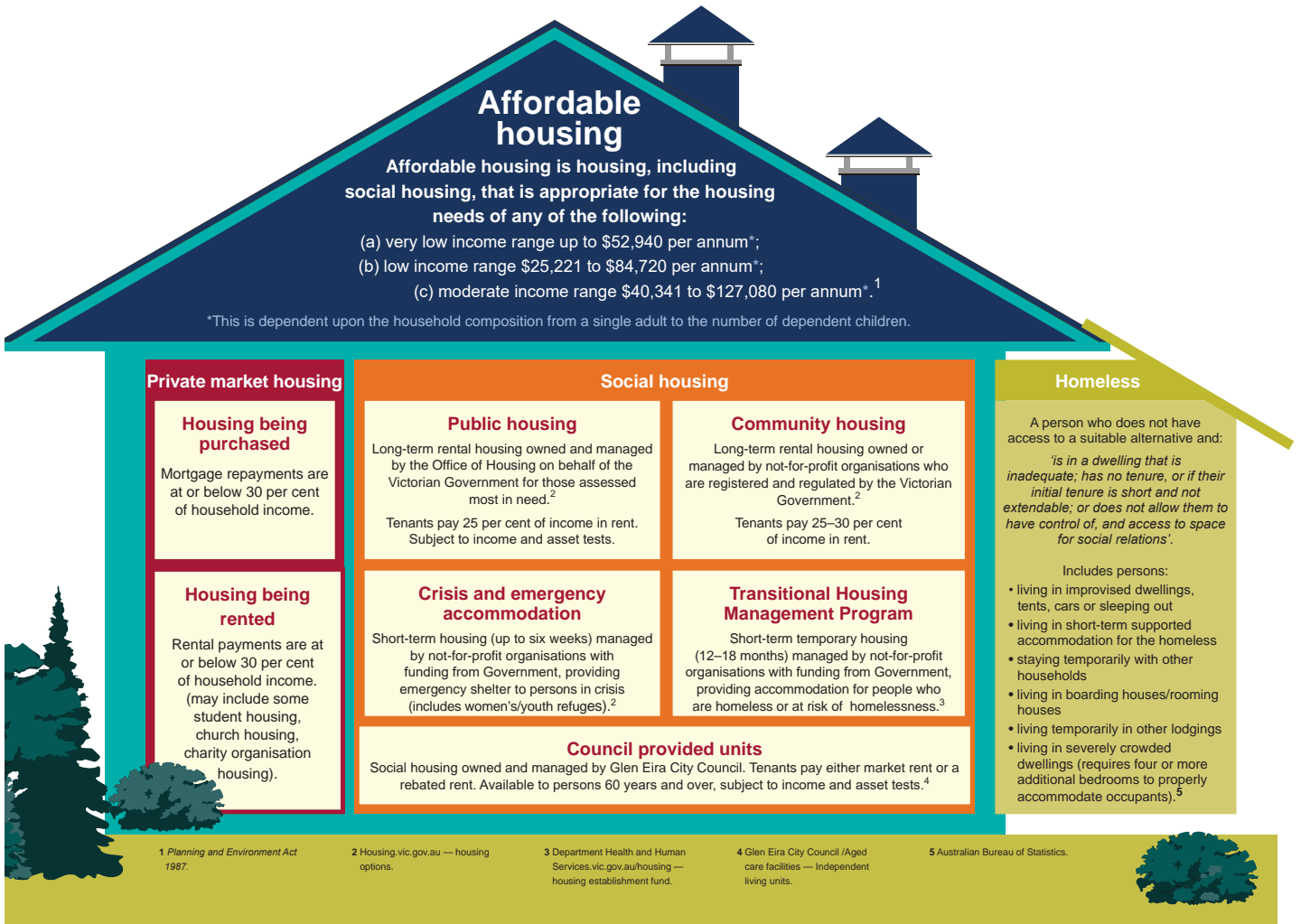
1.4 WHAT IS SOCIAL AND AFFORDABLE HOUSING?

The definition introduced into the *Planning and Environment Act 1987* (Vic.) (the *Act*) in 2018 states that affordable housing is housing, including social housing, that is appropriate for the housing needs of very low, low, and moderate-income households. An Order by Governor in Council specifies the income ranges for these households. (These are outlined in Table 2 in the following chapter). This definition does not make specific reference to a housing cost threshold (for example, 30 per cent of household income) that might be used to determine the suitability of the affordable housing based on price.²

Housing affordability is different to affordable housing. Housing affordability refers to the relationship between housing costs and household income in a broader sense.

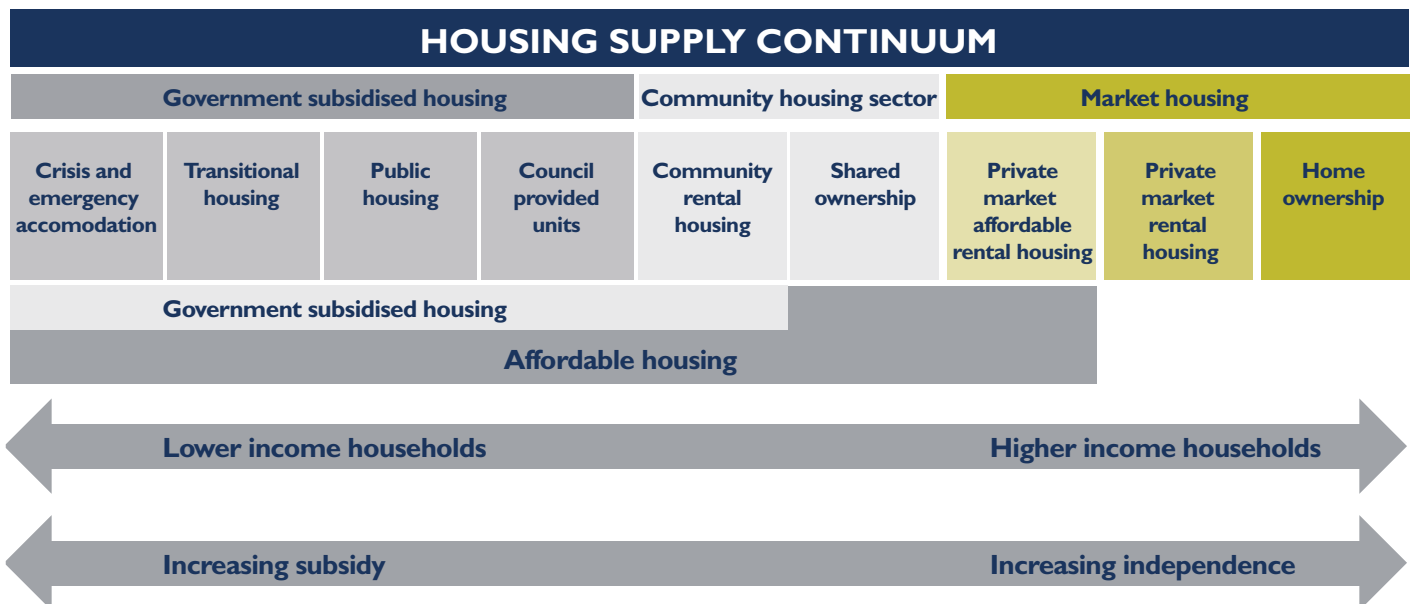
The diagram on page 3 shows the key definitions used in Glen Eira to describe affordable housing.

² A Ministerial Notice has been published in the *Government Gazette* that specifies matters that must be considered in determining whether housing provided under an Affordable Housing Agreement is appropriate for the needs of very low, low and moderate-income households. This Notice list a series of principles to be taken into consideration. These include allocation (which might be read as implying affordable housing must be allocated to eligible households), affordability (which might be read as implying affordable housing should cost less than 30 per cent of a households income) and longevity (which might be read as implying the housing should be retained as affordable housing for the longer term).



Communities require a range of housing types to cater for the needs of all households. It is useful to think of the various types of housing as forming a housing supply continuum, where the level of assistance or subsidy required is highest at one end of the continuum, and progressively decreases towards the other. This concept is illustrated below in Figure 1.

FIGURE 1: HOUSING SUPPLY CONTINUUM



Source: SGS Economics and Planning Pty Ltd, 2019.

I.5 WHO PROVIDES SOCIAL AND AFFORDABLE HOUSING?

State Government

Most social housing is public housing operated by the Victorian Department of Health and Human Services. The Victorian Government owns 73,000 social housing dwellings, or roughly three per cent of the total housing stock in Victoria.³ There is just over 600 public housing dwellings in Glen Eira.⁴

Community housing sector

The community housing sector owns around 13,500 dwellings across Victoria, including around 175 social housing dwellings in Glen Eira.⁵ The sector also manages a further 9,500 social housing dwellings on behalf of the State Government.⁶

The community housing sector includes both registered housing associations and registered housing providers — who are collectively known as Registered Housing Agencies (RHAs). The sector complements the public housing system by providing housing at subsidised rents to households that are either on the Victorian Housing Register or are eligible for public housing.

There are currently eight housing associations and 34 housing providers in Victoria. RHAs are not-for-profit entities. Housing associations can borrow money and seek capital funding from the Federal and State Governments to expand the stock of housing they own and operate.

Council provided units

Council currently owns and operates 64 low cost rental dwellings, bedsitter and one-bedroom accommodation, that are rented to financially disadvantaged older persons.

TOTAL SOCIAL HOUSING IN GLEN EIRA

Public housing:	600
Community housing:	175
Council provided units:	64
TOTAL:	839

Affordable housing that is not social housing

Beyond public housing offered by the State Government and the RHAs there are few alternative non-market housing options for lower income households.

Some recent planning decisions have generated housing that is available for below-market rents but, unlike social housing, it is privately owned.

³ Department of Health and Human Services (DHHS) (2018) Social housing and specialist homelessness services additional service delivery data 2016–17.

⁴ DHHS (2018) Social housing and specialist homelessness services additional service delivery data 2016–17.

⁵ DHHS (2018) Social housing and specialist homelessness services additional service delivery data 2016–17.

⁶ Count of managed properties sourced from The Housing Registrar (2016) Service Delivery Dashboard.

At the Yarra Bend development in Alphington, the City of Yarra has negotiated for 150 of the 2,500 dwellings (six per cent) to be made available at affordable rents for a period of 10 years. Under the arrangement, Community Housing Limited will lease the apartments from the developers at a fixed rent, and will in turn sublease them to eligible tenants at below 75 per cent of market rent. Ten of these dwellings (0.4 per cent of the total development) will be retained by Community Housing Limited permanently.



A Ministerial approval in September 2018 for the Flinders Bank development (in the Melbourne CBD) included a negotiated agreement for 20 dwellings (three per cent of a total of 700) to be leased at 50 per cent of market rent, for the life of the building. In this case, there is no agreement with an RHA to manage the affordable dwellings. They will presumably be made available to investors, with a caveat attached to the title, at a price that reflects the reduced revenue potential.



Other government programs

From time to time, governments introduce special programs to make housing more affordable for eligible lower-income households. Examples include the Victorian Government's *HomesVic Shared Equity* initiative⁷ and the Commonwealth Government's *National Rental Affordability Scheme*. The former aims to reduce the financial barrier to home ownership, while the latter provided rental accommodation at 80 per cent of market rent for a period of 10 years.

'Market affordable' housing

Some housing provided on the open market without grants or subsidies may meet the definitions within affordable housing, providing accommodation for lower income households within the 30 per cent income threshold. However, in practice, the amount of 'market affordable' housing is relatively limited, particularly within Metropolitan Melbourne. Instances of market affordable housing are declining as house prices and rents increase at a faster rate than incomes.

For the year ending December 2018, on average, only 1.3 per cent of new rentals in Glen Eira were considered affordable, while for Metropolitan Melbourne it was 5.3 per cent.⁸

Market affordable housing can only play a limited role in alleviating housing stress, as there is no way to ensure it is allocated to lower income households, rather than those with higher incomes. For the other types of housing described in the sections above, there are eligibility criteria and/or management arrangements that ensure tenants are eligible on an ongoing basis.

⁷ <https://www.vic.gov.au/homesvic-shared-equity-initiative>

⁸ Department of Health and Human Services (2019) December quarter 2018 Rental Report. Accessed at: <https://dhhs.vic.gov.au/publications/rental-report>

I.6 RECENT AFFORDABLE HOUSING CASE STUDIES

Councils throughout metropolitan Melbourne are continuing to explore a range of planning strategies to facilitate more affordable housing. The summaries below outline some recent examples. The first two are adopted planning scheme amendments; the next is an exhibited amendment; the next two are examples of local policies that have the endorsement of Council but which sit outside the Council's planning schemes and the final one is an example of a Trust as a mechanism for delivery of affordable housing.

Precinct 15, Altona North — Planning Scheme Amendment C88

In 2018, the Minister for Planning approved Amendment C88 to the *Hobsons Bay Planning Scheme* to rezone land in Altona North and facilitate the redevelopment of a site known as Precinct 15. The amendment included a requirement that a minimum of five per cent affordable housing be included in developments on the site, to be made available for purchase at a 25 per cent discount to an appropriate housing agency (an 'effective' affordable housing rate of $5\% \times 25\% = 1.25\%$). The five per cent rate would achieve 150 affordable dwellings from a total of 3,000 dwellings, provided the community housing sector is able to pay 75 per cent of the market price for these dwellings.

Fishermans Bend Planning Review — Planning Scheme Amendment GC81

On 5 October 2018 the Minister for Planning approved new planning controls (Amendment GC81) and released the final *Fishermans Bend Framework*.

Through the amendment, two parallel affordable housing mechanisms have been implemented: a local policy that applies an affordable housing requirement to all floor space, and a floor area uplift scheme. The local policy seeks a six per cent affordable housing requirement from all residential development. The rate of six per cent was put forward as a target by the Minister for Planning on the basis that it was both "realistic and achievable."

The floor area uplift scheme allows developers to seek planning permission to construct additional market dwellings above a nominated dwelling density threshold. In return, they are obliged to provide social housing dwellings at a ratio of one for every eight additional market dwellings.

City of Melbourne — Planning Scheme Amendment C309

Amendment C309 seeks to implement the *West Melbourne Structure Plan* and will be the subject of a planning panel hearing in June 2019. The amendment applies a Special Use Zone to particular precincts in West Melbourne that require development of more than 10 dwellings to provide six per cent affordable housing, gifted to a community housing provider or RHA. The applicant can seek a dispensation from this requirement through an "open book" viability assessment. This approach echoes policies used in London that require developers to provide a minimum proportion of affordable housing unless they can demonstrate that requirement would make the development unviable.

Yarra City Council — Policy Guidance Note on Affordable Housing in Significant Redevelopments

The City of Yarra's *Policy Guidance Note on Affordable Housing in Significant Redevelopments* sets out Council's expectation to negotiate for at least 10 per cent affordable housing on rezoned sites that yield 50 or more dwellings. The note stipulates Council's preference is for developers to provide fully serviced land onsite, at no cost to an affordable housing provider or Council. Furthermore, it explicitly states that the: "developer must take affordable housing provision into account when negotiating the purchase of land. It is a principle of this guidance that affordable housing is not an abnormal development cost, even in situations where public subsidy is not available."

The policy encourages developers to form partnership with Registered Housing Agencies. The policy also suggests that affordable housing provided on rezoned sites will: (i) meet identified local needs both initially and subsequently, once constructed and into the future; (ii) be affordable both initially and subsequently, once constructed and into the future; and (iii) be integrated with market housing.

Cardinia Shire Council — Social and Affordable Housing Strategy and Action Plan 2018–2025

In 2019 Cardinia Shire Council adopted a *Social and Affordable Housing Strategy*. A notable element of this *Strategy* is a policy to facilitate the provision of two per cent affordable rental housing on developments or subdivisions over 100 lots, as dwellings gifted to a registered housing agency, via negotiated agreements. The two per cent contribution rate will apply between 2018 and 2021, increasing to four per cent in 2022, and then to eight per cent in 2025.

This gifting approach is recommended to "ensure delivery, as opposed to a discounted sale arrangement that would depend on third party investment."

The policy also notes that these contributions could provide leverage for grants or borrowings that would enable the Registered Housing Agencies to purchase additional dwellings in a development and thereby increase the proportion of affordable housing.

Moreland City Council — Establishment of an Affordable Housing Trust

Moreland City Council is in the process of establishing Moreland Affordable Housing Ltd, a charitable entity which will operate at arm's length from Council and take responsibility for the redevelopment of several parcels of Council-owned land. As a charitable entity, the Moreland Affordable Housing Ltd will be able to participate in innovative development and financing models.¹⁰ This includes joint ventures with other agencies, the Victorian Government and other local governments to pool other funding sources and deliver social and affordable housing outcomes on sites across Moreland.

Summary

These recent case studies demonstrate there is a range of approaches being explored to increase the supply of affordable housing. To summarise, they are:

- the use of floor area uplift mechanisms (Central Melbourne and Fishermans Bend);
- discretionary policies in the planning scheme (Fishermans Bend and West Melbourne);
- local policies, outside the planning scheme, pre-signalling affordable housing requirements for sites that are re-zoned land (City of Yarra);
- local policies, outside the planning scheme, pre-signalling affordable housing requirements for larger developments (Cardinia Shire); and
- the use of Housing Trusts to achieve successful delivery of social and affordable housing (City of Moreland).

The range of options and policies is likely to evolve as various councils develop individual affordable housing strategies.

These are examples where other programs have initiated housing outcomes separate to Government and the community housing industry. Council will maintain a watching brief on the success of these approaches to increasing affordable housing.

⁹ See: <https://www.yarracity.vic.gov.au/about-us/policy-and-research/social-and-affordable-housing>

¹⁰ See: <https://www.moreland.vic.gov.au/community-care/advocacy-services/housing-and-employment/affordable-housing/>

I.7 COMMUNITY ENGAGEMENT FINDINGS

Council undertook an extensive community and stakeholder engagement process to share information, identify issues and seek feedback to inform the development of the *Social and Affordable Housing Strategy 2019–23*.

The engagement included publication of a discussion paper, a survey, pop-up outreach activities, focus groups, workshops and interviews. These efforts generated responses from approximately 570 participants.

The results indicate that most respondents (around 90 per cent of all people asked) consider housing affordability to be an issue in Glen Eira. Many see the benefits to the community that would come from reducing the relocation of households so residents can maintain their social networks and stay in the community (40 per cent), as well as providing housing suited to specific groups (40%) and maintaining a diverse community (36 per cent). Supporting people who work in Glen Eira in a variety of roles to live locally was also supported (30 per cent).

When asked which types of households Council should assist, all household categories were supported to varying degrees. However, the most frequently referenced households were one parent families (63 per cent), couple families with children (62 per cent) and lone person households (57 per cent).¹¹

The overall sentiment was that these households require a variety of accessible housing forms that are affordable and secure. The forms included family housing, rooming houses, smaller spaces such as studio flats, one to two bedroom dwellings and places for homeless families.

The community identified types of key workers who might benefit from access to affordable housing as being service sector workers such as child care staff and cleaners, health sector, education and hospitality workers, emergency services personnel and retail sector staff.

The community broadly supported several proposed options for addressing need, which included direct investment, use of planning measures and Council advocacy.

This feedback from the community indicates broad support for Council to continue to engage with the issues of housing affordability and affordable housing.

Council also sought input from the community housing industry. A common theme that emerged was that Local Government can assist the industry by identifying local needs for affordable housing, providing planning mechanisms that facilitate increased provision and examining its own land and ways for direct investment to provide greater community housing benefit.

Public Exhibition

The draft *Social and Affordable Housing Strategy* was released for public exhibition in June and July 2019. Nine submissions were received through Council's *Have Your Say* engagement platform and by email.

As a result of feedback received, the following amendments were made to finalise the *Strategy*:

- Data for population and dwelling projects was updated in accordance with recently released data from the State Government — *Victoria in Future 2019*; and
- An addition has been made to acknowledge the financial pressures that can be experienced by older people where life circumstances change.

Council will continue to engage in dialogue with the key stakeholder organisations that have engaged throughout the process of developing the *Social and Affordable Housing Strategy* as key actions and priorities are implemented.

¹¹The categories include: one parent families; couple family with children; lone person households; households with key workers; group household; other; no particular household.



GLEN EIRA'S SOCIAL AND AFFORDABLE HOUSING NEEDS

The need for social and affordable housing in Glen Eira can be understood by considering how many households are experiencing housing stress. This section explores the mix of households in the municipality, identifies how many are experiencing housing stress, and suggests how this may change in the future.¹²

A QUICK LOOK AT SOCIAL AND AFFORDABLE HOUSING NEEDS IN GLEN EIRA

- There are 58,960 households in Glen Eira in 2016 with 22,747 of these (38 per cent) being on low or very low incomes.
- There is an above average share of renters and below average share of mortgagees. Both rent and mortgage payments are above average in the municipality.
- There are 7,533 households (13 per cent) in rental stress in Glen Eira in 2016. This includes 3,387 in moderate rental stress (six per cent) and 4,145 in severe stress (seven per cent).
- Those in rental stress are typically low income, lone person, single parent and group households.
- By 2036, Glen Eira could have between 8,993 to 9,919 households in stress. The range depends on population growth and income growth, relative to rising rents.
- An analysis of housing need suggests that of the 7,533 households in rental stress in 2016, 6,660 may be in need of assistance, increasing to 8,306 households in 2036.

2.1 A SNAPSHOT OF THE GLEN EIRA COMMUNITY

Glen Eira is a diverse community made up of people with different backgrounds, culture, family type, age and occupation. Table 1 on page 11 provides the household mix in the municipality. Figure 2 on page 11 compares Glen Eira to the broader Inner South East Region, and Greater Melbourne.

There were 59,453 households in the municipality in 2016. One third of these are couple families with children, one quarter are couples without children and over a quarter are lone person households.

Glen Eira has an above average share of lone and group households when compared to Greater Melbourne. It also has a below average share of one-parent households, which is likely due to the relatively high rents in Glen Eira and the relatively low household incomes earned by single parents.

Glen Eira has a below average share of lower income households and an above average share of higher income households. However, incomes are still slightly lower in Glen Eira than in the Inner South East Region. Table 2 on page 11 shows the defined income bands (current) for different household types. These are broadly in line with the income levels for each type.

¹²SGS's Housing Assistance Demand Model provides information about households with different income levels and rent payments across Melbourne. The number of households are benchmarked to Victoria in Future 2019 (VIF19) forecasts from 2016 to 2036. The totals in this report are somewhat higher than the VIF19 data because people experiencing homelessness have been added to the model as lone person households.

TABLE 1:

HOUSEHOLDS IN GLEN EIRA (2016)

HOUSEHOLD TYPE	PEOPLE
Lone person household	16,141
Couple family with children	19,936
Couple family with no children	14,321
One parent family	4,818
Group household	3,453
Other family	784

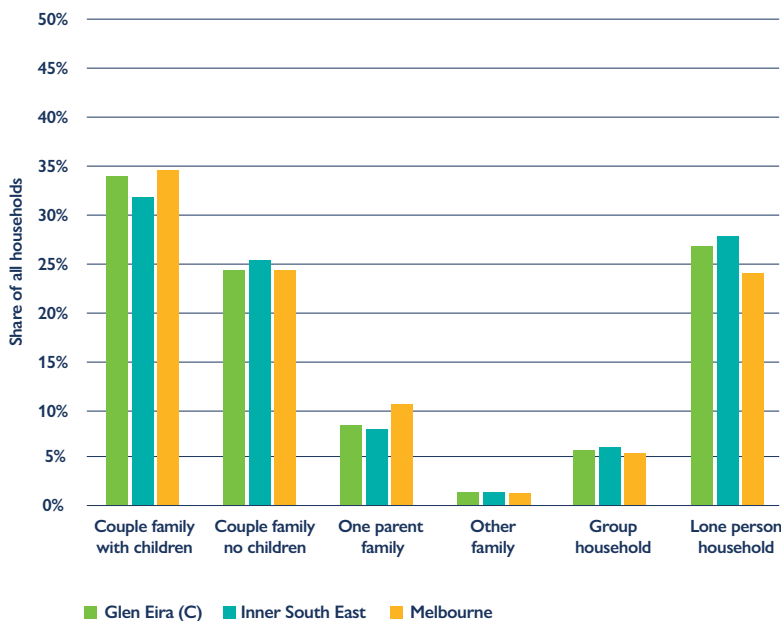
HOUSEHOLD INCOME*	PEOPLE
Very low income	12,969
Low income	9,778
Moderate income	10,739
Higher income	25,968

Source: SGS Economics and Planning, derived from *Housing Assistance Demand Model 2019*.

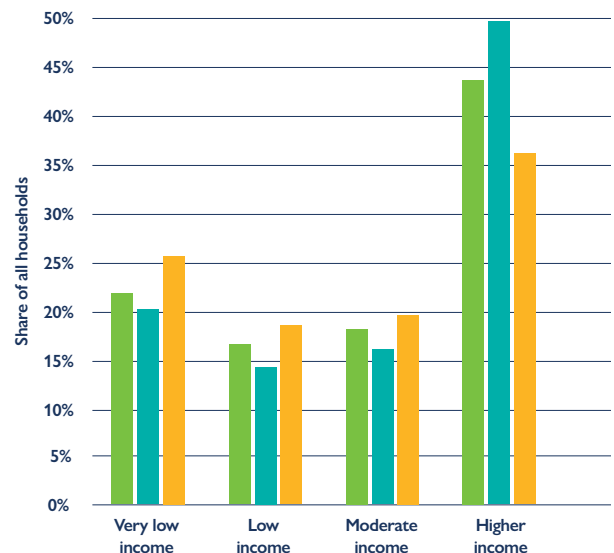
*Income levels are set to Victorian Government income bands.

FIGURE 2:

HOUSEHOLDS BY TYPE (2016)



HOUSEHOLDS BY INCOME (2016)



Source: SGS Economics and Planning, derived from *Housing Assistance Demand Model 2019*.

*The Inner South East region is made up of the Bayside, Boroondara, Glen Eira and Stonnington LGAs.

TABLE 2:

INCOME BANDS FOR DIFFERENT HOUSEHOLD TYPES

HOUSEHOLD TYPE	VERY LOW INCOME	LOW INCOME	MODERATE INCOME
Couple family with children	Up to \$52,940	\$52,941 to \$84,720	\$84,721 to \$127,800
Couple family without children	Up to \$37,820	\$37,821 to \$60,520	\$60,521 to \$90,770
One-parent family	Up to \$52,940	\$52,941 to \$84,720	\$84,721 to \$127,800
Other family*	Up to \$52,940	\$52,941 to \$84,720	\$84,721 to \$127,800
Group household**	Up to \$37,820	\$37,821 to \$60,520	\$60,521 to \$90,770
Lone person	Up to \$25,220	\$25,221 to \$40,340	\$40,341 to \$60,510

Source: *Planning and Environment Act*, Section 3AA(2).

*Other family set equivalent to couple family with children. **Group household set equivalent to couple family without children.

2.2 WHAT IS HOUSING STRESS?

A DEFINITION OF HOUSING STRESS

Housing stress is a situation in which a household's housing payments, through either rent or mortgage, are so high that they have difficulty affording other necessities for everyday living.

A household that spends more than **30 per cent** of its income on housing is in **moderate** housing stress. A household that spends more than **50 per cent** of its income on housing is in **severe** housing stress.

When households have low or moderate incomes and experience housing stress, they are considered to need affordable housing. Households with higher incomes are excluded, because they often have other options to reduce their housing expenditure while lower income households typically do not.

GLEN EIRA HAS RELATIVELY HIGH HOUSING COSTS

The median weekly rent in Glen Eira is \$40 more than Greater Melbourne and there is a high proportion of rental households. The median monthly mortgage repayments are \$343 more than the median across Greater Melbourne. The relatively high housing costs in Glen Eira mean that some families, individuals and group households are experiencing housing stress.

TABLE 3:
RENTAL COSTS IN GLEN EIRA AND GREATER MELBOURNE (2016)

TENURE	INDICATOR	GLEN EIRA	GREATER MELBOURNE
RENT	Share of all households that rent	34%	30%
	Median weekly rent	\$390	\$350
MORTGAGE	Share of all households with mortgage	31%	36%
	Median monthly repayments	\$2,143	\$1,800

Source: SGS Economics and Planning, derived from ABS Census 2016.

A FOCUS ON RENTAL STRESS

This *Strategy* has focussed on rental stress as it is a more accurate way to measure housing stress and gain an understanding of households in need of affordable housing in Glen Eira. Some reference is made to mortgage stress throughout the document to provide some context where data is available.

2.3 RENTAL STRESS IN GLEN EIRA

PREVALENCE OF RENTAL STRESS

It is estimated that 7,533 renting households in Glen Eira are in housing stress. This includes 3,207 lone person households, 1,316 couple families without children households and 1,015 couple families with children households. Households in rental stress represent 13 per cent of all 59,453 households (or one in seven) and 43 per cent of the 17,700 renter households (nearly one in two). Table 4 and Table 5 (below) provide the breakdown of rental stress by household type and income, while Figure 3 (right) compares Glen Eira to the broader Inner South East Region and Greater Melbourne.

Although they account for a smaller portion of all Glen Eira households, group households, one-parent families and lone person households are the most likely household types to experience stress. Between 18 and 26 per cent of these households experienced rental stress in 2016.

The likelihood of experiencing rental stress is inversely related to the level of household income. Around 3,952 very low income and 2,228 low income households in 2016 were experiencing rental stress in Glen Eira. Very low income households are particularly likely to be in severe rental stress. Households in this category are considered to be at risk of homelessness.

Couple families, group households, low income and moderate income households are more likely to experience rental stress in Glen Eira, when compared with other parts of Melbourne.

TABLE 4:

HOUSEHOLDS IN RENTAL STRESS BY HOUSEHOLD TYPE (2016)

HOUSEHOLD TYPE	MODERATE STRESS	SEVERE STRESS	TOTAL IN STRESS*
Lone person household	1,033	2,175	3,207
Couple family with children	622	393	1,015
Couple family with no children	795	521	1,316
One parent family	403	492	896
Group household	458	500	957
Other family	77	64	141
Total*	3,388	4,145	7,532

Source: SGS Housing Assistance Demand Model 2019. *Figures are rounded.

TABLE 5:

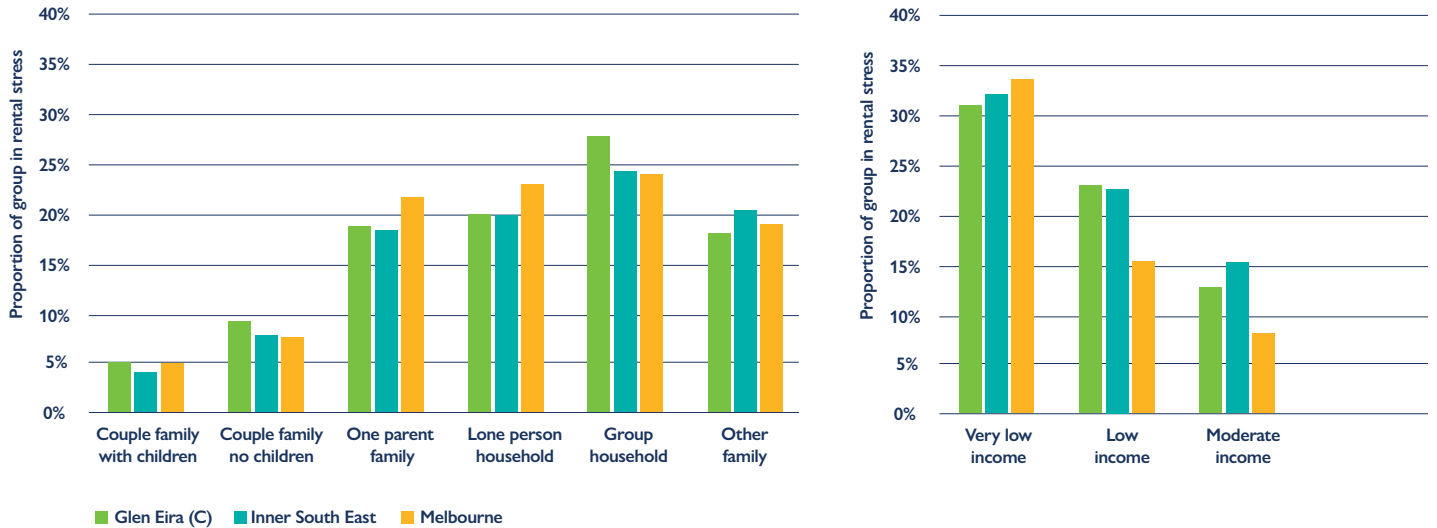
HOUSEHOLDS IN RENTAL STRESS BY INCOME BAND (2016)

INCOME BAND	MODERATE STRESS	SEVERE STRESS	TOTAL IN STRESS*
Very low income	716	3,236	3,952
Low income	1,510	718	2,228
Moderate income	1,161	191	1,353
Total*	3,387	4,146	7,533

Source: SGS Housing Assistance Demand Model 2019. *Figures are rounded.

FIGURE 3:

SHARE OF HOUSEHOLDS IN RENTAL STRESS (2016)



*The Inner South East region is made up of the Bayside, Boroondara, Glen Eira and Stonnington LGAs.
 Source: SGS Economics and Planning, derived from ABS Census 2016.

In addition to the above, it is worth noting that there are many owner-occupier households in Glen Eira experiencing housing stress as a result of high mortgage payments, relative to their incomes. The 2016 *Census* data shows that 6.2 per cent of mortgagees (or 3,700 households) had repayments greater than 30 per cent of their income. However, as noted above, the proportion of these households that are experiencing housing stress is likely to be much smaller, as many of these households have made a choice to take on finance to purchase a home and willingly make higher repayments for the purpose of investing in their property.

HOUSING STRESS MAY GROW IN THE FUTURE

The need for affordable housing is likely to increase as Melbourne’s population grows. The *Victoria in Future 2019* population forecast for Glen Eira predicts that the total number of households in the municipality will grow by 16,540 households in the 20 years from 2016 to 2036. This represents growth of 1.2 per cent per annum, which is somewhat lower than the expected growth of 2 per cent across Greater Melbourne.

A Housing Assistance Demand Model¹³ was used to forecast how the need for affordable housing might change with this population growth. Three scenarios were used to capture the uncertainty in predicting the housing market in the future. The base case, or central scenario, assumes that incomes and rents grow at the same rate over the next 20 years. The optimistic scenario assumes that incomes grow faster than rents and the pessimistic scenario assumes that rents grow faster than incomes. Table 6 on page 15 details the differences in these assumptions.

The forecasting suggests that, without any intervention, the number of households in rental stress in Glen Eira could rise from 7,533 by nearly 25 per cent to 9,415 over the next 20 years. However, this could range from 8,993 (a 19 per cent rise) to 9,919 households (a 32 per cent rise), depending how incomes and rents change in the coming years.

¹³ Housing Assistance Demand Model developed by SGS Economics and Planning.

TABLE 6:

FORECAST SCENARIO ASSUMPTIONS

BASE CASE	OPTIMISTIC	PESSIMISTIC
<ul style="list-style-type: none"> Income growth = rent growth 20-year time horizon 	<ul style="list-style-type: none"> Year 1–5: Income Growth > Rent Growth (1% pt) Year 6–20: Income Growth = Rent Growth 	<ul style="list-style-type: none"> Year 1–5: Income Growth < Rent Growth (1% pt) Year 6–20: Income Growth = Rent Growth

Source: SGS Economics and Planning.

Figure 4 shows the expected rise in demand for affordable housing. The scenarios diverge in the five years and then approximately rise at the same rate with population growth. This is due to the assumptions described in Table 6 above.

Table 7 and Table 8 show the breakdown of expected rental stress by household type and income. As with the 2016 results, the most vulnerable groups are lone person households and very low income households. In the next 20 years, there could be 3,691 lone person households and 4,947 very low income households in rental stress under the base case.

FIGURE 4:

FORECAST HOUSEHOLDS IN RENTAL STRESS (2016–2036)

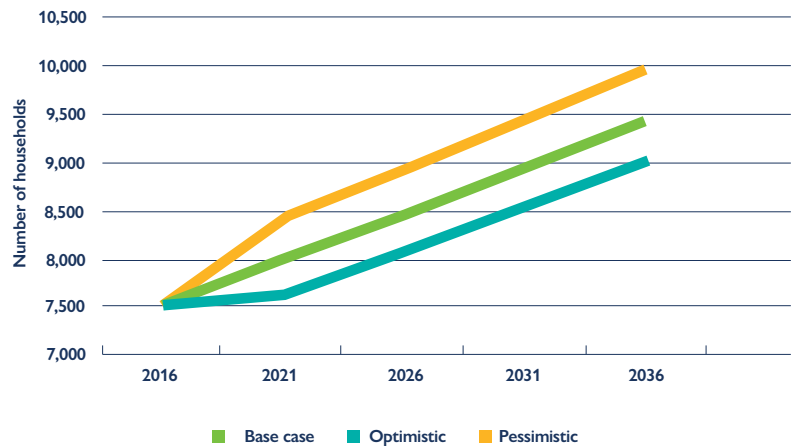


TABLE 7:

HOUSEHOLDS IN RENTAL STRESS BY HOUSEHOLD TYPE BASE CASE (2036)

HOUSEHOLD TYPE	MODERATE STRESS	SEVERE STRESS	TOTAL IN STRESS
Lone person household	2,008	1,684	3,691
Couple family with children	778	492	1,270
Couple family with no children	1,067	700	1,766
One parent family	806	879	1,685
Group household	360	439	799
Other family	65	138	203
Total	5,084	4,332	9,415

Source: SGS Housing Assistance Demand Model 2019.

TABLE 8:**HOUSEHOLDS IN RENTAL STRESS BY INCOME BAND BASE CASE (2036)**

INCOME BAND	MODERATE STRESS	SEVERE STRESS	TOTAL IN STRESS
Very low income	1,313	3,634	4,947
Low income	2,150	629	2,780
Moderate income	1,620	69	1,689
Total	5,084	4,332	9,415

Source: SGS Housing Assistance Demand Model 2019.

2.4 THE HOUSING NEEDS OF KEY WORKERS AND BENEFITS OF DIVERSITY

The 'needs of key workers' is a common consideration for councils because they are thought to support the economic function of a municipality. However, while the term key worker is widely used, it has no universal definition, and its use can lead to confusion.

Many interpret key workers to mean police officers, fire services, nurses and school teachers. But unless they are very early in their career, workers in these occupations are very unlikely to be in one of the very low, low or moderate household income bands identified in Table 2, especially when two key workers live together in the same household.

There are many other occupations however, which do fall into the lower income bands. These are often non-tertiary educated key workers, such as child carers, hospitality workers, cleaners, delivery drivers and chefs, who play important roles in the local economy in Glen Eira. The infographic on page 17 shows examples of these workers and the combinations that can make up a couple household. When faced with high rents, these workers may experience housing stress and may be in need of affordable housing.

Instead of a narrow idea of affordable housing being for a select group of key workers, a more useful approach is to recognise the many benefits of a diverse community. These benefits are widely documented and include social cohesion, community resilience, liveability and economic growth. By providing better access to housing for all households, regardless of income or occupation, social and affordable housing is vital to supporting a more diverse and inclusive community.

This position was reinforced by the Glen Era community during the community engagement process with service sector workers being the highest supported type of key worker supported for housing assistance.

2.5 PEOPLE EXPERIENCING HOMELESSNESS







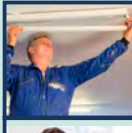


For the purposes of this report, people experiencing homelessness are defined as those recorded by the Australian Bureau of Statistics (ABS) across homeless operational groups. Operational groups include persons living in improvised dwellings, tents or sleeping out, as well as those in supported accommodation, temporarily staying with other households, living in boarding houses, persons in temporary lodgings, and persons living in severely crowded dwellings (Australian Bureau of Statistics, 2018).

Based on this definition, there were approximately 500 persons recorded across homeless operational groups in Glen Eira in 2016.¹⁴ Further, modelling shows that this number could climb to 620 persons by 2036.¹⁵ Service providers often encounter homeless people at the frontline, through the offering of homelessness support services. These services encompass information and referral to registered housing associations, financial assistance, and advice to help persons at risk secure short term accommodation.

¹⁴It is worth noting that the *Census* undercounts the amount of homeless people due to the difficulty of collecting this data.

¹⁵Although technically persons experiencing homelessness are not paying rent, this group is counted in the previous analysis of rental stress because it does indicate experience of housing stress.

PEOPLE IN GLEN EIRA WITH MANY DIFFERENT JOBS CAN BE VULNERABLE TO HOUSING STRESS

Very low income households	Low income households	Moderate income households
<p>Many very low income earners are part-time and casual workers</p>  <p>Cafe workers \$22,000</p>  <p>Aged pensioners \$22,000</p>  <p>Checkout operators \$23,000</p> <p>Income ranges Single adult: up to \$25,220 Couple, no dependents: up to \$37,820 Family with dependents (one or two parents): up to \$52,940</p>	<p>Minimum wage \$37,500</p>  <p>Commercial cleaners \$28,000 + delivery drivers \$40,000 = \$68,000</p>  <p>Music professionals \$32,000</p>  <p>Child carers \$34,000</p> <p>Income ranges Single adult: \$25,221 to \$40,340 Couple, no dependents: \$37,821 to \$60,520 Family with dependents (one or two parents): \$52,941 to \$84,720</p>	 <p>Handypersons \$48,000 + occupational therapist \$46,000 = \$94,000</p>  <p>Counsellors \$58,000</p>  <p>Chefs \$52,000</p> <p>Income ranges Single adult: \$40,341 to \$60,510 Couple, no dependents: \$60,521 to \$90,770 Family with dependents (one or two parents): \$84,721 to \$127,080</p>
<p>31% in housing stress 3,952 households in stress</p>	<p>23% in housing stress 2,228 households in stress</p>	<p>13% in housing stress 1,353 households in stress</p>

Source: Income ranges identified by the *Planning and Building Legislation Amendment (Housing Affordability and Other Matters) Act 2017*. Income levels derived from Australian Bureau of Statistics Employee Earnings and Hours Glen Eira, May 2016, cat. no 6306.0.

2.6 HOUSEHOLDS ON THE VICTORIAN HOUSING REGISTER

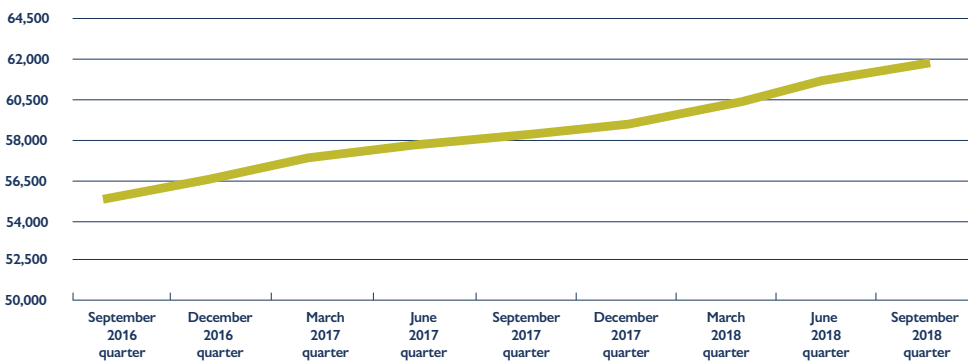
In Victoria, eligible households register for social housing through the Victorian Housing Register, which is administered by the Department of Health and Human Services. The Register has two categories: 'priority access' which is for a range of households which are homeless, escaping family violence, have a disability, or other special needs; and a 'register of interest' which is open to all other eligible households. Until recently, operators in the community housing sector routinely maintained separate waiting lists; however, these are now being consolidated within the Victorian Housing Register.

Applicants can identify their preference for public housing or community housing assistance and can also indicate a preferred geographic location for housing assistance.

Figure 5 (below) shows that the total number of applications for social housing in Victoria continues to grow, having increased from 55,056 in the September quarter of 2016 to 61,678 in 2018.

FIGURE 5:

TOTAL APPLICATIONS FOR SOCIAL HOUSING IN VICTORIA



Source: Victorian Housing Register, Transition Report September 2018.

Glen Eira sits in the South Division — Bayside-Peninsula (Cheltenham) — of the Victorian Housing Register (see table 9 below). The current figure of 1,466 does not include an estimate of the Registered Housing Agencies' existing applications that have not yet been incorporated into the Victorian Housing Register.

TABLE 9:

VICTORIAN HOUSING REGISTER: BAYSIDE-PENINSULA SERVICE AREA

AREA (OFFICE)	PRIORITY ACCESS	REGISTER OF INTEREST	TOTAL
Bayside-Peninsula (Cheltenham)	854	612	1,466

Source: Department of Health and Human Services, September 2018.

2.7 EXISTING SOCIAL HOUSING IN GLEN EIRA

There are currently 779 social housing dwellings in Glen Eira, which is approximately 1.3 per cent of the total dwelling stock, excluding Council's 64 social housing dwellings.¹⁶ There are 608 of these dwellings owned by the Department of Health and Human Services (DHHS), and most are medium density attached dwellings (see Table 10 below). Registered Housing Authorities own 171 dwellings. There has been very little change in the size of social housing stock in recent years. As a result, the total share of social housing decreased slightly from 1.4 per cent to 1.3 per cent (Table 11).

TABLE 10:
EXISTING SOCIAL HOUSING BY TYPE (2017)

HOUSE	MEDIUM DENSITY ATTACHED	MEDIUM DENSITY DETACHED	LOW-RISE FLAT	
51	436	26	88	
HIGH-RISE FLAT	MOVABLE UNIT	OTHER	COMMUNITY-OWNED	TOTAL
0	6	0	171	779

Source: Service Delivery Data 2017–18, Department of Health and Human Services.

TABLE 11:
GROWTH IN SOCIAL HOUSING IN GLEN EIRA (2014–2017)

YEAR	TOTAL DWELLING STOCK	ALL SOCIAL DWELLINGS (DHHS AND RHA)	SOCIAL AS A PERCENTAGE OF STOCK	DWELLINGS OWNED BY RHAs	RHA DWELLINGS AS A PERCENTAGE OF STOCK
2014	58,330	788	1.4%	170	0.29%
2015	59,037	791	1.3%	174	0.29%
2016	59,745	784	1.3%	175	0.29%
2017	60,453	779	1.3%	171	0.28%

Source: Service Delivery Data 2017–18, Department of Health and Human Services.

These figures do not include the 64 dwellings that are owned and managed by Council and rented to financially disadvantaged older persons.

When considering the number of households experiencing housing/rental stress and the social housing stock, there is a clear gap between demand and supply that indicates a significant issue for all levels of government and providers of housing.

¹⁶ Department of Health and Human Services (DHHS), Housing Assistance Delivery Data 2017–18.

2.8 HOUSEHOLDS IN NEED OF HOUSING ASSISTANCE

Some further analysis of the 2016 rental stress figures has been done to establish the likely need for housing assistance. Factors that might influence a more realistic picture of need include:

- temporary housing stress at the time of the census that no longer exists, such as birth of a child, short-term unemployment or family breakdown adjustment period;
- willingness to pay high costs for housing to live in 'better' accommodation or neighbourhood;
- desire to live in a location where other living costs such as transport are lower; and
- households unable to form due to high housing costs such as students or young people unable to afford to move out of their parents' home.

This analysis leads to an adjustment of the data and suggests that a more realistic indication of the need for assistance in 2016 is 6,660 households and that this is projected to increase to 8,306 households in need of assistance in 2036.

ARTIST'S IMPRESSION OF THE REDEVELOPMENT OF THE EAST VILLAGE PRECINCT IN BENTLEIGH EAST.

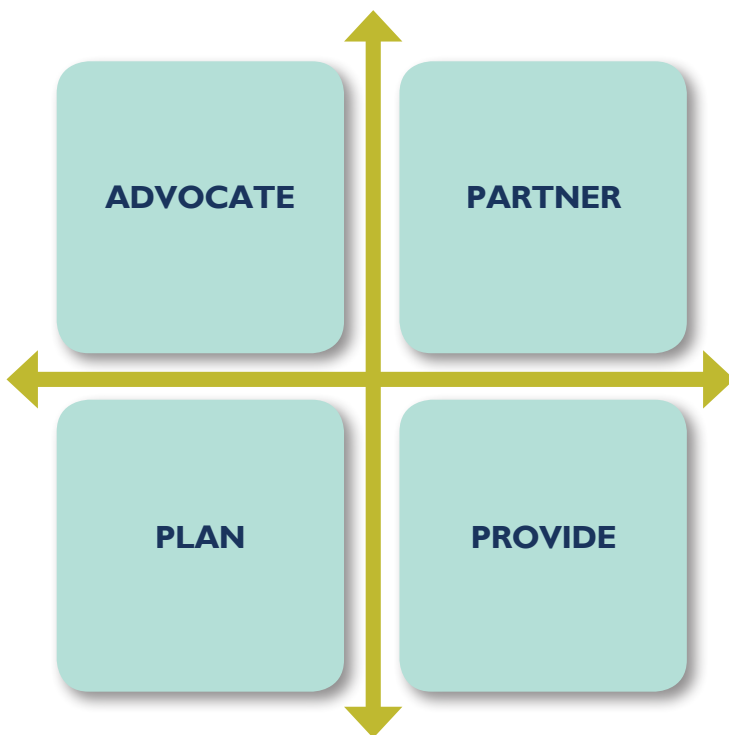


STRATEGIES AND ACTIONS

This section outlines strategies and actions that Council will pursue to address the unmet need for social and affordable housing in Glen Eira.

Local Government has a range of roles that can support the provision of affordable housing. These include facilitating the supply of social and affordable housing and influencing actual provision and/or management of social and affordable housing through direct investment. The partnerships and collaborations established by councils are critical in maximising benefits to the community and to those people most in need of housing assistance.

This *Strategy* focusses on four key themes so Council may address a range of strategies to support increased supply of social and affordable housing.



Using this framework, specific strategies and actions that Glen Eira will pursue under each theme are described in the remainder of this section of the *Strategy*. Seven strategies have been identified as the basis for action and implementation.

It is acknowledged that Council also performs a wide variety of functions and offers services that contribute to maintaining and improving health and wellbeing outcomes for Glen Eira residents. These initiatives outlined in this *Strategy* fulfil Council's broader agenda for a well-planned, liveable City supported by infrastructure to meet future needs.

3.1 ADVOCATE

Local Government plays an important role in advocacy across a range of social, economic and legislative issues and affordable housing clearly sits within this responsibility.

Through its partnerships with councils and various stakeholders in the housing industry, Council can build strong arguments to advocate for change of legislation and government policy, increased resourcing and direct investment by government to increase the supply of social and affordable housing in Glen Eira and across Melbourne and Victoria.

STRATEGY 1:

ADVOCATE FOR A PLANNING MECHANISM FOR AFFORDABLE HOUSING CONTRIBUTIONS IN NEW DEVELOPMENTS

This *Strategy* can outline the need for a planning mechanism for affordable housing contributions for new developments. However, it would be preferable to have legislative support to permit all councils to implement an affordable housing contributions mechanism in a consistent manner.

Council will advocate to the Victorian State Government to introduce a state-wide inclusionary zoning policy and/or planning tools to allow all councils to pursue mandatory inclusionary zoning approaches through their planning schemes. A mandatory inclusionary zoning requirement could be inserted as a Particular Provision in the Victorian Planning Provisions, operating in a similar way to open space contributions. As advocacy efforts will be more likely to gain traction if undertaken with other councils and with a shared view of the preferred mechanism or approach, Council will continue to work with other councils to develop joint position papers and advocacy platforms.

STRATEGY 2:

ADVOCATE TO THE COMMONWEALTH AND VICTORIAN GOVERNMENTS FOR DIRECT GOVERNMENT INVESTMENT AND SUBSIDIES TO ENCOURAGE PRIVATE INVESTMENT

Federal and State Governments have a role to play as well as more resources at their disposal for direct investment and financial incentives to stimulate private investment.

Council will advocate for more direct government investment whereby both the Victorian and Federal Governments use tax revenue and borrowing to fund expansion of government-owned social and affordable housing.

Council will also advocate to the Victorian and Federal Governments to deliver grants to investors to bridge the 'return gap' between market rents and rents that are affordable to moderate and lower income households. The *National Rental Affordability Scheme*, initiated by the Commonwealth following the global financial crisis, is an example of this type of funding arrangement.

STRATEGY 3:

ADVOCATE FOR THE INCLUSION OF SOCIAL AND AFFORDABLE HOUSING ON STATE GOVERNMENT LAND THAT IS REDEVELOPED

Surplus State Government land is an opportunity to increase the supply of affordable housing. However, in practice, there can be resistance to the disposal of government assets that result in a 'sub-optimal' return. Governments generally view the sale or redevelopment of land assets as an opportunity to maximise returns (to fund other government investments, programs and services). A requirement for affordable housing on State Government land reduces this return. However, governments should also be cognisant of the broader social and economic benefits that flow-on from reducing housing stress and providing housing for vulnerable members of the community.

Where the State Government is likely to redevelop or sell land, Council will advocate for redevelopment plans that include affordable housing. A cost benefit analysis might bolster such advocacy efforts and demonstrate the broader societal benefits of this approach. Recent work commissioned by the City of Melbourne (SGS, unpublished) has found that increasing the proportion of affordable housing in the future housing stock would result in a significant net community benefit. This type of evidence could help counteract a tendency to focus on the financial aspects when assessing land disposal options.

Opportunities for mixed tenure developments on State Government land might arise in relation to sites 'left over' from level removal crossings including opportunities for multi-level development and the redevelopment of stations, or land owned by VicTrack, Melbourne Water or VicRoads.

ACTIONS

Strategy 1:

Advocate for a planning mechanism for affordable housing contributions in new developments

- 1.1 Advocate for a state-wide mandatory inclusionary zoning policy and/or planning tools to allow a mandatory inclusionary zoning approach, in collaboration with other councils.
- 1.2 Work with adjoining councils to encourage the development of consistent policies to further an inclusionary zoning approach.

Strategy 2:

Advocate to the Commonwealth and Victorian Governments for direct government investment and subsidies to encourage private investment:

- 2.1 Advocate to government regarding direct investment in increasing social housing on government sites and financial incentives to the investor market for increased provision and investment in affordable housing.

Strategy 3:

Advocate for the inclusion of social and affordable housing on State Government land that is redeveloped:

- 3.1 Advocate to State and Federal Governments for redeveloping unused government land or sites in Glen Eira into affordable housing.

3.2 PARTNER

Council recognises that it is embarking on a journey towards increasing the provision of social and affordable housing alongside other stakeholders. These stakeholders include other local governments, the development industry, peak bodies, Registered Housing Agencies and providers. Council proposes a partnership approach to the implementation of the *Strategy* and intends to work alongside interested parties to achieve desired outcomes.

STRATEGY 4:

ENGAGE IN PARTNERSHIP AND COLLABORATIVE DISCUSSIONS TO FACILITATE IMPROVED AFFORDABLE HOUSING OUTCOMES.

Over the course of developing this *Strategy*, Council commenced a conversation with Registered Housing Agencies and peak bodies and is committing to continuing the dialogue over the life of this *Strategy*. This includes building relationships with RHAs to understand their portfolios, clients' needs, interest in redeveloping assets and interest in taking on the ownership and/or management of dwellings provided through planning policy mechanisms.

There is also potential for joint advocacy with surrounding municipalities and other councils with similar priorities to Glen Eira. Council currently participates in a range of forums and regional partnerships where affordable housing has been identified as a priority. These include the Inner South Mayor's Forum, Inner South East Economy and Planning Group, the Inter-Council Affordable Housing Network (hosted by the City of Melbourne) and the Homelessness Roundtable (convened by the City of Stonnington).

ACTIONS:

Strategy 4:

Engage in partnership and collaborative discussions to facilitate improved affordable housing outcomes

4.1 Continue to participate in regional and metropolitan collaborative initiatives that develop joint advocacy platforms, share knowledge and work to improve affordable housing outcomes across Melbourne.

4.2 Continue to engage in dialogue with Registered Housing Agencies and other community housing and industry groups to maximise partnerships that will increase provision of social and affordable housing in Glen Eira.

3.3 PLAN

Through its role in the planning system, Council can have an effect on the supply of housing, including affordable housing. Our strategies and the *Glen Eira Planning Scheme* provide signals to the local housing market about land supply, density, development in appropriate locations, and the mix of new housing. Council's *Activity Centre, Housing and Local Economy Strategy (2017)* sets up a framework for planning our community's future housing needs, outlining the preferred locations for a broad range of housing types.

Council will seek to update the *Planning Scheme* to reflect the *Social and Affordable Housing Strategy 2019–23*.

STRATEGY 5:

NEGOTIATE AFFORDABLE HOUSING CONTRIBUTIONS WHEN LAND IS REZONED

There are few opportunities for rezonings in Glen Eira, due to the established nature of the municipality. However, where land is rezoned, providing an uplift, or increase, in value to the landowner, there is an opportunity for Council to negotiate a voluntary affordable housing contribution. This could be applied to sites that are rezoned to permit land use change (for example, from industrial to residential). This is premised on a value capture justification: by rezoning land, there is an uplift in land value that can be legitimately captured for the benefit of not just the landowner, but the broader community.

Council will seek to establish appropriate guidance for the level of affordable housing provision that should be provided when land is rezoned as a share of the land value uplift. Affordable housing contributions secured via this method would be subject to a negotiated affordable housing agreement.

EAST VILLAGE CASE STUDY

Glen Eira City Council has negotiated affordable housing contributions as part of a proposed rezoning at East Village, a 24 hectare site in Bentleigh East.

East Village will be a mixed use precinct comprising 3,000 dwellings, commercial and retail comprising 2,700 jobs. This development provides two hectares of open space and a new secondary school for 1,000 students. Additionally, it will deliver \$62 million of community, transport and drainage infrastructure.

The affordable housing agreement equates to the delivery of **five per cent of forecast housing stock (150 dwellings) as affordable housing**. This will be delivered over two or three sites with between 50–75 housing units on each site.

The agreement allows for Council to have the first option to decide to take ownership and or management responsibility for the affordable housing. Alternatively land owners will transfer land at no cost to a registered housing association.



STRATEGY 6:

REQUIRE AFFORDABLE HOUSING CONTRIBUTIONS WHERE APPROVALS EXCEED PREFERRED HEIGHT LIMITS

Glen Eira City Council is considering *Planning Scheme* changes that would require developments in specific precincts to provide community benefit contributions if the proposal exceeds preferred building heights (It is intended that there will still be a mandatory maximum height for these precincts). The contributions could include public realm improvements, additional open space, affordable housing or public car parking. The activity centres where this scheme might apply include Carnegie and Elsternwick.

This *Strategy* is also premised on a value-capture justification where additional development rights are allowed on the basis that the value of greater development rights is collected for the benefit of the broader community.

Council has proposed a *Planning Scheme Amendment* that would require developments in specific precincts to provide significant community benefit contributions if the proposal exceeds preferred building heights. The contributions could include public realm improvements, opportunities for local employment, additional open space, affordable housing or public car parking. If approved, the *Planning Scheme* changes would apply to Carnegie but may be extended to other precincts in the future.

The *Strategy* is premised on a value-capture justification where additional development rights are allowed on the basis that the value of greater development rights is collected for the benefit of the broader community. Council has determined an appropriate method for calculating the significant community benefit contributions it will expect in return for the additional floor space and has determined the types of significant community benefits that it will accept. If approved by the Minister, Council will make this information public to provide clarity to the market about how and where this policy would operate.

The parameters of any affordable housing contributions secured via this *Strategy* would be agreed via a negotiated affordable housing agreement.

STRATEGY 7:

DEVELOP A POSITION PAPER ON COUNCIL'S COMMITMENT TO A PLANNING MECHANISM FOR AFFORDABLE HOUSING CONTRIBUTIONS FOR NEW DEVELOPMENTS

To signify Council's position on the importance of providing affordable housing, Council will develop a position paper supporting affordable housing contributions that would apply to new development subject to a planning application.

Attempts to introduce a contribution towards affordable housing, implemented via the *Planning Scheme* (also known as inclusionary zoning), is presently not supported by the Victorian Government. Establishing a position on contributions would provide an opportunity for Glen Eira to outline its aspirations and expectations for increased affordable housing outcomes. Council could commit to undertake relevant changes to the *Planning Scheme*, if and when State Government provides the legislative environment that makes affordable housing contributions possible.

Under this justification, future development is required to dedicate a share of floor space to affordable housing, to ensure that Glen Eira is an inclusive and sustainable community. The logic is akin to that used for open space contributions, which are collected from all developments regardless of the scale or use (with the exception of two lot subdivisions).

STRATEGY 8:

ENHANCE COUNCIL'S CAPABILITY TO RESPOND TO PLANNING APPLICATIONS THAT INCORPORATE AFFORDABLE HOUSING

Council will explore providing a concierge type service for Registered Housing Agencies (RHAs) that want to develop affordable housing within Glen Eira. Feedback from RHAs indicates that in order to facilitate more affordable housing in our area, Council could make the permit process easier for them.

RHAs would be more likely to consider investing in affordable housing in Glen Eira if they have a channel into Council through a concierge type service to discuss potential projects and receive guidance through the planning process. This would be complemented by an internal procedure and associated training for statutory planners on affordable housing applications.

Financial incentives to encourage RHAs to provide more affordable housing in Glen Eira could include free pre-application meetings and rates exemptions.

ACTIONS:

Strategy 5:

Negotiate affordable housing contributions when land is rezoned

5.1 Develop and adopt a standard policy for affordable housing requirements on rezoned sites. Policy would include guidance on how and when the affordable housing requirement will be determined, preferred delivery mechanisms (eg. dwellings, land or cash), and identified Registered Housing Agency partners.

5.2 Draft a standard s173 template agreement for affordable housing contributions.

Strategy 6:

Require affordable housing contributions where approvals exceed preferred height limits

6.1 Include affordable housing as an item of significant community benefit when developing planning guidance on how to calculate significant community benefit for development.

6.2 Develop a procedure on how affordable housing as a significant community benefit may be provided ie. preferred delivery mechanisms (eg. dwellings, land or cash) and identified Registered Housing Agency partners.

Strategy 7:

Develop a position paper on Council's commitment to a planning mechanism for affordable housing contributions for new developments

7.1 Develop a position paper on Council's commitment to a planning mechanism for affordable housing contributions for new developments.

Strategy 8:

Enhance Council's capability to respond to planning applications that incorporate affordable housing

8.1 Explore a concierge-type service for planning applications lodged by Registered Housing Agencies.

8.2 Conduct training for statutory planners on affordable housing in planning applications.

3.4 PROVIDE

The fourth theme involves opportunities for Council to directly invest in the provision of social and affordable housing using its own land assets or financial contributions.

Glen Eira has historically made a modest investment in social housing for which it also has a management role. Council currently owns and operates 64 low cost rental dwellings across three sites. These bedsitters and one-bedroom dwellings are rented to financially disadvantaged older persons. There may be an opportunity to expand Council's direct provision if further land and enough capital can be identified .

The most likely pathway to direct investment is using Council's existing land assets that may be redeveloped to include a share of affordable housing onsite.

STRATEGY 9:

IDENTIFY OPPORTUNITIES TO PROVIDE AFFORDABLE HOUSING ON COUNCIL LAND

Where Council land is available for redevelopment, Council will give consideration to an onsite contribution to social and affordable housing. The share of housing will depend on Council's capacity to contribute capital to a project . The land contribution alone might leverage a modest share of affordable housing. For example, if the value of the land is 10 per cent of the total project value, then it would be reasonable to expect that at least 10 per cent of the housing to be gifted to Council (or a Registered Housing Agency). To secure a higher share of affordable housing, Council will consider additional financial contributions to specific developments.

Council's *Structure Plans* for Carnegie, Elsternwick and Bentleigh have identified strategic Council-owned sites where affordable housing could be considered in the future development proposals.

As noted above, Council currently owns three sites that contain social housing. On these sites, there may be scope for Council to increase densities, to support additional social and affordable housing dwellings and address the existing unmet demand. This could occur through a joint venture with a RHA.

STRATEGY 10:

IDENTIFY OPTIONS FOR OWNERSHIP, MANAGEMENT AND INVESTMENT OF SOCIAL AND AFFORDABLE HOUSING

Council will develop a position paper regarding ownership, management and investment options to assist with deciding Council's role in relation to specific sites as they arise.

There is a range of options available to Council regarding ownership, management and long-term investment in social and affordable housing when specific sites are proposed. Options range from direct ownership and management to negotiating management agreements with Registered Housing Agencies through to gifting land and/or developed properties to RHAs to directly manage. Council will assess the circumstances of each individual site in deciding the best approach to ownership, management and long-term involvement.

ACTIONS:

Strategy 9:

Identify opportunities to provide affordable housing on Council land:

9.1 Identify Council-owned land that could be used for social and affordable housing.

9.2 Investigate opportunities for redevelopment of these identified sites (eg. consideration of yields, revenues, costs, potential partners, via share of social/affordable housing etc.).

9.3 Investigate opportunities for redevelopment of existing Council-owned social housing with a view to increasing the number of units on these sites.

Strategy 10:

Identify options for ownership, management and investment of social and affordable housing:

10.1 Identify options for ownership, management and investment of social and affordable housing.

IMPLEMENTATION

This section describes the next steps that Council will seek to undertake to implement the actions described in the previous chapter.

Given this is an evolving area of policy and action, this *Strategy* has a relatively short timeframe of four years. This accounts for the formative nature of the introduction of changes to the planning system that councils across Victoria are experiencing with different approaches to facilitate the increased supply of affordable housing. Additionally, State legislation and the current suite of options and mechanisms may also shift. The *Strategy* will be reviewed and updated in 2023, at which time further tools and options may be available.

4.1 ACTION PLAN

The table below provides an indicative action plan for implementation of each strategy.

TABLE 12:
SUMMARY OF ACTIONS AND STRATEGIES

STRATEGY 1: ADVOCATE FOR A PLANNING MECHANISM FOR AFFORDABLE HOUSING CONTRIBUTIONS IN NEW DEVELOPMENTS		
ACTION	MEASURE	TIMEFRAME FOR ACTION
1.1 Advocate for a state-wide mandatory inclusionary zoning policy and/or planning tools to allow a mandatory inclusionary zoning approach, in collaboration with other councils.	Regional and joint activities undertaken and advocacy for greater planning controls completed.	Years 1–4
1.2 Work with adjoining councils to encourage the development of consistent policies to further an inclusionary zoning approach.	Discussions held with adjoining councils and agreed priorities to further inclusionary zoning completed.	Years 1–4
STRATEGY 2: ADVOCATE TO THE COMMONWEALTH AND VICTORIAN GOVERNMENTS FOR DIRECT GOVERNMENT INVESTMENT AND SUBSIDIES TO ENCOURAGE PRIVATE INVESTMENT		
2.1 Advocate to government regarding direct investment in increasing social housing on government sites and financial incentives to the investor market for increased provision and investment in affordable housing.	Letters to relevant ministers and local members sent and agreed meetings held.	Years 1–4

STRATEGY 3: ADVOCATE FOR THE INCLUSION OF SOCIAL AND AFFORDABLE HOUSING ON STATE GOVERNMENT LAND THAT IS REDEVELOPED		
ACTION	MEASURE	TIMEFRAME FOR ACTION
3.1 Advocate to State and Federal Governments for redeveloping unused government land or sites in Glen Eira into affordable housing.	Sites mapped, opportunities identified and advocacy to government completed.	Years 1–4
STRATEGY 4: ENGAGE IN PARTNERSHIP AND COLLABORATIVE DISCUSSIONS TO FACILITATE IMPROVED AFFORDABLE HOUSING OUTCOMES		
4.1 Continue to participate in regional and metropolitan collaborative initiatives that develop joint advocacy platforms, share knowledge and work to improve affordable housing outcomes across Melbourne.	Relevant industry, regional and state-wide networks attended and learnings shared.	Years 1–4
4.2 Continue to engage in dialogue with Registered Housing Agencies and other community housing and industry groups to maximise partnerships that will increase provision of social and affordable housing in Glen Eira.	Communications with key stakeholders completed and provision of social and affordable housing increased.	Years 1–4
STRATEGY 5: NEGOTIATE AFFORDABLE HOUSING CONTRIBUTIONS WHEN LAND IS REZONED		
5.1 Develop and adopt a standard policy for affordable housing requirements on rezoned sites. Policy would include guidance on how and when the affordable housing requirement will be determined, preferred delivery mechanisms (eg. dwellings, land or cash), and identified Registered Housing Agency partners.	Policy completed and endorsed.	Years 2–4
5.2 Draft a standard s173 template agreement for affordable housing contributions.	Template is completed.	Year 1

**STRATEGY 6:
REQUIRE AFFORDABLE HOUSING CONTRIBUTIONS WHERE APPROVALS
EXCEED PREFERRED HEIGHT LIMITS**

ACTION	MEASURE	TIMEFRAME FOR ACTION
6.1 Include affordable housing as an item of significant community benefit when developing planning guidance on how to calculate significant community benefit for development.	Guidance documents completed as part of planning scheme amendments to implement endorsed <i>Structure Plans</i> .	Years 1–4
6.2 Develop a procedure on how affordable housing as a significant community benefit may be provided ie. preferred delivery mechanisms (eg. dwellings, land or cash) and identified Registered Housing Agency partners.	Procedure developed and implemented.	Years 2–4

**STRATEGY 7:
DEVELOP A POSITION PAPER ON COUNCIL'S COMMITMENT TO A PLANNING MECHANISM
FOR AFFORDABLE HOUSING CONTRIBUTIONS FOR NEW DEVELOPMENTS**

7.1 Develop a position paper on Council's commitment to a planning mechanism for affordable housing contributions for new developments.	Position paper completed.	Years 2–4
---	---------------------------	-----------

**STRATEGY 8:
ENHANCE COUNCIL'S CAPABILITY TO RESPOND TO PLANNING APPLICATIONS
THAT INCORPORATE AFFORDABLE HOUSING**

8.1 Explore a concierge-type service for planning applications lodged by Registered Housing Agencies.	Single point of communication established.	Year 1
8.2 Conduct training for statutory planners on affordable housing in planning applications.	Training provided.	Years 1–4

**STRATEGY 9:
IDENTIFY OPPORTUNITIES TO PROVIDE AFFORDABLE HOUSING ON COUNCIL LAND**

ACTION	MEASURE	TIMEFRAME FOR ACTION
9.1 Identify Council-owned land that could be used for social and affordable housing.	Council sites identified.	Year 1
9.2 Investigate opportunities for redevelopment of these identified sites (eg. consideration of yields, revenues, costs, potential partners, via share of social/affordable housing etc.).	Opportunities identified and investigated with recommendations considered as appropriate.	Years 2–4
9.3 Investigate opportunities for redevelopment of existing Council-owned social housing with a view to increasing the number of units of these sites.	Feasibility study completed and considered by Council for existing social housing sites.	Year 1

**STRATEGY 10:
IDENTIFY OPTIONS FOR OWNERSHIP, MANAGEMENT AND INVESTMENT OF SOCIAL AND AFFORDABLE HOUSING**

10.1 Identify options for ownership, management and investment of social and affordable housing.	Position paper completed and presented to Council.	Year 1
--	--	--------



GLEN EIRA
CITY COUNCIL

Glen Eira City Council

Corner Glen Eira and Hawthorn Roads, Caulfield

Mail address: PO Box 42
Caulfield South, 3162

Phone: (03) 9524 3333

Fax: (03) 9523 0339

mail@gleneira.vic.gov.au

www.gleneira.vic.gov.au

National Relay Service

If you are deaf, hearing-impaired, or speech-impaired, we ask that you call us via the National Relay Service and then ask for (03) 9524 3333.

Online: <https://internet-relay.nrscall.gov.au>

Teletypewriter (TTY): 13 36 77

Speak and Listen: 1300 555 727

Social media

What's on in Glen Eira:

www.facebook.com/GlenEiraCityCouncil

@cityofgleneira:

www.instagram.com/cityofgleneira

www.instagram.com/gleneiralibraries

Glen Eira arts, gallery and events:

www.facebook.com/gleneiraarts

Glen Eira Libraries and Learning Centres:

www.facebook.com/GlenEiraLibraries

Glen Eira Maternal and Child Health:

www.facebook.com/GlenEiraMaternalandChildHealth

Glen Eira Sports and Aquatic Centre:

www.facebook.com/GESAConline

www.twitter.com/GESAConline

Glen Eira Youth Services:

www.facebook.com/GlenEiraYouthServices

www.instagram.com/gleneirayouthservices

Glen Eira sustainable living:

www.facebook.com/sustainablelivinggleneira

