Interim Social and Affordable Housing Policy

Adopted June 2023

Banyule
City Council

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Definitions

Affordable housing

Affordable housing is a broad term describing housing (to buy or rent) which is suitable for the needs of very low to moderate income households. Affordable housing is quality and fit for purpose, priced at a level which is affordable relative to the income of its occupants and still allows these households to meet their other essential living costs. For further information, please refer to the definition in the *Planning and Environment Act 1987*. The Act defines the income range classifications for very low to moderate income households, updated yearly.

Based on this definition, in some cases private market housing may qualify as affordable housing, dependant on price, property type, location and size. However, for a number of reasons, the private market is increasingly unable to provide affordable housing in many neighbourhoods.

The term 'affordable housing' includes market housing which is fit-for-purpose and affordable, but also includes affordable housing provided through interventions such as:

- **Social housing**

  Social housing is an umbrella term that includes both public housing and community housing for purchase or rent. It generally indicates housing that involves some degree of subsidy.

  - **Public housing**

    Public housing is housing owned and managed by Homes Victoria, the state government agency that manages Victoria's public housing system. The government provides public housing to eligible Victorians including people who are unemployed, on low incomes, live with a disability or a mental illness, or who are at risk of homelessness.

  - **Community housing**

    Community housing is housing owned or managed by community housing providers. Community housing providers are highly regulated, not-for profit organisations that specialise in housing the diverse range of tenants who require both public and affordable homes.

- **Subsidised market housing**

  Housing provided by the private market through a range of subsidy types. Subsidies may support rental or ownership of housing.

Housing stress

A household is typically described as being in 'housing stress' if it is paying more than 30% of its income in housing costs. As higher income households can spend a higher proportion of their income on housing without experiencing problems, they are often excluded from this type of analysis. Consequently, a ratio of 30/40 is often used as a benchmark—that is, if households that fall in the bottom 40% by income spend more than 30% of their income on housing, they are defined as being in housing stress.

Inclusionary Zoning

Inclusionary zoning is a land use planning intervention by government that either mandates or creates incentives so that a proportion of a residential development includes a defined number of affordable housing dwellings

Introduction

Council has developed this *interim Social and Affordable Housing Policy (the interim Policy)* in response to the current affordable housing challenges and opportunities in Banyule, as informed by current housing analysis[1] and community survey response on housing priorities[2].

Policy Statement

Council acknowledges that the primary responsibility for provision of social and affordable housing is with Federal and State Government.

Council recognises that it does have an important role in enabling, advocating for, and improving the supply, quality and access to social and affordable housing.

Council acknowledges that the private market is failing to supply housing which is affordable for all income brackets.

Council acknowledges that it is important that there is access to affordable housing to enhance and protect the local economy and social capital[3]. Access to suitable social and affordable housing contributes to uplift in social inclusion, mobility and access to jobs. Adequately addressing the need for social and affordable housing is key to increase liveability and the prevention of homelessness.

In anticipation of further state government investment programs, Council will monitor and adapt and respond to emerging issues and new opportunities. Significant government investment is expected through State Government programs (see Appendix 1 – Legislative and Policy Context, 'Big Housing Build').

Purpose

The purpose of this Policy in to:

1. Acknowledge the urgency of increasing the supply of affordable housing.
2. Guide and inform Council's decision making and advocacy for social and affordable housing.
3. Support Council to identify, acknowledge and respond to the complex micro and macro environmental factors that impact the rights of Banyule residents to secure adequate housing, including political, economic, social, technological, environmental, and legal.
4. Support Council to identify where to invest to maximise community impact for those most in need.
5. Position Council to effectively support and partner with State Government, community housing providers and private investors to accelerate opportunities to improve and increase Banyule's affordable housing stock.
6. Position Council to take a long-term strategic approach to deliver public value.

Scope

The interim Social and Affordable Housing Policy should be considered when:

- Entering into agreements with State Government, through Homes Victoria or with other Registered housing agencies
- Council land is being developed or sold
- Considering planning permit applications
- Entering into agreements with developers
- When rezoning land for residential development.

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[1] Banyule Housing Discussion Paper, 2023, Banyule City Council
[2] Housing & Neighbourhood Character Preliminary Discussion Paper - Survey Result Summary, May-June 2022
[3] Social and Affordable Housing as Social Infrastructure – a literature review for the Community Housing Industry Association, 2019, C. Nygaard, Swinburn University of Technology

Human Rights

Every person has the right to an adequate standard of living, which includes the right to adequate housing[4]. The right to housing is more than a right to shelter. It is a right to have somewhere to live that is considered adequate, which depends on a range of factors including:

- Legal security of tenure
- Availability of local services, facilities and infrastructure
- Affordability
- Accessibility
- Location
- Cultural adequacy.

Banyule Community Vision 2041 and Council Plan 2021-2025

This interim policy will help to achieve the Banyule Community Vision 2041 adopted by Council in 2021, '*We in Banyule are a thriving, sustainable, inclusive and connected community. We are engaged, we belong, and we value and protect our environment*'.

It supports the community vision priority theme of a well-built city which aims to achieve '*a city with diverse, affordable, and sustainable housing solutions that meet the mixed needs of our diverse community*'.

It also supports

Housing Affordability in Banyule

The housing affordability crisis is a well-documented issue in Australia[5,6]. Rising property prices and rents have resulted in housing becoming increasingly unaffordable.

2021 Census data for Banyule indicates there are no dwellings affordable to purchase by very low-income earners, nor for a single adult on a low income. Options for couples without children and families on low incomes are also extremely limited, as are options for single adults and couples without children on a moderate income. Affordable rental options for very low-income households are practically non-existent. There is some availability for couples without children on low incomes and single adults on moderate incomes[7].

High levels of housing stress are also an issue. In 2021, 13% of households with a mortgage and 28% of households that were renting were potentially in housing stress in Banyule. Between June 2021 and June 2022 1,183 people were assisted by specialist homelessness services in Banyule[8].

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[4] International Covenant on Economic, Social and Cultural Rights, Article 11, United Nations: Human Rights
[5] A good house is hard to find: Housing affordability in Australia, 2008, Commonwealth of Australia
[6] Out of reach? Australia's affordability challenge, 2015, Commonwealth of Australia
[7] Banyule 2021 Census Technical Review, 2022, Charter Keck Cramer
[8] Homelessness Services data, 2022, Australian Institute of Health and Welfare

Policy Framework

Objectives

The objectives of this policy are to:

1. Support positive action to address and reduce barriers to adequate housing, with a focus on inequity and discrimination.
2. Support an increase in the quantity, diversity, provision and quality of social and affordable housing in Banyule.
3. Facilitate quality housing outcomes in a timely, responsive way that mitigates housing stress for very low, low, and moderate-income households.
4. Support the equitable distribution of affordable and social housing stock (both rental and ownership) across the municipality.
5. Identify opportunities for Council to provide land for purposes of social and affordable housing through a partnership model.
6. Support the location of affordable housing near to local employment, community services and transport clusters/within the Principle Public Transport Network area.
7. Support partnerships that enable the delivery of additional affordable housing.

Policy Implementation

Council recognises that tackling housing affordability requires the involvement of all tiers of government, as well as partnering with other councils and relevant agencies. Council's policy directions will focus on three key roles within Council's realm of influence. While there is some overlap, these areas can be generally grouped into the following:

- Advocacy
- Partnerships
- Interventions & support

Advocacy

Where opportunities arise Council shall:

1. Advocate for the introduction of state-wide mandatory inclusionary zoning to increase the supply of affordable housing provision being provided as part of new private developments. This acknowledges the need for consistent application of mandatory affordable housing planning provisions across Victoria.
2. Advocate to ensure that renewal and redevelopment of public housing sites within Banyule:
   2.1. Are achieving a high number of public/affordable houses, and that any private development is appropriately balanced.
   2.2. Consider community support services and space provided for community facilities within or in walkable proximity to developments.
   2.3. Achieves housing that represents best practice housing outcomes for public health and provide exemplary responses to site context and policy aspirations.
   2.4. Achieves outcomes where the height and design of development reflects Council aspirations for the area and minimises negative impacts on streetscapes.
   2.5. Achieves housing that represents best practice outcomes for Environmentally Sustainable Development (ESD), Universal Design principles and Council's Liveable Housing Design Guidelines.
   2.6. Results in the provision of a variety of house size to support different household needs, particularly lone person households and family households.
3. Advocate for the provision of affordable housing in the development of surplus State and Federal government land in Banyule.

4. To support its advocacy, Council will need to strengthen its data collection to develop an evidence base on which to measure and monitor housing affordability in Banyule. This work will be considered in the Housing Strategy Review being undertaken from 2022-2024.

Partnerships

Strong relationships with other levels of government, community housing associations, developers and other stakeholders are important in meeting the objectives of this interim policy.

1. Council shall collaborate with community housing providers to assist with financially sustainable service delivery models to best suit the unique needs of the expected community.
2. Council shall collaborate with Homes Victoria where possible to ascertain funding and planning opportunities that may arise to assist Homes Victoria in delivering affordable housing.
3. Council shall seek to collaborate with Aboriginal Housing Victoria to better respond to the needs of Aboriginal and Torres Strait Islander peoples in Banyule.
4. Council shall seek to collaborate with providers of youth refuge facilities and youth accommodation to better respond to an identified gap in the municipality.
5. Encourage the delivery of affordable housing in new private developments, particularly in activity centres and on strategic redevelopment sites.
6. Council shall collaborate with other local Governments in Melbourne's northeast, to better understand and communicate affordable housing needs in Melbourne's northeast, and to advocate and develop enabling environments for increased investment by government and non-government stakeholders in affordable dwellings in Melbourne's northeast.
7. Council shall actively participate in inter-Council forums and work with peak bodies, such as the Municipal Association of Victoria (MAV) and Victorian Local Governance Association (VLGA), to collectively contribute towards addressing common affordable housing related matters across the region/metropolitan area or across the State as they arise.

Interventions & Support

Council has opportunities to directly influence and/or provide support that can have a positive impact on housing affordability. Council shall:

1. Investigate planning policy controls to leverage affordable housing outcomes including via voluntarily negotiated agreements for the inclusion of affordable housing on appropriate development sites as part of planning scheme amendment rezoning and planning permit applications.
2. Investigate how planning systems can support short-term portable crisis accommodations.
3. Seek opportunities to broker new or upgraded social or affordable housing options through the negotiation process for new large developments and existing supply upgrades.
4. Ensure that structure plans consider diverse housing options to reflect demographic change, including smaller and more accessible dwellings in well-serviced locations.
5. Identify land in Council ownership that is suitable and appropriate for the development of affordable housing.
6. Seek to facilitate affordable housing on key strategic Council sites with community housing providers and the private development market.
7. Consider the purchase of additional properties or land exchange with Homes Victoria when opportunities arise to support implementation of this policy.
8. Include due consideration of affordable housing in future updates to Councils Sale of Land policy to ensure affordable housing is considered in the sale of surplus Council land.
9. Investigate a process to provide rate relief or exemptions for community housing providers.

Next Steps

Once adopted, the new Banyule Housing Strategy will set out the long-term planning policy, direction, and actions to meet Banyule's housing needs. This Interim Social and Affordable Housing Policy will be superseded when the new Banyule Housing Strategy is adopted by Council, having served its purpose to guide Council's discussions in lieu of direction provided through other Council adopted policies or strategies.

Should a social or affordable housing policy or strategy be introduced by the State Government, any conflicts between this Policy and the State policy or strategy will default to the State directive. The balance of this Policy will remain in effect.

Appendix 1: Legislative & Policy Context

State Government

Key State Government policy on affordable housing include:

Victoria's Big Housing Build (announced in 2020)

The Big Housing Build is a State Government $5.3 billion muti-year social housing investment into growing social and affordable housing.

Throughout the rollout of the Big Housing Build, Homes Victoria is partnering with community housing providers, local government and institutional investors to create more social and affordable housing options for Victorians.

Plan Melbourne 2017-2050

Plan Melbourne guides the growth of the city for the next 35 years. It sets the strategy for supporting jobs, housing and transport, while building on Melbourne's legacy of distinctiveness, liveability and sustainability.

Homes for Victorians - Affordability, Access, and Choice 2017

Homes for Victorians 2017 establishes the Victorian Government's response to the housing affordability crisis. The strategy provides for the Victorian Government to work in partnership with the Australian Government and local councils, the community social housing sector, and the development and construction industries.

Mana-na woorn-tyeen maar-takoort – Every Aboriginal Person Has A Home (The Victorian Aboriginal Housing and Homelessness Framework)

Mana-na woorn-tyeen maar-takoort translates to 'Every Aboriginal Person Has A Home'. The document seeks to move from crisis management of Aboriginal housing to achieve housing equity with a new perspective. It finds that an additional 27,000 additional Aboriginal households are needed by 2036.

Council Plans

Key plans and policies that support this interim policy include:

- Banyule Community Vision 2041
- Banyule Council Plan 2021-2025
- Banyule Housing Strategy 2009
- Banyule Planning Scheme

Legislative Framework

Several Acts are relevant to affordable housing in Victoria. The most relevant are the:

- Housing Act 1983 (Vic)
- Planning and Environment Act 1987 (Vic)
- Local Government Act 2020 (Vic)
- Disability Act 2006 (Vic)