



# Bayside Affordable Housing Strategy Background Report 2021

Bayside City Council acknowledges the Traditional Owners and custodians of this land, the Boon Wurrung people, and we pay our respects to their Elders past, present and emerging.



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## Executive Summary

This Affordable Housing Background Report has been prepared by Bayside City Council.

There are two key State government strategies, *Homes for Victorians: Affordability, access and choice* and the metropolitan planning strategy *Plan Melbourne 2017-2050* that recognise the critical need to increase the supply of social and affordable housing across Victoria. At the time of preparing this Background Report, the Victorian Government announced a \$5.3 billion investment in social and affordable housing to deliver more than 12,000 new homes throughout Metropolitan Melbourne and Regional Victoria. The *Big Housing Build* is Victoria's landmark investment in social and affordable housing, delivering 9,300 new social housing homes and 2,900 new affordable and low-cost homes for key workers.

Council's past approach to delivering additional social and affordable housing has been identified in the *Council Plan 2017-2021*, the *Community Plan 2025* and the *Bayside Housing Strategy 2019*, and the primary approach to achieving these outcomes has been through implementing Council's *Improving Housing Affordability and Social Housing Options in Bayside: Advocacy Action Plan*, June 2018.

Housing is a complex system of private market developers, lenders, insurers, and touches every level of government. It is also a basic human need and an essential public health infrastructure required to support current and future residents. Rising housing prices affect the Bayside community in different ways, and this requires searching for solutions that match Bayside's unique challenges. Affordable rental options are increasingly out of reach for current residents as well as for those seeking a new life in the community, construction costs are rising, and there is a limited supply of new land. Lower and moderate income-employees make fundamental contributions to the economic and social life of the municipality and when opportunities to live and work within Bayside are diminished, so too is the local economy. A lack of affordable housing also means a greater risk of experiencing vulnerability for current and future residents of Bayside. When households find themselves in financial stress, finding affordable options that do not require an excessive commute to work or to visit loved ones are vital. For those who need in-home care, or greater support services due to their ill-health, age, disability, or otherwise, this option is even more important.

The need for more equitable housing was highlighted in 2020 even more starkly as a result of the impacts of COVID-19, which highlighted the complex interplay of social, household and economic factors that affect housing affordability. When the State of Victoria was put into lockdown for an extended period due to the COVID-19 pandemic, sudden economic hardship disproportionately falls on very low, low and moderate income households, which in most cases, have no work from home options.

This Background Report seeks to inform Council's strategic direction to create more inclusive design and effective planning processes that increase the supply of social and affordable housing within Bayside as well as more equitable housing outcomes for the community. Most importantly, this Background Report explores options and identifies opportunities to facilitate the increase in supply of social and affordable housing in new developments, with this report recommending Council's strategy primarily focus on the following areas:

- Increase the provision of social and affordable housing on public and private sites across Bayside;
- Increase the quality of social and affordable housing across Bayside;
- Create partnerships to support the delivery of additional affordable housing;
- Explore opportunities to build Council's role and responsibilities in supporting Bayside residents in housing crisis.

## Brief and Method

Foreshadowed by an action from the *Bayside Housing Strategy 2019*, which sought to develop an affordable housing policy, Council resolved to prepare an Affordable Housing Strategy at its Ordinary Meeting on 15 September 2020.

Victoria is currently facing an affordable housing crisis, and it is expected that the COVID-19 pandemic will continue to expose the vulnerability of many Victorians living with housing affordability stress and force households into poor housing conditions as they experience compounding financial difficulties.

This Background Report has been prepared to inform the need for an Affordable Housing Strategy in Bayside, by:

- Identifying the roles and responsibilities of Federal, State and Local Government Policy and initiatives relevant to Housing;
- Analysing key population, household and income trends within the municipality;
- Identifying approaches available to Council through the planning system to effectively advocate and build relationships with key stakeholders to support the increase of social and affordable housing in Bayside;
- Reviewing the existing implementation of actions, goals and objectives to support the advocacy and increase the supply of affordable housing in Bayside; and
- Examining the effectiveness of Council's existing roles and responsibilities.

## Methodology

The preparation of the Affordable Housing Strategy and Background Report has been undertaken in the following stages:

### Stage 1: Inception & Analysis – October 2020

- Identify and analyse relevant policy from all tiers of government to provide policy context and background.
- Identify and analyse new and existing key data in relation to housing affordability, incomes, key worker groups, housing stress and other socio-economic statistics to validate the preparation of the Strategy.
- Review existing implementation actions from the *Bayside Housing Strategy 2019* and the *Improving Housing Affordability and Social Housing Options in the City of Bayside – Advocacy Action Plan*, June 2018.
- Review possible actions that could be implemented in the Affordable Housing Strategy and how they may come to fruition.
- Utilising information from this Background Report, prepare the Draft Affordable Housing Strategy.

### Stage 2: Internal Stakeholder consultation – Issues & Opportunities – November 2020 – February 2021

- Confirm key data information.
- Gather and collate other information inputs and resources.
- Analyse Draft goals and identify key objectives and actions for each goal.

### Stage 3: Finalisation of Draft Strategy & Background Report – February 2021

- All internal stakeholders to undertake a complete review of the Strategy.
- Development of Engagement Plan – prepare a targeted Communication and Consultation Strategy.

#### Stage 4: Consultation on Draft Strategy & Background Report – March – April 2021

- Engage identified stakeholders and the wider community in testing and confirming the key goals, objectives and actions of the Draft Affordable Housing Strategy.

#### Stage 5: Final Strategy & Background Report endorsed by Council – June 2021

- Collate and analyse consultation outcomes.
- Incorporate any changes to the Draft Affordable Housing Strategy and Background Report to reflect feedback from consultation.
- Provide a Final Strategy & Background Report to Council for endorsement.

#### Stage 6: Implementation & Ongoing Review – June 2021 – onwards

- Responsible departments of Bayside to give action to the Strategy.
- Actions from the Affordable Housing Strategy are to be undertaken and implemented.

## **Internal Stakeholders**

There have been a range of Council teams who have assisted in the preparation of the Affordable Housing Strategy and Affordable Housing Background Report.

### Urban Strategy

The Urban Strategy team has been responsible for the preparation of the Advocacy Action Plan and has led the majority of discussions with stakeholders and partners for the redevelopment of public housing sites across Bayside. This Background Report and the Strategy has been led by the Urban Strategy department.

### Development Services

Development Services have been responsible for implementing Council's decision making in relation to Homes for Homes through planning permits. A condition placed on planning permits for multi-dwelling development requires the preparation of a Section 173 Agreement that requires home owners to make a tax deductible donation at the time of sale for 0.1 per cent of the sale value to Homes for Homes, a not-for-profit organisation that provides affordable housing outcomes. The implications of this agreement are being considered by the Development Services team and if enforced, risks will be monitored as part of its implementation.

### Community Services

Council's Community Services department provides a comprehensive and integrated range of assistance to support Bayside residents who are experiencing vulnerability to connect them with the specialist services that they require. As a first point of contact, the Community Services department regularly responds to issues and initiates contact to specialist services for community members of all ages experiencing:

- Substance abuse;
- Mental health conditions;
- Family violence;
- Sleeping rough and homelessness;
- Hoarding;

While this assistance does not directly provide mechanisms to increase the supply of social and affordable housing in Bayside, the early intervention and referral to specialist services helps prevent community members from becoming even more vulnerable or at risk for longer periods of time. Most importantly, this assistance lessens the existing strain on the Victorian housing system as it is a key referrals source to partner organisations and support services.

The Community Services department has also been the primary contact in the preparation and adoption of the *Regional Local Government Homelessness and Social Housing Charter* alongside 12 Councils from the South East Region.

#### Community Wellbeing

The Community Wellbeing department is responsible for promoting the improved wellbeing and safety of vulnerable members of the Bayside community, which includes residents living in public housing estates, people that are homeless or at risk of homelessness, and older members of the community that are vulnerable and have limited community connections. The department also leads a Community Development Steering Committee (CDSC) which key role is to advocate for services and programs that meet the needs of residents living in public housing estates in Bayside, and has been responsible for the preparation of Bayside City Council's Public Health and Wellbeing Plan, the *Wellbeing for All Ages and Abilities Strategy*, and Council's Reconciliation Action Plan (RAP).

#### Communications and Engagement

Council's Communications and Engagement Team have developed a framework to support the delivery of Council's broader advocacy objectives. This includes the development of an 'umbrella' strategic advocacy position across Council's services and includes highlighting the importance of housing affordability as part of Bayside's priority advocacy areas.

Housing affordability is incorporated into the framework as a 'tier 2' project which allow for advocacy to form part of Council's general operations, as these projects are often not specific to Bayside and can require a regional or sector approach. The advocacy on these tier 2 projects can generally be delivered through regular meetings and discussions with other levels of government, sector networks, and leveraging partnerships across the sector to achieve intended outcomes.

The Communications and Engagement Team will also play a role in supporting the promotion and awareness of the issues within the Bayside community and Council's advocacy position in these areas to generate recognition and support within the community.

## Definitions

The following definitions have been adapted by using academic sources within the Housing sector. It is important as a reader, to understand these key definitions as they have been used frequently throughout this Background Report.

### **Affordable Housing**

Affordable housing is housing that is appropriate for the needs of a range of very low to moderate income households, and priced (whether mortgage repayments or rent) so these households are able to meet their other essential basic living costs<sup>1</sup>

### **Ageing in Place**

Ageing in place means that as people get older they can remain living in their home rather than entering residential aged care, even when the impacts of old age (e.g. the increasing risk of illness or disability) affect their mobility or mental ability.<sup>2</sup>

### **Community Housing**

Housing owned or managed by community housing agencies for people with low incomes or with special needs, including those eligible for public housing. Community housing agencies are regulated by the Government.<sup>3</sup>

#### **Community Housing Providers:**

##### Registered Housing Agency

Registered housing agencies are not-for-profit organisations that provide and/or manage affordable rental housing for low income households. Registered housing agencies:

- May own, manage and develop affordable rental housing;
- May provide a range of housing support and assistance to clients;
- Are viable businesses partnering with both government and the community;
- Have met registration criteria, and continue to meet ongoing compliance requirements as well as demonstrate continuous improvement.

Housing Agencies are registered under the Housing Act 1983 as either housing associations or housing providers and are regulated by the Victorian Registrar of Housing Agencies.

##### Registered Housing Associations

Housing associations are larger, more complex businesses with the skills, expertise and resources to manage, maintain and grow a viable social housing portfolio. They expand new housing through construction, purchase or acquisition, using a mix of government funds and private sector investment. There are currently ten Registered Housing Associations in Victoria.

##### Registered Housing Providers

Housing Providers range in size and primarily manage rental housing portfolios for other parties, such as the Director of Housing (DoH). Some housing providers own properties, however their growth is small in scale compared with housing associations. Housing providers often specialise in particular client groups which may include housing for people with disability, older people and young people. There are currently 29 registered housing providers in Victoria

#### **Crisis and emergency accommodation**

Homeless, escaping family violence, or in other emergency situations. It includes women's refuges, youth refuges and major crisis supported accommodation services.

These services are available 24-hours a day, however they are temporary and designed to immediately assist people in crisis to stabilise their situation before they move on to something more permanent.<sup>4</sup>

### **Department of Health and Human Services**

The creation of the Department of Families, Fairness and Housing (DFFH) will allow for a dedicated focus on the community wellbeing and the social recovery of our Victoria.

The newly formed DFFH will enable us to continue the extraordinary work of supporting Victorians, sharpening our focus on better services in 2021. It will also provide opportunities to deliver important work started before the pandemic and to lead bold and innovative reform.

DFFH will include the former Department of Health and Human Services portfolios of Child Protection, Prevention of Family Violence, Housing and Disability, ageing and carers.

DFFH will also be responsible for the key portfolios of Multicultural Affairs, LGBTQI+ Equality, Veterans, and the offices for Women and Youth enhancing the alignment with policy areas and portfolios focusing on the recovery and growth of our diverse communities.

DFFH departmental structure also supports Family Safety Victoria, Homes Victoria and Respect Victoria.<sup>5</sup>

#### **Director of Housing**

The Director of Housing (DoH) is the body corporate established under section 9(2) of the Housing Act 1983. The Director of Housing, sits within DFFH and is the landlord of Victoria's public

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<sup>1</sup> Department of Environment, Land, Water, Planning (DELWP), 'Homes for Victorians', 2017, available at: <https://www.vic.gov.au/about-homes-victorians-policy>

<sup>2</sup> Australian Housing Urban Research Institute (AHURI) Brief, 'What's needed to make 'ageing in place' work for older

Australians' (2019), available at: <https://www.ahuri.edu.au/research/ahuri-briefs/whats-needed-to-make-ageing-in-place-work-for-older-australians>

<sup>3</sup> DELWP, 'Homes for Victorians', 2017, available at: <https://www.vic.gov.au/about-homes-victorians-policy>

<sup>4</sup> AHURI, Glossary, available at: [https://www.ahuri.edu.au/policy/glossary?result\\_1751\\_result\\_page=H](https://www.ahuri.edu.au/policy/glossary?result_1751_result_page=H)

<sup>5</sup> Taken from the Department of Family, Fairness and Housing (DFFH) website: <https://www.vic.gov.au/dffh/about-us>

housing. The Director has powers to purchase, develop, lease and sell property.<sup>6</sup>

### Equity

Equity is about each of us getting what we need to survive or succeed—access to opportunity, networks, resources, and supports—based on who we are, where we are and where we want to go.<sup>7</sup>

### Housing Stress

Housing stress occurs when households have to pay too large a proportion of their income in housing costs (and thereby reduce spending on other essentials such as food and health), and as a result, housing costs rise too far above household incomes.<sup>8</sup>

### Homelessness

Homelessness is about not having a home – ‘home’lessness, not ‘roof’lessness...if their current living arrangement:

- Is in a dwelling that is inadequate; or
- Has no tenure, or if their initial tenure is short and not extendable; or
- Does not allow them to have control of or, access to space for social relations.

It means a sense of security, stability, privacy, safety, and the ability to control living space...contrary to popular belief, the majority of people who experience homelessness aren't rough sleepers (living on the streets). In fact, rough sleeping only makes up around 7% of homelessness while the remainder is 'hidden homelessness', that is, people sleeping in cars, rooming

houses, couch surfing, or staying in other temporary types of accommodation.<sup>9</sup>

### Household

One or more persons, at least one of whom is at least 15 years of age, usually resident in the same private dwelling. The people in a household may or may not be related. They must live wholly within one dwelling.<sup>10</sup>

### Housing affordability

A general term, used in reference to the whole housing system, expressing the relationship between housing costs (prices, mortgage payments or rents) and household incomes.<sup>11</sup>

### Housing need

A household is in housing need if its housing falls below at least one of the adequacy, affordability or suitability standards and it would have to spend 30 per cent or more of its total before-tax income to pay the median rent of alternative local housing that is acceptable. Adequate is reported by residents as not requiring any major repairs. Affordable housing costs less than 30 per cent of total before-tax household income. Suitable housing has enough bedrooms for the size and make-up of resident households, according to National Occupancy Standard (NOS) requirements.<sup>12</sup>

### Inclusionary zoning

Inclusionary zoning generally refers to statutory planning controls requiring development proponents to incorporate

certain facilities or features on their site, or pay a cash-in-lieu contribution for this obligation to be discharged off-site.<sup>13</sup>

### Key workers

Key worker or critical worker is a public-sector or private sector employee who is considered to provide an essential service.

### Not-for-profit sector

Community organisations providing a broad range of social services, including in relation to homelessness, housing, education, health, conservation and recreation.<sup>14</sup>

### Public Housing

Housing owned and managed by the Director of Housing. The Government provides public housing to eligible disadvantaged Victorians including those unemployed, on low incomes, with a disability, with a mental illness or at risk of homelessness.<sup>15</sup>

### Renewal

The process whereby existing, ageing public housing estates or buildings are redeveloped to improve both housing outcomes for public housing tenants and the neighbourhood's amenity.<sup>16</sup>

### Section 173 Agreement

A Section 173 Agreement is generally set out as conditions or restrictions on the use or development of the land and can be negotiated between the developer and the planning authority during the planning assessment process. An agreement can be a requirement of a

<sup>6</sup> Victorian Auditor-General's Office Report: 'Managing Victoria's Public Housing', 2017, available at: <https://www.audit.vic.gov.au/report/managing-victorias-public-housing?section=>

<sup>7</sup> K.Putnam-Walkerly & E.Russell, 'What the Heck Does 'Equity' Mean?', 2016, accessed online at: [https://ssir.org/articles/entry/what\\_the\\_heck\\_does\\_equity\\_mean](https://ssir.org/articles/entry/what_the_heck_does_equity_mean)

<sup>8</sup> AHURI Brief, 'Understanding the 30:40 indicator of housing affordability stress', updated 2019, available at:

<https://www.ahuri.edu.au/research/ahuri-briefs/3040-indicator>

<sup>9</sup> As defined by the Council for Homelessness, available at: <https://chp.org.au/homelessness/>

<sup>10</sup> AHURI, Glossary, available at: <https://www.ahuri.edu.au/research/glossary>

<sup>11</sup> AHURI, Glossary, available at: <https://www.ahuri.edu.au/research/glossary>

<sup>12</sup> AHURI, Glossary, available at: <https://www.ahuri.edu.au/research/glossary>

<sup>13</sup> SGS Economics and Planning, 'Revisiting the economics of inclusionary zoning', 2016, available at: <https://www.sgsep.com.au/publications/insights/revisiting-the-economics-of-inclusionary-zoning>

<sup>14</sup> AHURI, Glossary, available at: <https://www.ahuri.edu.au/research/glossary>

<sup>15</sup> DELWP, 'Homes for Victorians', 2017, available at: <https://www.vic.gov.au/about-homes-victorians-policy>

<sup>16</sup> AHURI, Glossary, available at: <https://www.ahuri.edu.au/research/glossary>

Development Plan Overlay or conditioned on a Planning Permit for development.<sup>17</sup>

- Are escaping or have escaped family violence
- With a disability or significant support needs
- With special housing needs.

### **Social Housing**

Social housing is an umbrella term that includes both public housing and community housing. It is rental housing that is provided and/or managed by government or non-government organisations.<sup>18</sup>

Register of Interest: this is for all eligible applicants to register their interest in social housing.<sup>21</sup>

### **Tenure-blind development**

Tenure-blind developments comprises of private market and affordable dwellings and/or buildings that are of equally high quality design and are indistinguishable from the outside, and have equal access to all communal indoor and outdoor spaces.<sup>19</sup>

### **Universal housing design**

A universally designed home seeks to enhance the quality of life for all occupants at all stages of their life by including safer and more user-friendly design features.<sup>20</sup>

Universal design standards are set out in the *Livable Housing Design Guidelines*. Further information on the guidelines is within this *Affordable Housing Background Report*.

### **Victorian Housing Register**

The Victorian Housing Register manages applications for long-term social housing in Victoria, by combining public and community housing applications. This means people only need to apply once to be considered for both types of housing. The register has two categories;

Priority Access for people:

- Who are homeless and receiving support

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<sup>17</sup> DELWP, 'Using Victoria's Planning System', Chapter 8.1, 2015 available at:

[https://www.planning.vic.gov.au/\\_data/assets/pdf\\_file/0017/95012/Using-Victorias-Planning-System-2015.pdf](https://www.planning.vic.gov.au/_data/assets/pdf_file/0017/95012/Using-Victorias-Planning-System-2015.pdf)

<sup>18</sup> Adapted from the Australian Housing and Urban Research Institute, Glossary, available at:

<https://www.ahuri.edu.au/research/glossary>

<sup>19</sup> J. Stubbs & Associates, NSW Federation of Housing Associations Inc, 'Multi-tenure developments best practice approaches to design, development & management' available at: <https://communityhousing.org.au/wp-content/uploads/2018/06/MultiTenureDev-Singles-lowres.pdf>

<sup>20</sup> As defined by the National Dialogue on Universal Housing Design – Strategic Plan, 2010, available at:

<https://www.dss.gov.au/our-responsibilities/disability-and-carers/program-services/government-international/national-disability-strategy-initiatives/livable-housing-design/national-dialogue-on-universal-housing-design-strategic-plan>

<sup>21</sup> The Victorian Housing Register, webpage available at:

<https://www.housing.vic.gov.au/victorian-housing-register>

# Understanding Affordable Housing

Access to housing is foundational to human development and helps to achieve broader equity goals. Affordable, stable housing can help people meet their basic needs and build reserves for unforeseen expenses.

Providing a diverse set of housing sizes and types can help to accommodate different households and individual housing needs. Locating homes close to services, transport options, parks and open space, civic infrastructure and retail areas increases quality of life.

Housing affordability is a key component of equitable housing. There are very real benefits and limitations of mixed-income development which suggests the creation and preservation of affordable homes in asset-rich suburbs is one of the few successful strategies for overcoming economic segregation and in turn enhancing social cohesion.<sup>22</sup>

Providing a diverse set of housing sizes and types can help to accommodate the many different households that might wish to rent, or even buy, in Bayside in the future; which is why it is so important to understand what affordable housing is and includes.

## What is affordable housing?

In 2018, the *Planning and Environment Act 1987* (the Act) was amended to describe the meaning of the term ‘affordable housing’. It states in Section 3AA (1):

- (1) For the purposes of this Act, affordable housing is housing, including social housing, that is appropriate for the housing needs of any of the following –
  - (a) Very low income households;
  - (b) Low income households;
  - (c) Moderate income households.

**Figure 1 | Understanding affordable housing**



## What classifies a household being on a very low to moderate income?

The Act specifies the income range classification for very low to moderate income households. The income ranges are set annually by Order of the Governor in Council. On 30 June 2020, the Governor in Council specified the following ranges to be the very low income range, low income range and moderate income ranges with respect to affordable housing that is not social housing. This is identified in Figure 2.

<sup>22</sup> R. Jacobus, Lincoln Institute of Land Policy, ‘Inclusionary Housing – Creating and Maintaining Equitable Communities’, 2015, available at: [https://www.lincolninst.edu/sites/default/files/pubfiles/inclusionary-housing-full\\_0.pdf](https://www.lincolninst.edu/sites/default/files/pubfiles/inclusionary-housing-full_0.pdf)

**Figure 2 |** Income ranges for very low to moderate income households for Greater Capital City Statistical Area of Melbourne<sup>23</sup>

Household	Very low income range (annual)	Low income range (annual)	Moderate income range (annual)
Single adult	Up to \$26,090	\$26,091 to \$41,750	\$41,750 to \$62,610
Couple, no dependent	Up to \$39,130	\$39,131 to \$62,620	\$62,621 to \$93,920
Family (with one or two parents) and dependent children.	Up to \$54,780	\$54,781 to \$87,670	\$87,671 to \$131,500

*Why do we need to increase the supply of affordable housing?*

Each year, SGS Economics and Planning prepares a Rental Affordability Index Report that tracks the rental affordability across Australia and highlights the experiences of disadvantaged households. The most recent report from December 2020 identified the top 5 least affordable postcodes in Greater Melbourne. Of the 5 postcodes, 3 are within the City of Bayside; 3187 (Brighton East), 3186 (Brighton) and 3188 (Hampton).

**Figure 3 |** 5 least affordable postcodes in Greater Melbourne 2020<sup>24</sup>

Rank	Postcode	Suburbs	Rental Affordability Index (RAI) Score	Rent as share of median household income
1	3187	Brighton East	84	36%
2	3186	Brighton	89	34%
3	3206	Albert Park, Middle Park	89	34%
4	3104	Balwyn North	95	32%
5	3188	Hampton	99	30%

The Rental Affordability Index Report from November 2019 also identified three of the five least affordable postcodes within the City of Bayside, as outlined in Figure 4.

**Figure 4 |** 5 least affordable postcodes in Greater Melbourne 2019<sup>25</sup>

Rank	Postcode	Suburbs	Rental Affordability Index (RAI) Score	Rent as share of median household income
1	3206	Albert Park, Middle Park	71	42%

<sup>23</sup> Copy of the Gazette entry for 2020, available at:

[https://www.planning.vic.gov.au/data/assets/pdf\\_file/0043/488995/Government-Gazette-Order-2.pdf](https://www.planning.vic.gov.au/data/assets/pdf_file/0043/488995/Government-Gazette-Order-2.pdf)

<sup>24</sup> SGS Economics and Planning, 'Rental Affordability Index Report', 2020, available at:

[https://www.sgsep.com.au/assets/main/Projects/SGS-Economics-and-Planning\\_RAI-2020-FINAL.pdf](https://www.sgsep.com.au/assets/main/Projects/SGS-Economics-and-Planning_RAI-2020-FINAL.pdf)

<sup>25</sup> SGS Economics and Planning, 'Rental Affordability Index Report', 2019, available at:

[https://www.sgsep.com.au/assets/main/Projects/SGS-Economics-and-Planning\\_RAI-November-2019.pdf](https://www.sgsep.com.au/assets/main/Projects/SGS-Economics-and-Planning_RAI-November-2019.pdf)

2	3193	Beaumaris, Cromer, Black Rock, Black Rock North	76	39%
3	3187	North Road, Brighton East	77	39%
4	3186	Brighton North, Brighton	79	38%
5	3207	Port Melbourne	83	36%

There is an obvious issue of unaffordability in Bayside that is seen when observing these Rental Index Reports. Over the course of a year, Bayside has outranked Albert Park and Middle Park, with Brighton East and Brighton now ranking first and second as the least affordable postcodes in Greater Melbourne. While Beaumaris, Cromer, Black Rock and Black Rock North are no longer within the top 5, another Bayside suburb, Hampton, has taken its place.

In keeping with this trend, **Figure 5** below provides median rental unit prices in the City of Bayside in 2020, and notably, there is not one Bayside suburb that provides for a 1 Bedroom apartment that is less than \$300 per week. This means that all 1-bedroom private rental medians are greater than 30% of a very low income earners salary.<sup>26</sup>

Bayside is generally an affluent municipality however there are sections of the Bayside community that do experience disadvantage and vulnerability. If Bayside is unaffordable to live in, a significant number of households will have no choice but to endure financial stress or live outside of Bayside. In turn, this will result in higher commuting costs and place strain on the local economy in Bayside. If there is no intervention, some current and future residents will continue to be excluded from the Bayside community.

Whilst the causes of lack of affordable housing are many, and complex, there is a role for the planning system, and for Council, to play in facilitating social and affordable housing in Bayside to ensure our low income residents and key workers can continue to live within the municipality.

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<sup>26</sup> Realestate.com, 'Explore Australian suburbs', available at: <https://www.realestate.com.au/neighbourhoods/>

**Figure 5: Median Rental Unit Prices in Bayside**



## Cost of inaction

Very low, low and moderate-income employees are most commonly within the 'key worker' population and provide essential services within the community. They make fundamental contributions to the economic and social life of the municipality and when opportunities for these households to live and work within Bayside are diminished, so too is the local economy.

A lack of affordable housing also means a greater risk of experiencing vulnerability for current and future residents of Bayside. When households find themselves in financial stress, finding affordable options that do not require an excessive commute to work or to visit loved ones are vital. For those who need in-home care, or greater support services due to their ill-health, age, disability, or otherwise, this option is even more paramount.

The Productivity Commission found that appropriate housing *'is an important contributor to preventing poor mental health and promoting recovery for people with mental health illness.'*<sup>27</sup>

Without intervention, the shortage of affordable housing will only increase, strengthening the divide within the community between those that can afford to live in Bayside and those that are forced to leave the area to find more affordable accommodation or face greater housing uncertainty.

An Issues Paper published by the University of Melbourne has found it's cheaper to provide last resort housing to homeless people than to leave them sleeping rough:

- 75% of the economic benefits of providing emergency accommodation would flow back to the community.
- For every \$1 invested in last-resort beds to address the homelessness crisis, \$2.70 worth of benefits are generated for the community over 20 years.

The Issues Paper found governments and society benefit more than they spend by providing last resort housing to people that are homeless. This is through the reduced healthcare costs, reduced crime, and helping people get back into employment or education.<sup>28</sup>

To support this, further evidence on the wider social and economic returns of investing in social and affordable housing has found significant total public sector savings as a result of stable housing provisions for people who are homeless:

- Parsell (2016) estimated that over a 12-month period, the reduction in health, criminal justice and housing services of providing housing amounted to some \$13,100 per person;
- Thorpe (2019) based on PwC work identified a per person saving when moving a person from 'extremely high disadvantage' to 'very high disadvantage', and from moving an individual from 'very high disadvantage' to 'high disadvantage' is \$11,800 and \$2,300 per annum.

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<sup>27</sup> C. Nygaard, Swinburn University of Technology, 'Social and Affordable Housing as Social Infrastructure – a literature review for the Community Housing Industry Association', 2019, available at: <https://www.communityhousing.com.au/wp-content/uploads/2019/11/Social-and-affordable-housing-as-social-infrastructure-FINAL.pdf?x12261>

<sup>28</sup> SGS Economics & Planning, 'The case for investing in last resort housing', MSSI Issues Paper No. 10, Melbourne Sustainable Society Institute, The University of Melbourne, 2019, available at: <https://www.sgsep.com.au/assets/main/SGS-Economics-and-Planning-Last-Resort-Housing.pdf>

The value of social and affordable housing is felt in more ways than just an investment. It has been determined that appropriate housing *'is an important contributor to preventing poor mental health and promoting recovery for people with mental health illness'*.<sup>29</sup>

Despite the mounting research providing evidence to the value of social and affordable housing, there has been little recognition or innovation in equalising its value to other forms of infrastructure that generally forms part of a community, like schools and hospitals. For the first time, Infrastructure Australia's 2019 infrastructure audit included social infrastructure as essential infrastructure to support economic growth and quality of life. In the audit, social infrastructure is described as, *'facilities, spaces and networks that support the quality of life and wellbeing of our communities. It helps us to be happy, safe and healthy, to learn, and to enjoy life'*.<sup>30</sup>

## Public Housing in Bayside

In 2018, the process of merging community housing waiting lists into the Victorian Housing Register commenced. The Housing Register is a single waiting list for people seeking social housing, as well as current tenants seeking to transfer to another social housing property.<sup>31</sup> On 30 June 2020, there were 45,554 applications on the Register and 7,421 transfer applications.<sup>32</sup>

### *What is public housing and is it different to community housing?*

Public housing is a form of long-term rental social housing that is generally operated by the Victorian Department of Health and Human Services. It is for people on low incomes that are most in need, especially those who have experienced homelessness, family violence or have other special needs.<sup>33</sup>

Community housing is also a form of social housing that is generally managed by registered community housing agencies for people with low incomes, including those eligible for public housing.<sup>34</sup>

In Victoria, there are currently 29 registered housing providers. The Public Register contains the details of all community housing agencies, including housing providers currently registered under the *Housing Act 1983*.<sup>35</sup>

### *Is social housing provided in Bayside?*

There are approximately 1,209 social housing dwellings within Bayside.<sup>36</sup> This number is provided utilising DHHS data from the 2019-2020 financial year. This total can be broken down into the following types of properties:

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<sup>29</sup> C. Nygaard, Swinburn University of Technology, 'Social and Affordable Housing as Social Infrastructure – a literature review for the Community Housing Industry Association', 2019, available at: <https://www.communityhousing.com.au/wp-content/uploads/2019/11/Social-and-affordable-housing-as-social-infrastructure-FINAL.pdf?x12261>

<sup>30</sup> Australian Infrastructure Audit, Section 6, 2019, available at: [https://www.infrastructureaustralia.gov.au/sites/default/files/202010/Audit%202019\\_Section6\\_Updates%20September%202020.pdf](https://www.infrastructureaustralia.gov.au/sites/default/files/202010/Audit%202019_Section6_Updates%20September%202020.pdf)

<sup>31</sup> The Victorian Housing Register, webpage available at: <https://www.housing.vic.gov.au/victorian-housing-register>

<sup>32</sup> DHHS, Housing assistance – Additional service delivery data 2019-20

<sup>33</sup> DELWP, 'Homes for Victorians', 2017, available at: <https://www.vic.gov.au/about-homes-victorians-policy>

<sup>34</sup> DELWP, 'Homes for Victorians', 2017, available at: <https://www.vic.gov.au/about-homes-victorians-policy>

<sup>35</sup> Housing Registrar website, 'Who we regulate' available at: <http://www.housingregistrar.vic.gov.au/Who-we-regulate>

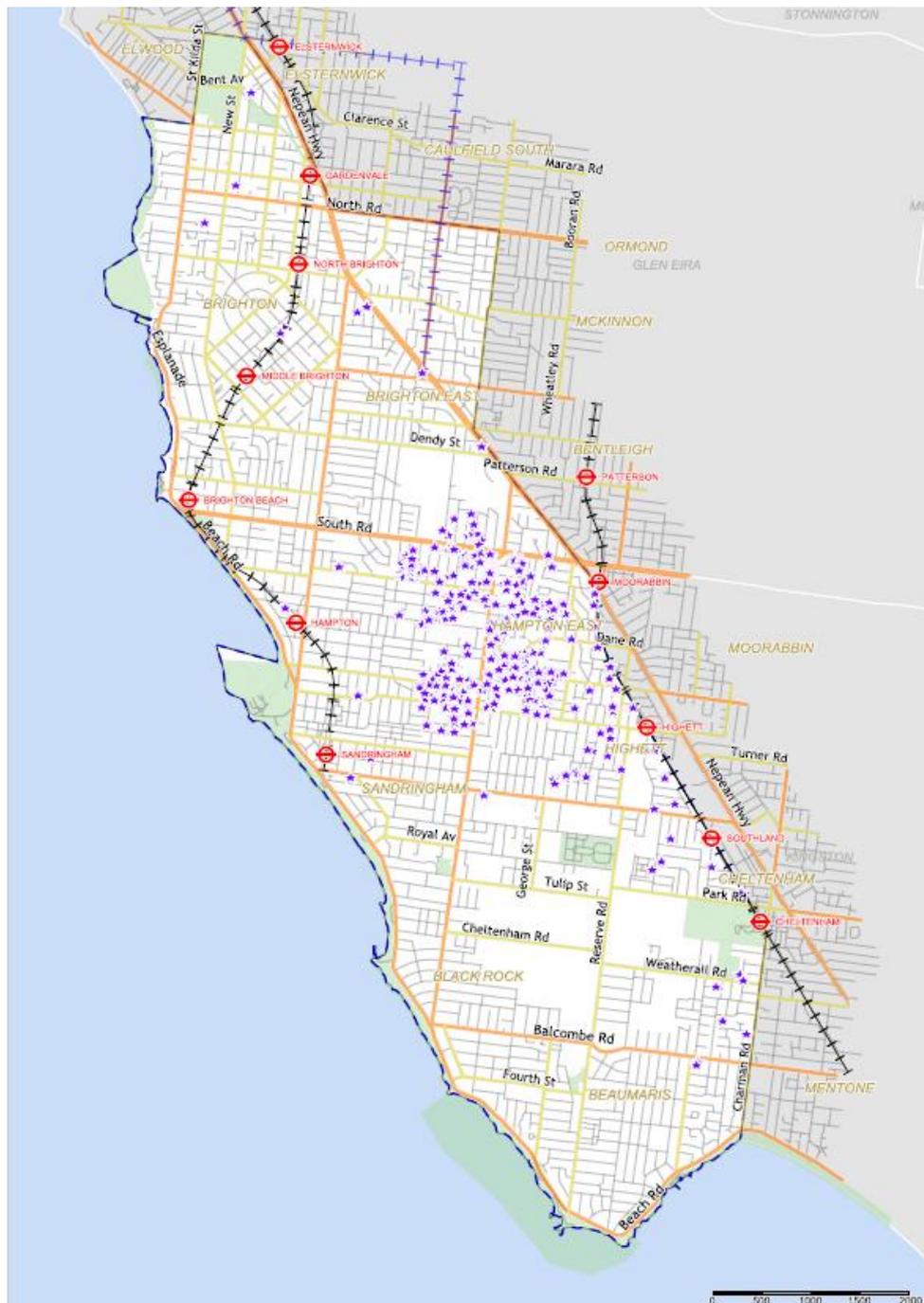
<sup>36</sup> DHHS, Housing assistance – Additional service delivery data 2019-20

**Figure 6 |** Different types of social housing dwellings in Bayside<sup>37</sup>

	House	Medium density attached	Medium density detached	Low-rise flat	High-rise flat	Movable unit	Multiple facility unit	Other	Community owned
Bayside	166	552	6	426	0	11	0	3	45

Map 1 below identifies where these social housing properties are located spatially across the City of Bayside.

**Map 1 |** Location of social housing in Bayside



<sup>37</sup> DHHS, Housing assistance – Additional service delivery data 2019-20

**Map 2 | Proliferation of social housing in Bayside**



There is an obvious proliferation of housing within the east of the municipality, generally within the suburbs of Highett, Hampton and Hampton East. This includes a mixture of individual dwellings, multi-dwelling developments and larger public housing estates.

While much of Bayside's social housing stock is within these housing estates, they are relatively old and, in many cases, in need of renewal and upgrading. Many were built in the 1960s and provide challenges in terms of accessibility, and the types of housing provided can be difficult to adapt to meet the changing needs of residents.

Whilst traditionally these estates have been limited to public housing residents, more recent trends are seeing 'tenure blind' development outcomes being incorporated, which comprise of both private market and affordable dwellings and/or buildings that are of equally high-quality design, which are indistinguishable from the outside and have equal access to all communal indoor and outdoor spaces.<sup>38</sup> In comparison, 'mixed tenure' development focuses on providing a 'social mix' of dwellings to equally minimise stigma attached to subsidised housing, however equal access and design may not be achieved at the same level using this model.<sup>39</sup>

The intent of either development models is to avoid further socio-economic marginalisation by diversifying social and affordable housing within private rental housing and provide for greater integration, accessibility and inclusivity.

The overarching intent of providing social and affordable housing within new developments is to increase its supply and prevent long periods of vulnerability on community members that generally lead to homelessness. While it is important to recognise that housing models will differentiate across the municipality, developments

<sup>38</sup> J. Stubbs & Associates, NSW Federation of Housing Associations Inc, 'Multi-tenure developments best practice approaches to design, development & management' available at: <https://communityhousing.org.au/wp-content/uploads/2018/06/MultiTenureDev-Singles-lowres.pdf>

<sup>39</sup> J. Stubbs & Associates, NSW Federation of Housing Associations Inc, 'Multi-tenure developments best practice approaches to design, development & management' available at: <https://communityhousing.org.au/wp-content/uploads/2018/06/MultiTenureDev-Singles-lowres.pdf>

do not need to be offered as a one size fits all. Rather, development should be responsive to the site and its surrounding locality and context, which will ultimately translate into a housing model that is deemed appropriate.

## Homelessness in Bayside

Homelessness describes the situation of an individual or family without stable, permanent, appropriate housing, or the immediate prospect, means and ability of acquiring it.

In response to the COVID-19 pandemic, Victorians experiencing homelessness have had their emergency accommodation extended and services have had more time to provide tailored exit pathways. The Minister for Housing announced in June 2020 that almost \$10 million in funding will be provided to keep people experiencing homelessness in their current accommodation and plan their pathway out into more stable long-term housing. This funding allowed agencies to continue placing clients in temporary hotel accommodation and create nine data roles to work within the newly created Homelessness Emergency Accommodation Response Teams (HEART) throughout Victoria.<sup>40</sup>

In 2016, it was estimated that 167 people in Bayside were homeless.<sup>41</sup> Since this time, it is likely that there has been an increase in people sleeping rough and many more on the verge of homelessness, due to COVID-19. Council's roles and responsibilities in relation to homelessness were set prior to the pandemic, however the service provided has naturally been of larger demand over the past year. Through this work, Council continues to act as an advocate to combat homelessness, and as a coordination point for when initial issues arise from either council staff or community members, who identify as experiencing homelessness and/or are rough sleeping within Bayside.

Council staff work with people experiencing sleeping rough or homelessness to identify initial needs and provide information and service options should they choose to receive a pathway to support. The role assists with navigating referral options for individuals to gain access to appropriate housing or health related services, depending on needs. Key services in which Council works with includes; Councils Assessment Services, BayCISS, Salvation Army, St Vincent, Launch Housing, Monash Health, Bolton Clarke and VicPol to ensure that the person experiencing rough sleeping or homelessness has a holistic response with housing first at the core.

While there is no single cause that explains the experience of homelessness, individuals and families share the common ground of extreme vulnerability, lack of adequate housing, and/or income and the necessary supports to ensure they stay housed. According to the 'Costs of Youth Homelessness in Australia' Report by CSI, 53% of homeless youth in Australia reported having been diagnosed with at least one mental health condition in their lifetime.<sup>42</sup> Of people accessing homelessness services in Victoria:

- 39% had reported having financial difficulties;
- 23.9% were experiencing inadequate or inappropriate dwelling conditions;
- 21.6% were experiencing housing affordability stress;
- 36.7% reported that they were unemployed, and 51.3% reported that they were not in the labour force;
- 11.9% reported that they were employed in some capacity;<sup>43</sup>

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<sup>40</sup> 'Hearts and Homes Helping Through Coronavirus' announcement, 2020, available at: <https://www.premier.vic.gov.au/hearts-and-homes-helping-through-coronavirus/>

<sup>41</sup> ABS Census, Estimating Homelessness, 2016

<sup>42</sup> Centre for Social Impact, 'Cost of youth homelessness in Australia' (2016) available at: <https://www.csi.edu.au/research/project/cost-youth-homelessness-australia-final-report/>

<sup>43</sup> SGS Economics and Planning, 'The case for investing in last resort housing' Issue Paper (2017) available at: <https://www.sgsep.com.au/assets/main/SGS-Economics-and-Planning-Last-Resort-Housing.pdf>

Family violence has also proven to be a risk factor that can contribute to homelessness. In 2015-16, 33.8% of people requesting homelessness services in Victoria were escaping domestic or family violence, which represents 35,383 clients.<sup>44</sup>

Past abuse can also play an ongoing role in people's experience of homelessness. An Issues Paper by SGS Economics and Planning found that many rough sleepers had experienced some form of abuse as young people.<sup>45</sup> Of 24 people interviewed as part of the study, 70% said that they were sexually or physically abused as children, often for long periods of time and in many occasions, by family members.<sup>46</sup> Other risk factors that can contribute to homelessness include discrimination, poor physical or mental health, intellectual disability, drug and alcohol abuse, gambling and family or relationship breakdown.<sup>47</sup>

Mitigating factors that contribute to homelessness goes beyond the supply of social and affordable housing. It requires the addressing of failures in the healthcare and aged care system, including the adequate and effective management of drug and alcohol abuse and other health-related issues.<sup>48</sup> While this Background Report does not go further to address failures in systems outside of housing unaffordability, it acknowledges that housing affordability is inextricably linked to homelessness, and without its supply, more Bayside residents will become vulnerable to becoming homeless. By identifying approaches to assist in the increase of supply of social and affordable housing in Bayside, residents are less likely to be exposed to risk factors that contribute to homelessness.

Access to housing is foundational to human development and helps to achieve broader equity goals, and this is reflected through policy on a Federal, State and Local level. Affordable, stable housing can help people meet their basic needs and build reserves for unforeseen expenses, which is why Council is seeking to build and strengthen its roles and responsibilities to support the increase of social and affordable housing.

## Policy Context

This section aims to identify the roles and responsibilities of Federal, State and Local Government in providing housing policy and initiatives and to outline the policy framework that exists (where directly relevant).

At the Federal level, the Australian Government initiatives primarily relate to financing mechanisms to drive investment in affordable housing, which then directs State Governments to strategise how this funding will contribute to the increase in social and affordable housing.

While the Victorian Government also provides for funding, mostly through grant programs, they also build, own and manage public housing and provide funding to community housing agencies and set the rules on how this will be managed. The State government also controls the planning framework and sets policy and initiatives through the *Planning and Environment Act 1987*, Planning Schemes, *Plan Melbourne 2017-2050* and *Homes for Victorians*.

Local Councils in Victoria have less ability to collect money and provide funding or investment into social and affordable housing as revenue is made through the collection of rates and fines and not through tax collection. Council's ability to address the affordable housing crisis is primarily through advocacy, partnerships and innovation, investment (where possible) and planning tools made available by the State Government in the

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<sup>44</sup> SGS Economics and Planning, 'The case for investing in last resort housing' Issue Paper, 2017, available at: <https://www.sgsep.com.au/assets/main/SGS-Economics-and-Planning-Last-Resort-Housing.pdf>

<sup>45</sup> SGS Economics and Planning, 'The case for investing in last resort housing' Issue Paper, 2017, available at: <https://www.sgsep.com.au/assets/main/SGS-Economics-and-Planning-Last-Resort-Housing.pdf>

<sup>46</sup> SGS Economics and Planning, 'The case for investing in last resort housing' Issue Paper, 2017, available at: <https://www.sgsep.com.au/assets/main/SGS-Economics-and-Planning-Last-Resort-Housing.pdf>

<sup>47</sup> SGS Economics and Planning, 'The case for investing in last resort housing' Issue Paper, 2017, available at: <https://www.sgsep.com.au/assets/main/SGS-Economics-and-Planning-Last-Resort-Housing.pdf>

<sup>48</sup> SGS Economics and Planning, 'The case for investing in last resort housing' Issue Paper, 2017, available at: <https://www.sgsep.com.au/assets/main/SGS-Economics-and-Planning-Last-Resort-Housing.pdf>

Planning Scheme. Bayside City Council has prepared several plans and strategies that support and advocate for adequate affordable housing and has been a strong advocate to State and Federal government in increasing the quantity and quality of social housing in Bayside.

Despite the range of initiatives occurring at all levels of government, proportionate affordable housing is in decline and Council recognises that the preparation of an Affordable Housing Strategy can assist the increase in the supply of affordable housing at a local level, which responds to the policy developments of the Australian and Victorian governments.

## Australian Government

### *The National Housing and Homelessness Agreement 2018*

The National Housing and Homelessness Agreement (NHHA) commenced on 1 July 2018 and provides around \$1.5 billion each year to states and territories to improve Australians' access to secure and affordable housing across the housing spectrum.

Under the NHHA, to receive funding, state and territory governments need to have publicly available housing and homelessness strategies and contribute to improved data collection and reporting. The housing strategies must address the NHHA housing priority policy areas relevant to the state or territory. These housing priority policy areas include:

- affordable housing,
- social housing,
- encouraging growth and supporting the viability of the community housing sector,
- tenancy reform,
- home ownership; and
- planning and zoning reform initiatives.<sup>49</sup>

### *National Rental Affordability Scheme (NRAS)*

A Commonwealth Government scheme that commenced on 1 July 2008, providing annual incentives (tax credits – if paying tax, grants – if not paying tax) to investors for 10 years to create 50,000 new affordable rental properties rented to low-income and moderate-income households at 20 per cent below local area market rents. The scheme was stopped for new incentives in 2014.

On 1 April 2020 the *National Rental Affordability Scheme Regulations 2020* (2020 Regulations) came into effect replacing the 2008 Regulations that ceased operating on 1 April 2020, under the sunset provisions in the *Legislation Act 2003*.

### *Homes for Homes*

The Australian Government has provided \$6 million as seed funding to Homes for Homes, an independent, not-for-profit organisation established by social enterprise The Big Issue. Under the Homes for Homes initiative, homeowners voluntarily agree to a caveat on their property and make a tax-deductible donation at the time of sale of 0.1 per cent of the sale price (for example, a \$750 donation on a \$750,000 sale). As a voluntary initiative, the homeowner can opt-out of Homes for Homes at any time.<sup>50</sup>

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<sup>49</sup> Australian Government, Department of Social Services, 'National Housing and Homelessness Agreement 2018', available at: <https://www.dss.gov.au/housing-support-programs-services-homelessness/national-housing-and-homelessness-agreement>

<sup>50</sup> Australian Government, Department of Social Services, 'Homes for Homes', available at: <https://www.dss.gov.au/housing-support-programs-services-housing/homes-for-homes>

Revenue from the caveats is aggregated by Homes for Homes in the state or territory in which they were raised to fund social and affordable housing projects via a competitive selection process. The caveat mechanism is a new approach to generating capital for social and affordable housing, which Homes for Homes estimates has the potential to generate more than \$1.8 billion over 30 years.<sup>51</sup>

At its 15 September 2020 Ordinary Meeting, Council resolved that it:

- *Requires all planning permits issued for multi-dwelling developments to include a condition requiring the implementation of the Homes for Homes initiative, via a Section 173 Agreement, under the Planning and Environment Act 1987; and*
- *In partnership with Homes for Homes, commences a promotion program that demonstrates the benefits and volunteering opportunities for our community to contribute to housing security for the vulnerable.*

Council is now applying the planning permit condition. Further discussion on the Homes for Homes initiative is outlined in the 'Actions and Strategies' section of the Background Report.

## State Government

### *Planning and Environment Act 1987*

On 1 June 2018, changes to the *Planning and Environment Act 1987* (the Act) came into effect to help facilitate the supply of affordable housing through the planning system. These changes were:

- *Adding a new objective to the Act “to facilitate the provision of affordable housing in Victoria”;*
- *Providing a definition of affordable housing – “affordable housing is housing, including social housing, that is appropriate for the housing needs of very low, low, and moderate-income households”;* and
- *Affirming the use of section 173 for voluntary affordable housing agreements “...a Responsible Authority may enter into an agreement with an owner of land for the development or provision of land in relation to affordable housing.”*

These changes make it clear that the planning system has a role in facilitating affordable housing and clarifies that Responsible Authorities can enter into a voluntary agreement under section 173 of the *Planning and Environment Act 1987* for the provision of affordable housing as part of a development.<sup>52</sup>

### *Gender Equality Act 2020*

The Gender Equality Act 2020 recently came into effect to ensure that policies prepared by the public sector organisations consider possible gender inequality issues to safeguard against unintentionally reinforcing inequalities. A gender impact assessment was completed for the Affordable Housing Strategy as access to affordable housing is considered a gendered issue on a global scale.

The Affordable Housing Strategy and Background Report discusses the challenges faced by women and gender diverse individuals accessing social and affordable housing and how this issue needs to be addressed holistically.

### *State Planning Policy Framework*

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<sup>51</sup> Australian Government, Department of Social Services, 'Homes for Homes', available at: <https://www.dss.gov.au/housing-support-programs-services-housing/homes-for-homes>

<sup>52</sup> Bayside Housing Strategy, 2019, available at: <https://www.bayside.vic.gov.au/plans-and-strategies>

Within Planning Schemes across Victoria, the State Planning Policy Framework provides the State policy to guide land use planning outcomes. The following sections from Clause 16 of the Planning Policy Framework identify the importance of providing housing that is diverse and meets the changing household needs.

#### Clause 16.01-1S Housing supply

##### **Objective**

To facilitate well-located, integrated and diverse housing that meets community needs.

##### **Strategies**

Ensure that an appropriate quantity, quality and type of housing is provided, including aged care facilities and other housing suitable for older people, supported accommodation for people with disability, rooming houses, student accommodation and social housing. Increase the proportion of housing in designated locations in established urban areas (including under-utilised urban land) and reduce the share of new dwellings in greenfield, fringe and dispersed development areas. Encourage higher density housing development on sites that are well located in relation to jobs, services and public transport.

Identify opportunities for increased residential densities to help consolidate urban areas.

Facilitate diverse housing that offers choice and meets changing household needs by widening housing diversity through a mix of housing types.

Encourage the development of well-designed housing that:

- Provides a high level of internal and external amenity.
- Incorporates universal design and adaptable internal dwelling design.
- Support opportunities for a range of income groups to choose housing in well-served locations.

Plan for growth areas to provide for a mix of housing types through a variety of lot sizes, including higher housing densities in and around activity centres.

##### **Policy documents**

Consider as relevant:

- *Homes for Victorians – Affordability, Access and Choice (Victorian Government, 2017)*
- *Apartment Design Guidelines for Victoria (Department of Environment, Land, Water and Planning, 2017).*

#### Clause 16.01-2S Housing affordability

##### **Objective**

To deliver more affordable housing closer to jobs, transport and services.

##### **Strategies**

Improve housing affordability by:

- Ensuring land supply continues to be sufficient to meet demand.
- Increasing choice in housing type, tenure and cost to meet the needs of households as they move through life cycle changes and to support diverse communities.
- Promoting good housing and urban design to minimise negative environmental impacts and keep costs down for residents and the wider community.
- Encouraging a significant proportion of new development to be affordable for households on very low to moderate incomes.

Increase the supply of well-located affordable housing by:

- Facilitating a mix of private, affordable and social housing in suburbs, activity centres and urban renewal precincts.
- Ensuring the redevelopment and renewal of public housing stock better meets community needs.
- Facilitate the delivery of social housing by identifying surplus government land suitable for housing.

### Policy documents

Consider as relevant:

- *Homes for Victorians – Affordability, Access and Choice* (Victorian Government, 2017)

### *Plan Melbourne 2017-2050*

Plan Melbourne is Victoria’s Metropolitan Planning Strategy, setting the vision and policy direction for the growth of Melbourne to 2050. Plan Melbourne replaced Melbourne 2030, the former Metropolitan Planning Strategy in 2014 and was refreshed in 2017. It is projected that Melbourne’s current population of around 6.5 million will increase to 11.2 million by 2056 (Victoria in Future, 2019). To remain liveable, it is important that Melbourne does not continue to sprawl to accommodate these additional people. The more Melbourne sprawls, the greater the risk it will become an unsustainable city, divided by disadvantage and inequity.

For population growth to be sustainable, housing needs to be provided in locations that capitalise on existing infrastructure, jobs, services and public transport. To achieve this, Plan Melbourne encourages housing development in and around activity centres, proximate to services, transport, and jobs. This aligns with Outcome 2 of Plan Melbourne;

*Melbourne provides housing choice in locations close to jobs and services.*

In addition, this outcome seeks to increase the supply of social and affordable housing and to provide greater choice and diversity of housing as identified in Direction 2.3;

‘Increase the supply of social and affordable housing.’ This is underpinned by the following policies:

- Utilise government land to deliver additional social housing;
- Streamline decision-making processes for social housing proposals;
- Strengthen the role of planning in facilitating and delivering the supply of social and affordable housing;
- Create ways to capture and share value uplift from rezoning.

### *Homes for Victorians, 2017*

Homes for Victorians is the State Government’s \$2.7 billion package of initiatives aimed at addressing housing and homelessness. It includes 5 main initiatives:

1. *Supporting people to buy their own home;*
2. *Increasing the supply of housing through faster planning;*
3. *Promoting stability and affordability for renters;*
4. *Increasing and renewing social housing stock; and*
5. *Improving housing services for Victorians in need.*

Through these initiatives, the Victorian government has sought to abolish stamp duty and has undertaken various legislative reforms. In particular, the *Residential Tenancies Act 1997* was reformed to respond to the changes that have occurred over the past 20 years and the needs of renters and landlords. The reform also

introduced the Better Apartment guidelines to create a higher standard of development, while maintaining affordability.

*Homes for Victorians 2017* also introduced inclusionary housing obligations on surplus government land through an Inclusionary Zoning Pilot. The pilot program was undertaken on several sites in Melbourne, with proposals being fast tracked in response to the urgency of the affordable housing issue. Other fast-tracking mechanisms were sought by allowing additional applications to be assessed under VicSmart.

As part of its implementation, the State government committed \$185 million to renew public housing estates across Victoria suitable for redevelopment to provide a mix of social, affordable and private homes. One of the sites identified through this 'Public Housing Renewal Program' is the public housing estate in New Street, Brighton. The 127 dwellings on the site have recently been demolished and will be replaced by new public housing homes as well as private housing. It is expected that there will be an increase in the number of public housing homes on site, however the final number is yet to be confirmed.<sup>53</sup>

The final key theme of the Strategy is to improve housing services for Victorians in need. New funding for rooming house upgrades, implementation of the Family Violence Housing Blitz initiatives and an increase in grants from the Victorian Property Fund to support housing assistance for disadvantaged Victorians are a few of the main actions implemented to ensure people at risk of, or experiencing homelessness receive additional help.

*Homes for Victorians 2017* also set the intention to introduce new planning tools to increase the supply of affordable housing. Council continues to advocate for the introduction of an inclusionary zone and will support the Victorian government if it seeks to investigate its application within Bayside.

### *The Big Housing Build – Homes Victoria*

In November 2020, the Victorian Government announced the largest-ever investment in social and affordable housing. The Big Housing Build Program is being facilitated by the newly created department, Homes Victoria. Homes Victoria has been created for four reasons:

1. To support Victorians who are finding it difficult to secure stable, affordable housing and help them live their best possible life.
2. To manage the more than \$26 billion in housing assets that currently house more than 116,000 Victorians.
3. To renew and substantially expand those assets by ensuring the Big Housing Build is delivered on budget and on time.
4. To ensure a sustainable housing system that can deliver for generations to come.

The Big Housing Build Program intends to invest \$5.3 billion in more homes for Victorians, build 2,900 new affordable and market homes for first home buyers and renters, and provide more than 9,300 new social housing dwellings. In addition to the Big Housing Build;

- An extra \$498 million for public and community housing refurbishment, construction and maintenance;
- 600 new jobs in maintenance and refurbishments; and
- Refurbishing 23,000 existing social housing properties.

There are many other initiatives part of the Big Housing Build that seek to strengthen the relationship between State government, Community Housing Providers, Industry and Local government to support the delivery of this ambitious program. Homes Victoria have announced that they will work with local governments to develop a 'social and affordable housing compact' to assist local governments in identifying priorities for social housing

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<sup>53</sup> DHHS, 'Brighton – New Street', available at: <https://www.dhhs.vic.gov.au/brighton-new-street>

growth in their municipality. Consultation with councils on mechanisms to bring social housing closer to the treatment of other public value infrastructure such as schools and hospitals, which are exempt from council rates, is also set to occur.

Homes Victoria have announced the preparation of a ten year State-wide Social and Affordable Housing Strategy. It is expected that this strategy will provide for more transparency and greater opportunities to increase the supply of social and affordable housing within Victoria. Further information and discussion on the opportunities and implications of the Big Housing Build is provided on page 33 of this Background Report.

## Local Government Framework

Bayside City Council has a range of strategic plans and strategies that set the direction and goals for the municipality in the short and long term. The need to increase the supply of affordable housing is consistently reinforced in the *Bayside Council Plan 2017-2021*, *Bayside Community Plan 2025* and *Bayside Housing Strategy 2019*, and the Local Planning Policy Framework of the Bayside Planning Scheme.

This strategic direction has led to the preparation of the *Improving Housing Affordability and Social Housing Options in the City of Bayside – Advocacy Action Plan*, June 2018 and the adoption of the *Regional Local Government Homelessness and Social Housing Charter 2020*. More recently, it has been recognised that Council should advance from its advocacy to State Government, by developing a specific approach to facilitate and deliver more social and affordable housing in Bayside.

### *Bayside Community Plan 2025*

The Community Plan expresses a vision for Bayside for the next 10 years. Based on an extensive and ongoing community engagement process, it sits at the heart of Council’s planning framework. In relation to housing and neighbourhoods, the community’s aspiration is that, by 2025, members of our community will live close to public transport, in a home that suits their stage of life and is close to the services and facilities needed. Development will be sensitive to the neighbourhood character and will enhance what is currently enjoyed in Bayside.

Section 4 of the Bayside Community Plan outlines the community aspirations for this domain and indicators for Council and Victoria. The following are of particular relevance:

Community Aspiration	Indicators
<p>It is possible for older people to continue to live in Bayside, retire and maintain their interdependence. There are affordable retirement options for older people.</p> <ul style="list-style-type: none"> <li>○ I will be able to subdivide my property.</li> <li>○ I will be able to get the support and care I need.</li> </ul>	<p><b>Bayside City Indicators</b></p> <ul style="list-style-type: none"> <li>○ Housing mix (single dwellings, town houses and apartments).</li> </ul> <p><b>Community Indicators Victoria Markers of Liveability</b></p> <ul style="list-style-type: none"> <li>○ Average distance to nearest medical clinic.</li> <li>○ Density of access to services for older people by area (per square kilometre).</li> <li>○ Average distance to nearest public transport (bus, train).</li> </ul>
<p>Is it affordable for me to buy a home in Bayside.</p>	<p><b>Bayside City Council Indicators</b></p> <ul style="list-style-type: none"> <li>○ Ratio of housing cost to household income.</li> <li>○ Housing sales.</li> <li>○ Price segment (Census).</li> </ul>

		<ul style="list-style-type: none"> <li>○ Housing mix (single dwellings, town houses and apartments).</li> </ul> <p><b>Community Indicators Victoria</b></p> <ul style="list-style-type: none"> <li>○ Median house or unit/flat price</li> <li>○ Number of households with housing costs of 30% or more of gross income.</li> </ul>
Lead Agencies	Council's Role	Council Outputs
Bayside City Council State Government	Service Provider Regulator Advocate	<ul style="list-style-type: none"> <li>○ Plan for a range of housing types that meet community needs in appropriate locations as identified in the Bayside Housing Strategy.</li> <li>○ Continue to work with the community to develop local structure plans to guide design and developments in housing growth areas.</li> <li>○ Ensure that areas and places of heritage, environment and vegetation significance are protected.</li> <li>○ Ensure that the density and type of development is in accordance with the growth area designation of the Bayside Housing Strategy.</li> <li>○ Encourage effective vegetation replanting and tree retention for new developments through the implementation of Bayside landscape guidelines.</li> <li>○ Advocate community needs as part of influencing changes to state planning policies and controls.</li> <li>○ Develop and implement long-term plans and programs for the upgrade of infrastructure and facilities to ensure the community's changing needs are met.</li> </ul>
Bayside City Council	Regulator Partner Facilitator Service Provider	<ul style="list-style-type: none"> <li>○ Locate residential aged/disability care facilities and retirement villages that have good access to a range of community facilities and services.</li> <li>○ Ensure developments within Housing Growth Areas provide a diversity of housing options including a range of housing types, tenures and a variety of bedroom numbers.</li> <li>○ Advocate for adequate affordable and social housing to meet the needs of the community</li> </ul>
Bayside City Council	Regulator Partner Advocate	<ul style="list-style-type: none"> <li>○ Encourage the inclusion of affordable housing in large residential developments.</li> <li>○ Promote the innovative redevelopment and renewal of older public housing stock in Bayside.</li> <li>○ Monitor the changing demographic trends and associated demand for housing.</li> <li>○ Monitor the current and future supply of housing.</li> </ul>

### *Bayside Council Plan 2017-2021*

The Council Plan sets out Council's vision, goals, strategic objectives and strategies for the Council's 4-year term in office. The following goal is of relevance:

- Goal 3 – Housing and neighbourhoods - 'Neighbourhood housing development across Bayside will respect and enhance Bayside's valued built and natural heritage and neighbourhood character. New

housing growth will be focused on identified activity centres, demonstrating strong environmental credentials and providing a range of housing types to accommodate changing community needs.’

Within this goal, the following Council plan strategy and actions are identified:

*Improve housing affordability (including social housing) and housing needs of various life stages through advocacy.*

1. *Develop an advocacy action plan in year 1 to improve housing affordability and social housing options*
2. *Review the Housing Strategy to identify opportunities to improve housing affordability (including social housing) and housing needs of various life stages.*

Both actions have subsequently been completed, with the Housing Strategy being the launching pad for the development of Bayside’s Affordable Housing Strategy.

### *Bayside Community Vision 2050*

The Bayside Community Vision 2050 sets the consensual aspirational view of a desired future for Bayside and the key priorities, aspirations, and values that Council and the community will use to help make decisions to shape the Bayside of the future. The Community vision is underpinned by 10 vision themes;

1. The living environment/natural environment
2. Increase and enhance open space
3. Transport, walkability and rideability
4. Community feel and direction
5. Nurturing Creativity
6. Promoting Innovation
7. Council operations and accountability
8. Access and Inclusion
9. The built environment
10. Tourism, commercial & economic opportunities.

While the need to advocate for and facilitate the increase the supply of affordable housing is not a key priority within any of the aforementioned vision themes, the Community Vision does acknowledge the values in being an inclusive and accessible community, with the following priorities being listed in Vision theme 8:

- Barriers to participation for all people in accessing Council and community services to be identified and solutions implemented
- Bayside will improve accessibility to public infrastructure.

### *Wellbeing for All Ages and Abilities Strategy 2017-2021*

Bayside’s Municipal Public Health and Wellbeing Plan known as the ‘Wellbeing for All Ages and Abilities Strategy’ 2017-2021 outlines the health and wellbeing priorities for Bayside City Council over the next four years. The Strategy builds upon strengths from the previous plan and is a key strategic planning tool to maintain and improve public health and wellbeing at a local community level.

The Strategy is driven by four Action Plans (Early Years Action Plan, Youth Action Plan, Healthy Ageing Action Plan and Healthy Community Action Plan). The Strategy outlines the following three goals and twelve objectives:

Goal 1: An engagement and supportive community

- Improve mental health and resilience
- Support opportunities that build social networks and community connections
- Strengthen volunteerism

- Improve access to affordable, appropriate and inclusive services

Goal 2: A healthy and active community

- Increase physical activity opportunities
- Increase healthy eating
- Increase participation in health assessments and self-care

Goal 3: Safe and sustainable environments

- Reduce family violence
- Reduce consumption of alcohol and other drugs
- Improve community safety
- Improve environmental sustainability
- Improve community resilience to extreme weather events

The Wellbeing for All Ages and Abilities Strategy acknowledges that Bayside has an ageing population and assumes this will increase the number of lone person households in the future. Older residents and those with a disability or long-term illness report low scores for community connectedness and were more likely to report isolation compared to the general population.

In alignment with this Strategy, The Affordable Housing Strategy acknowledges the need for affordable housing to be built for residents of all ages, to respond to the Bayside demographics changing needs.

### *Bayside Housing Strategy 2019*

The *Bayside Housing Strategy 2019* was prepared to review and update the *Bayside Housing Strategy 2012* and was undertaken as an action of the *Bayside Council Plan 2017-2021*.

The *Bayside Housing Strategy 2012* guided how residential development in Bayside will be planned and managed to 2031, providing the spatial approach to how Council would manage growth across the municipality. The review supported the general approach of the 2012 Strategy and built upon its direction by amending the Strategy to ensure it continues to be relevant to current conditions and appropriately meet the needs of Bayside's residents now and in the future.

The Housing Strategy Review identified the need to continue with the existing spatial approach to housing growth, by accommodating the majority of growth in activity centres near fixed rail transport and directing minimal growth in low scale less accessible residential neighbourhoods. The review also found that Bayside's growth locations have sufficient housing capacity to meet population forecasts to 2036, as required by State planning policy.

The following sections of the Strategy are referenced for recognising the key challenges associated with providing social and affordable housing and homelessness and temporary accommodation:

#### *Key Challenges associated with managing housing growth*

##### Section 7.3 Social and affordable housing

The *Planning and Environment Act 1987* defines affordable housing as 'housing, including social housing, that is appropriate for the housing needs of any of the following: very low income households; low income households; moderate income households'.

As mentioned above, social housing forms part of affordable housing and typically refers to housing that is owned by the Victorian Government or a not-for-profit Registered Housing Agency and made available at affordable rents for eligible households. This form of housing generally addresses those households with the highest needs and a range of those households who receive various assistance or support (for example rent assistance).

While Bayside is generally an affluent municipality, there are sections of the Bayside community that experience disadvantage, with approximately 3.6% of the population in need of affordable housing.

The Governor in Council Order specifies the income ranges for very low, low and moderate income households for affordable housing that is not social housing, whilst income limits for social housing are determined by the Director of Housing.

Whilst the causes of the lack of affordable housing are many, and complex, there is a role for the planning system, and for Council, to play in facilitating affordable housing in Bayside to ensure our low income residents and workers can continue to live in the municipality.

As part of the State government's public housing renewal program, the existing public housing site in New Street, Brighton, is being redeveloped to provide additional public and private housing. Council has advocated for increasing the supply of public and affordable housing at the site to support disadvantaged members of the Bayside community.

#### Section 7.4 Homelessness and temporary accommodation

Homelessness is a complex issue. In defining homelessness, the Australian Bureau of Statistics (ABS, 2018) emphasises the 'home' in homelessness – as home encompasses a sense of security, stability, privacy, safety and the ability to control one's living space. This in real terms is a lack of access to safe, secure and appropriate housing through one or more of such elements.

Rough sleeping is a form of homelessness which refers to living on the street, sleeping in parks or cars, squatting, or living in improvised dwellings. As in many cities around the world, homelessness across greater Melbourne and Bayside is growing, and the visibility of those without adequate accommodation is on the rise.

The main reasons people experience homeless are: lack of affordable housing, family violence, financial stress, disability, mental health, alcohol and/or other drug issues. Many people have short and one-off experiences of homelessness, but for some it stretches into years and it may take a range of supports to get housing. Every person's story is unique.

Despite relatively high-income levels of residents in Bayside, those experiencing homelessness is on the increase. In Bayside, most homelessness is hidden, including people staying in hotels, motels, or other temporary accommodation, living in unsafe conditions, or sleeping on relative's or friend's couches (couch-surfing).

The following section of the *Bayside Housing Strategy 2019* identifies the actions required to be implemented to assist in overcoming the key challenges in Bayside alike social and affordable housing, and homeless and temporary accommodation:

#### *Implementation*

##### Section 9.3 Social and affordable housing

#### **Objective 4**

To facilitate the delivery of social and affordable housing in Bayside.

#### **Implementation actions**

- Continue to implement the Improving Housing Affordability and Social Housing Options in the City of Bayside – Advocacy Action Plan, June 2018.
- Develop a specific approach to facilitating and delivering more social and affordable housing in Bayside.

##### Section 9.4 Homeless and temporary accommodation

## **Objective 5**

To ensure people experiencing homelessness or rough sleeping are provided with connections to services and support.

### **Implementation actions**

- Develop a policy position with key partners in relation to homeless and rough sleeping in Bayside.

Appendix 1 of the *Bayside Housing Strategy 2019* provides an 'Implementation Plan' which outlines the timeframes and responsible departments in Council to implement each of the implementation actions from the Housing Strategy. The Plan is set out and reviewed in 'Review: Existing Framework' section of this Background Report. Rather than moving forward with an Affordable Housing Policy as outlined in the Housing Strategy, Council is instead developing a separate Affordable Housing Strategy which is more aligned with the strategic direction of the Victorian government, as well as other local governments within Victoria.

### *Advocacy Strategy 2021-2022*

Bayside's Advocacy Strategy helps Council prioritise, develop and implement activities that lead to positive outcomes for the community including changes to policy; legal; regulatory and financial support. "Greater affordable housing in the broader region" is a Tier 2 priority identified in Theme 3 of the Advocacy Strategy 2021-2022. The finalisation of the Affordable Housing Strategy identifies advocacy as a key theme and aligns with the objectives of the Advocacy Strategy.

### *The Local Planning Policy Framework*

The following sections of the Local Planning Policy Framework have been cited as it provides objectives and strategies to manage population growth and the accommodation of medium and high density housing, including affordable housing.

#### Clause 21.03 Settlement and Housing

This Clause provides local content to support Clause 11 (Settlement) and Clause 16 (Housing) of the State Planning Policy Framework.

#### **Key Issues**

- Forecast population increases will demand for additional dwellings.
- Housing preferences and behavioural patterns of market segments are changing and influencing the number and type of dwellings being produced, for example smaller households are seeking low maintenance dwellings with good internal spaces and smaller gardens.
- Activity Centres will play an increasingly important role in providing for future housing needs, particularly as opportunities diminish elsewhere due to neighbourhood character, heritage and environmental constraints.
- Enabling increasing diversity and density of dwellings in activity centres to provide for future housing needs.
- Continued conversion of lots to medium density housing and subdivision is reducing the size of allotments and may lead to reduced housing choice in some areas.
- The redevelopment potential within and around selected Activity Centres provides opportunities for medium density housing, resort style accommodation and shop top housing.

#### **Objective**

To accommodate population increases and respond to changing demographic profiles.

#### **Strategies**

- Ensure a diversity of housing is provided to meet the needs of the community over time.
- Support the provision of housing to enable people to live in Bayside throughout their lives.
- Enhance the range of accommodation options for older people and the availability of affordable housing.
- Direct new medium density housing to Major Activity Centres, residential opportunity areas, particularly those with good access to public transport routes as identified in the Residential Strategic Framework Plan.

#### Clause 21.03-1 Activity Centres

##### **Objective 1**

To direct new medium density housing to Major Activity Centres, Neighbourhood Activity Centres and residential opportunity areas, particularly those with good access to public transport routes identified in the Residential Strategic Framework Plan.

##### **Strategies**

- Incorporate a range of suitable accommodation options, including for older people and affordable housing.
- Facilitate the renovation and use of shop top dwellings

##### **Objective 2**

To deliver increased housing densities and diversity of dwellings within activity centres.

##### **Strategies**

Provide for increased diversity and density of housing to meet the needs of the community and increased activity in activity centres.

- Encourage the use, renovation and development of shop top dwellings.
- Add to or replace the single storey buildings with new multi-storey buildings to provide additional housing opportunities in business precincts and zones.
- Encourage redevelopment of larger sites for higher density residential dwellings.
- Discourage the replacement and construction of single dwellings.
- Encourage the more efficient use of built form through the consolidation of sites and construction of basement car parks.

##### **Implementation**

The strategies contained in this clause will be implemented through the planning scheme through the following:

##### **Applications of zone and overlays**

- Include residential land within an appropriate residential zone.
- Apply the Mixed Use Zone to selected Neighbourhood Activity Centres to encourage conversion to residential use.
- Apply the Development Plan Overlay to large new residential developments to simplify the development approvals process while still managing the form of development.
- Apply the General Residential Zone to residential areas within the Martin Street Activity Centre.

##### **Further strategic work**

- Develop a Housing Strategy to address demographic trends, economic life of existing housing stock, match housing supply and demand, infrastructure requirements and the special needs of low income families and the aged.
- Identify areas which have limited capacity for higher density development due to environmental sensitivity.

- Investigate the need for medium density housing provisions.

### *Improving Housing Affordability and Social Housing Options in the City of Bayside – Advocacy Action Plan, June 2018*

In June 2018, Council adopted the *Improving Housing Affordability and Social Housing Options in Bayside Action Plan – Advocacy Action Plan*, providing an overview of Council’s intended advocacy in relation to social and affordable housing.

The Advocacy Action Plan guides Council’s advocacy efforts in relation to affordable and social housing in Bayside. The objectives include:

- To increase the supply of social and affordable housing on State Government land.
- To encourage and facilitate the private sector to deliver affordable housing stock.

The Advocacy Action Plan aims to influence outcomes that:

- Maximise the provision of public and affordable housing;
- Achieve social integration;
- Respect neighbourhood character; and
- Ensure compliance with planning controls.

Through this work, Council’s main goal has been to advocate to the State Government to increase the quality and quantity of social housing in Bayside. In December 2016, Council partnered with DFFH (Formerly DHHS) to undertake renewal of the public housing at New Street, Brighton, which is still ongoing. Through the program, 11 estates in Victoria have been chosen and make up for 2.9 per cent of the State’s public housing.<sup>54</sup>

The 127 dwellings on the site have been demolished and will be replaced by new public housing units as well as private housing. The redevelopment will provide for an increase of housing that is a mix of public, private and affordable that will meet the housing needs of a greater range of Victorians on the Victorian Housing Register. The new homes will be built to the Better Apartments Design Standards, will meet the Gold Level Liveable Housing Guidelines and will be 5-star energy and water rated.<sup>55</sup>

While the Advocacy Action Plan has strengthened Council’s position as an advocate for the increase in social and affordable housing, it does not have the same weight, or strategic justification as a more robust framework to responding to affordable housing does. The Advocacy Action Plan is limited to its advocacy forefront, and does not set goals or objectives that require Council to take on new initiatives or commit to any changes in policy or planning that would assist the increase of social and affordable housing in Bayside. The role of the Affordable Housing Strategy will ensure that advocacy is considered as part of the other avenues available to Council to increase the supply of social and affordable housing in Bayside. A detailed review of Council’s implementation of the *Improving Housing Affordability and Social Housing Options in Bayside – Advocacy Action Plan*, June 2018 is provided at Appendix 1.

### *Regional Local Government Homelessness and Social Housing Charter 2020*

The Regional Local Government Homelessness and Social Housing Charter (‘the Charter’) was developed by 13 Councils to call for urgent action and address the need for increased social housing and a more effective, integrated and supported homelessness service system.

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<sup>54</sup> DHHS, ‘Brighton – New Street’, available at: <https://www.dhhs.vic.gov.au/brighton-new-street>

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The Charter was adopted in August 2020 by Bayside City Council, and the Cities of Casey, Cardinia, Frankston, Greater Dandenong, Knox, Kingston, Manningham, Monash, Maroondah, Whitehorse, and the Mornington Peninsula and Yarra Ranges Shire Councils.

The Charter identifies the following regional commitments for the 13 Councils:

1. Working in partnership with federal and state government, public and private sector partners to coordinate our approach and deliver meaningful outcomes to increase the provision of social housing and respond to homelessness in south and east Melbourne.
2. Scoping land within each LGA that has the potential to be re-purposed for adaptable housing needs, and to share these insights on a regional scale with the intention of identifying suitable sites for the development of social housing.
3. Advocating together for inclusive housing growth including mandatory inclusionary zoning.

The Charter is guided by the following principles:

- **Shared responsibility, accountability and success**
  - We will partner, leverage our strengths and be accountable to the commitments of this Charter.
- **Housing as core infrastructure**
  - We recognise that housing solves homelessness
  - We consider social housing as core infrastructure that can strengthen communities
  - We understand the ability of local government to influence infrastructure outcomes.
- **Human rights and 'Housing First'**
  - We recognise that housing is a human right for every person
  - We recognise the ability of local government to influence an increase in social housing in our region
  - We will work with the homelessness sector to deliver a housing first response to homelessness.
- **Urgency, innovation and collaboration**
  - We recognise and commit to act on the urgency of the situation which has been compounded by COVID-19
  - We reflect this urgency in a well-considered, innovative and timely collective action to deliver outcomes for our region.

The Charter working group has also prepared and adopted a Terms of Reference which identifies a Regional Implementation Framework. Many of the actions from this framework are inextricably linked to the increase in supply of social and affordable housing and can be combined as actions in the Affordable Housing Strategy, including:

- Identifying the partners, networks and complementary agendas the Charter needs to collaborate with, including stimulus funding opportunities.
- Engaging with networks to collate a potential pipeline of projects and sites, from preliminary to 'shovel ready'.

### *Healthy Community Action Plan 2017-2021*

*The Healthy Community Action Plan 2017-2021* is one of a suite of four action plans aligned to the *Wellbeing for All Ages and Abilities Strategy 2017-2021* (WAAA), Council's municipal public health and wellbeing plan. This action plan documents the actions Council, and its partners, will undertake over a four-year period to achieve the goals and objectives of the WAAA which support the strategic direction of the *Council Plan 2017-2021*.

The Healthy Community Action Plan 2017-2021 aims to promote and enable healthy lifestyles and social support and is based on the 'Social Model of Health' that recognises the wide range of factors which influence health and wellbeing. Whilst this action plan does not identify strategies to assist the increasing of social and affordable housing in Bayside, it does identify actions that interrelate to this issue and the improvement in access to housing and services.

Objective 1.4 'Improve access to affordable, appropriate and inclusive services' identifies the following as actions:

- Review the Housing Strategy with a particular focus on housing affordability and social housing;
- Review the Neighbourhood Character Study.

Through the Housing Strategy Review 2019, there was a focus on housing affordability and social housing which was set through the *Bayside Council Plan 2017-2021*, *Bayside Community Plan 2025* and the *Healthy Community Action Plan 2017-2021*. What was uncovered has notably led to the preparation of the Affordable Housing Strategy.

## Big Housing Build

In November 2020, the Victorian Government announced the commencement of the Big Housing Build Program – the largest-ever investment in social and affordable housing in Victoria. The program intends to invest \$5.3 billion in more homes for Victorians, build 2,900 new affordable and market homes for first home buyers and renters, and provide more than 9,300 new social housing dwellings. In addition to the Big Housing Build;

- An extra \$498 million for public and community housing refurbishment, construction and maintenance
- 600 new jobs in maintenance and refurbishments
- Refurbishing 23,000 existing social housing properties.

Through the Big Housing Build program, it is also intended that Homes Victoria will work with local governments to develop a 'social and affordable housing compact' to assist local governments in identifying priorities for social housing growth in their municipality. There is also intention to bring social housing closer to the treatment of other public value infrastructure such as schools and hospitals, which are exempt from council rates.

Another initiative of the Big Housing Build is to provide 10% of Victoria's social housing boost for housing developments to meet the needs of Aboriginal Victorians. Special note of the commitment to boost social housing for Aboriginal Victorians is made, as this initiative has a strong alignment with Bayside City Council's Reconciliation Action Plan (RAP) which aims to advocate and improve access to services, supports and infrastructure for local Aboriginal and Torres Strait Islander people.

### VC187 & VC190 Amendments

The Big Housing Build program has introduced two Amendments to all Victorian Planning Schemes to prioritise social and affordable housing developments in order to accelerate the approval processes. The amendments make changes to Victorian Planning Schemes to allow the Victorian government to assess and approve planning proposals funded through the Big Housing Build program.

It is intended that these amendments will expedite the planning process by introducing a 'one-stop-shop' approach where usual planning provisions are exempt from assessment and replaced with new requirements, standards and design guidelines in Clauses 52.20 and 53.20. There is concern of the implications of these amendments as it introduces exemptions to undertake public notification and third party review at VCAT.

The Victorian government has clarified that they are still releasing further information to assist local governments navigating the introduction of VC187 & VC190 and will release a Planning Practice Note in 2021.

### Opportunities and Implications

The announcement of the Big Housing Build program will provide greater opportunities to the housing industry sector to increase the supply of social and affordable housing in Victoria. The increase in funding to registered

community housing providers will also prove to be a steppingstone for Council to build relationships with these providers and seek their investments within the City of Bayside.

There are very few community housing providers within Bayside currently, likely due to the costs of land in Bayside. However, if providers are able to successfully access funding, opportunities for community housing providers to invest in Bayside will become greater, especially if providers are able to link with private developers which would further decrease costs of development.

Given the announcement of \$498 million for public and community housing refurbishment, construction and maintenance, there are now greater chances that Council's Community Development Steering Committee would be successful in advocating for refurbishments at the Bluff Road Hampton East Estate and the Dunkley Fox Highett Estate. Previously, the group has been successful in accessing funding for playground upgrades at estates and has been involved in the consultation, alongside the Urban Strategy department, for the redevelopment of the public housing estate in New Street, Brighton which has been undertaken through the Public Housing Renewal Program.

Notwithstanding the above, there are also many implications from the Big Housing Build that must be considered. The introduction of VC187 & VC190 are of particular concern, and the risks subject to the exemption of public notification and third-party review. There has been little confirmation as to what kind of community consultation will take place in lieu of the public notification period and whether this is a responsibility of the Victorian government, local government or shared between the two.

Not only do the planning reforms limit the community's ability to provide comment on any proposed development, Council's ability to control outcomes sought in proposals is also diminished. Where uproar in the community occurs due to a lack of community consultation, it is likely this angst will be directed towards Council as residents will be unaware of the roles and responsibilities of government bodies that differ for sites owned by the State Government, and housing that has been declared as 'housing by or on behalf of the Director of Housing.'

Another risk likely to effect Council's financial capacity is the loss in rates revenue. Currently, rates from social housing properties provide for approximately \$800,000 in revenue a year. The Victorian government have advised that consultation with councils on mechanisms to exempt Council rates on these properties is set to occur shortly. Through this consultation, it will be Council's priority to deliberate the financial implications that could be imposed if there was a loss in rate revenue.

At the time of writing this Background Report, the progression of the Big Housing Build program was still in its early stages. Further implications and opportunities will continue to be addressed as information relating to initiatives is released to local governments.

## Bayside's Demographic Profile

Population and household trend data analysed during the Housing Strategy Review indicated that:

- Bayside will need approximately 422-541 additional dwellings per year to house forecast population growth.
- Families with children will remain the predominant household type, however the percentage of couple-only and lone-person households will increase.
- A diversity of household types will be needed including smaller and adaptable homes, as well as residential aged care to enable people to age in place.

- Approximately 3.6% of all Bayside households have an unmet need of affordable housing and lone persons are the largest group in need.<sup>56</sup>

Whilst this snapshot into the population and types of households in Bayside has recognised the importance of delivering and advocating for more affordable housing in Bayside, there is a need to undertake a further examination to understand the existing and future trends and how this can influence the actions, objectives and outputs of an Affordable Housing Strategy.

In 2021, .id Consultants provided updated forecast and population trends for Bayside to 2026 and 2041 which have been utilised in this Background Report. The data referenced in this section of the Background Report has been taken from the City of Bayside Community Profile, Social atlas, Population forecast, Economic profile and Housing monitor databases available at <https://profile.id.com.au/bayside>. In particular, the following economic profile indicators have been utilised:

- Population and age structure;
- Workers and employment in Bayside;
- Types of households;
- Household incomes;
- Household stress; and
- Housing and rental affordability.

This information has assisted Council in developing a greater understanding of existing and future Bayside residents and local workers that do not live in Bayside but are vital members of its community.

## Key Data

The population estimate for the City of Bayside in 2021 is 109,376 people. The most dominant housing type is single dwellings and the most dominant household type is 'Couple families with dependents.' Looking to the future, the City of Bayside is set to grow to 128,169 by 2041. Residential development forecasts assume the number of dwellings will increase by an average of 480 dwellings per year, estimating 53,271 dwellings in Bayside by 2041, 'couples without dependents' is expected to be the most dominant household type by 2026 and the number of persons per household will slightly decrease from 2.57 to 2.49 2.51 by 2041.

## Age Structure

The median age is 44 years of age. The highest number of residents are within 45 to 49 years of age, accounting for 8.3% of Bayside's population.

Between 2016 and 2026, the age structure forecasts for the City of Bayside indicate a 4.5% increase in population under working age, a 20.8% increase in population of retirement age, and a 10.3% increase in population of working age. This means that by 2041, residents aged 50+ will be about 42.1% of the population.

Figure 7 | Forecast age structure

Forecast age structure - Service age groups							
City of Bayside - Total persons	2016		2026		2041		Change between 2016 and 2041
	Number	%	Number	%	Number	%	
Age group (years)							Number
Babies and pre-schoolers (0 to 4)	5,557	5.4	6,130	5.4	6,805	5.3	+1,248
Primary schoolers (5 to 11)	9,898	9.6	9,998	8.7	10,988	8.6	+1,090

<sup>56</sup> Bayside Housing Strategy, 2019, available at: <https://www.bayside.vic.gov.au/plans-and-strategies>

Secondary schoolers (12 to 17)	8,213	8.0	8,835	7.7	9,573	7.5	+1,360
Tertiary education and independence (18 to 24)	7,939	7.7	9,079	7.9	9,709	7.6	+1,770
Young workforce (25 to 34)	9,274	9.0	10,900	9.5	12,123	9.5	+2,849
Parents and homebuilders (35 to 49)	21,801	21.2	22,517	19.7	25,122	19.6	+3,321
Older workers and pre-retirees (50 to 59)	14,999	14.6	16,520	14.4	17,160	13.4	+2,161
Empty nesters and retirees (60 to 69)	11,614	11.3	13,581	11.9	14,826	11.6	+3,212
Seniors (70 to 84)	9,900	9.6	13,304	11.6	17,054	13.3	+7,154
Elderly aged (85 and over)	3,717	3.6	3,533	3.1	4,810	3.8	+1,093
<b>Total persons</b>	<b>102,912</b>	<b>100.0</b>	<b>114,397</b>	<b>100.0</b>	<b>128,169</b>	<b>100.0</b>	<b>+25,257</b>

## Ethnicity, Education and Disability

Within Bayside, 24,573 people who live here were born overseas and 19% of these people arrived in Australia within the five years prior to 2016. Correlating to this, 14.6% of our residents speak a language other than English at home.

The following five ancestries account for 98.15% of responses from the Census in 2016:

- English (38.0%)
- Australian (29.9%)
- Irish (13.6%)
- Scottish (11.4%)
- Italian (5.2%)

In 2016, 39.1% of Bayside residents had a Bachelor or Higher degree qualification representing an increase of 4,955 people since 2011. Overall, 60% of the population aged 15 and over held educational qualifications, and 31.4% had no qualifications, compared with 52.2% and 38.6% respectively for Greater Melbourne.

In 2016, 4.3% of the Bayside population reported needing help in their day-to-day lives due to disability. This is about 4,213 people. It is also known that 79.5% of these people were older than 75 years of age. When combining this with our ageing population, it is adherent that we must continue to provide for housing that is not only affordable, but adaptable and liveable to people in all stages of their life.

## Employment

Bayside is home to 45,989 employed residents. This means 4.6% of the Bayside population is unemployed, which is below the Greater Melbourne average (6.8%). In June 2019, there were 35,538 jobs in Bayside.

62.4% of our residents have a tertiary qualification which explains the popularity in the following industry sectors:

- 14.9% of Bayside residents work within the 'professional, scientific and technical services' industry sector, which is a larger percentage of persons employed in this sector in comparison to Greater Melbourne (9%);
- This is followed by the 'Health Care and Social Assistance' industry sector, which employs 11.4% of the Bayside population, Education and Training (9.9%), Retail Trade (9.1%); and
- Financial and Insurance Services (6.9%).

In combination, these five industries employed 24,002 people in total or 52.2% of the total employed resident population.

In 2016, 23.9% of the Bayside population reported doing some form of voluntary work, which was a greater proportion than Greater Melbourne (17.6%). This indicates that Bayside residents provide a high level of contribution and willingness to give back to the community.

While Bayside is home to many employed residents, less than half of Bayside residents work within the municipality. Local workers are people that work within the City of Bayside, regardless of where they live. Of the 29,540 local workers in Bayside, 11,953 or 40.5% also live in the area. **Figure 8** reveals the various characteristics in relation to the local workers in Bayside; how old they are, what they do and at what income. This can be read in combination with **Figure 9** which provides the residential location of these local workers.

**Figure 8 | Local workers key statistics**

City of Bayside			
	2016		
Name	Number	%	Victoria
<b>Local workers</b>			
Total local workers (Census)	29540	100	100
Males	13570	45.9	52.6
Females	15967	54.1	47.4
<b>Age structure</b>			
15 - 24 years	4391	14.9	13.9
25 - 54 years	18455	62.5	67.3
55 - 64 years	4763	16.1	14.6
65 years and over	1930	6.5	4.2
<b>Top three industries</b>			
Health care and social assistance	5100	17.3	12.5
Education and training	3480	11.8	8.7
Retail trade	3111	10.5	10.2
<b>Top three occupations</b>			
Professionals	7872	26.6	23.2
Community and personal service workers	4666	15.8	10.6
Managers	3948	13.4	13.5
<b>Qualifications</b>			
Bachelor or higher degree	11340	38.4	33.3
Advanced diploma or diploma	3949	13.4	11.5
Certificate level	5128	17.4	20.8
No qualifications	8360	28.3	31.6
<b>Individual Income</b>			
Less than \$500	6565	22.2	18.7
\$500 - \$1,749	17315	58.6	62
\$1,750 or more	5182	17.5	17.5

Source: Australian Bureau of Statistics, Census of Population and Housing 2011 and 2016. Compiled and presented by.id the population experts. Please refer to specific data notes for more information

**Figure 9 | Residential location of local workers by LGA**

City of Bayside		
LGA	Number	Percentage
Bayside (C)	11,953	40.5
Kingston (C) (Vic.)	4,294	14.6
Glen Eira (C)	2,741	9.3
Frankston (C)	1,236	4.2
Port Phillip (C)	1,219	4.1
Casey (C)	1,123	3.8
Greater Dandenong (C)	1,078	3.7
Monash (C)	951	3.2
Stonnington (C)	691	2.3
Mornington Peninsula (S)	489	1.7
Boroondara (C)	446	1.5
Knox (C)	346	1.2
Melbourne (C)	311	1.1
<i>Others location &gt;1% not listed</i>		

With 11,953 people living and working in Bayside, this means there are 17,587 local workers in Bayside that do not currently reside within the municipality. Most of these workers are employed within the following sectors:

- Health care and social assistance is the most popular industry for local workers (17.3%).
- Education and training makes up for 11.8% of our local workforce, and
- Retail trade at 10.5%.

38.4% of these workers have a Bachelor or higher degree, while 28.3% have no qualifications.

In addition, these local workers are relatively young, with 62.5% aged between 25-54, with most on relatively low weekly incomes:

- 22.2% of local workers have an individual weekly income less than \$500.
- 58.6% of local workers have an individual weekly income between \$500-\$1,749.

Of the 17,587 local workers that do not live in Bayside, neighbouring municipalities are the most common places of residence – Kingston, Glen Eira, Frankston and Port Phillip. Notably, there are also a number of local workers that live further distances in municipalities like Greater Dandenong, Casey, Knox and Melbourne.

Between 2011 and 2016, there was a number of emerging industries and changes in the jobs held by local workers. More than 484 local workers were employed in the Education and Training industry, over 485 in Financial and Insurance services and over 495 within Health Care and Social Assistance. It's important that Bayside continue to support people within these industries, by providing access to affordable housing so they can comfortably live and work within Bayside, which will in turn support the local economy and increase jobs in the municipality.

## Bayside Households

Bayside's population is growing. It is expected to grow to 114,397 by 2026. It is no surprise that with this comes a forecasted increase of households in Bayside. By 2041, the number of dwellings in the City of Bayside is forecast to grow to 53,271 in 2041, with the average household size falling from 2.57 to 2.49.

This decrease in household size is reflected in the forecast of household types through to 2026 and 2041; Lone person households, one parent families, group households and couples with dependents all increasing as household types. In fact, lone person households made up for 24.4% of the Bayside population in 2016, which was greater than the Greater Melbourne percentage (23.3%).

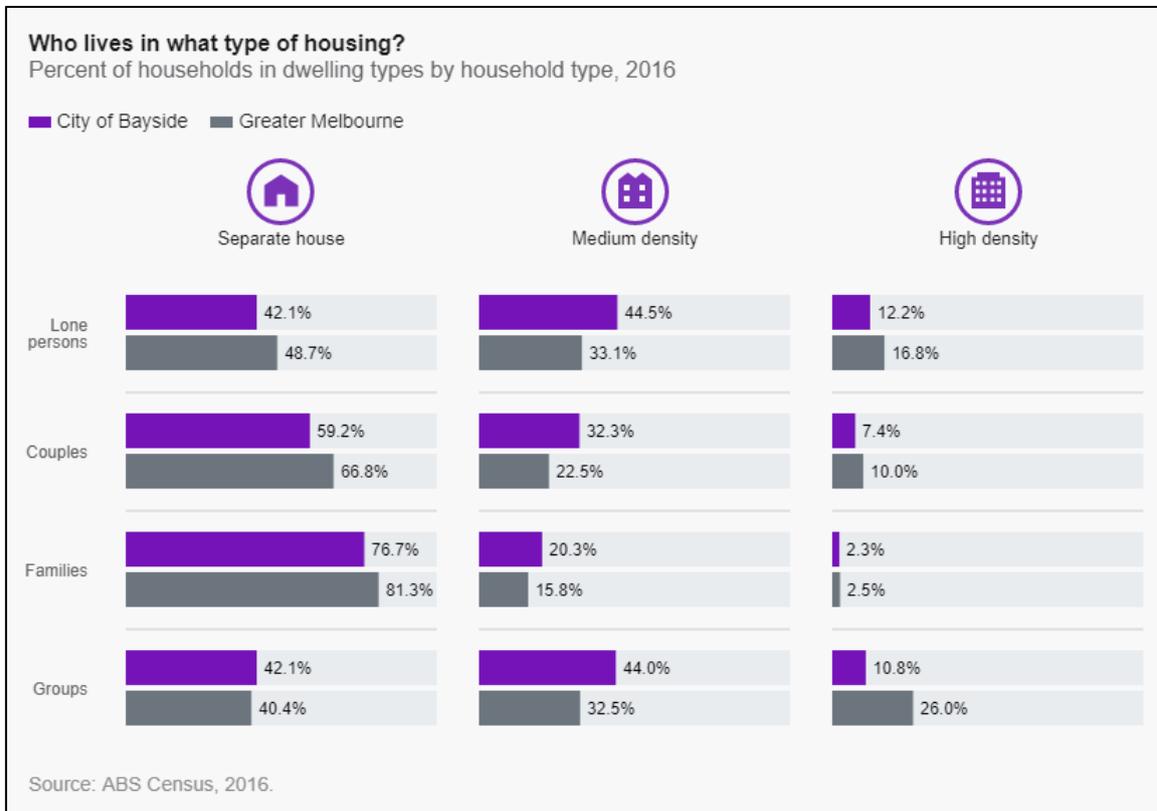
Meanwhile, Couple families with dependents remain the dominant household type, but set to decrease from 37.9% in 2016 to 34.7% by 2041. This is identified below in **Figure 10**.

**Figure 10 | Forecast household types to 2026 and 2041**

Forecast household types							
City of Bayside	2016		2026		2041		Change between 2016 and 2041
Type	Number	%	Number	%	Number	%	Number
Couple families with dependents	14,894	37.9	16,063	36.2	17,545	34.7	+2,651
Couples without dependents	10,098	25.7	12,039	27.2	14,052	27.8	+3,954
Group households	873	2.2	1,041	2.3	1,195	2.4	+322
Lone person households	9,601	24.4	10,714	24.2	12,677	25.1	+3,076
One parent family	3,296	8.4	3,810	8.6	4,363	8.6	+1,067
Other families	560	1.4	667	1.5	759	1.5	+199

Of these households within Bayside, the majority live within separate housing (dwelling) or medium density housing. While high density housing wasn't as popular, it did account for 12.2% of lone person households, and 10.8% of group households. More statistics on who lives in what types of households can be found in **Figure 11**.

**Figure 11 | Types of housing in Bayside**



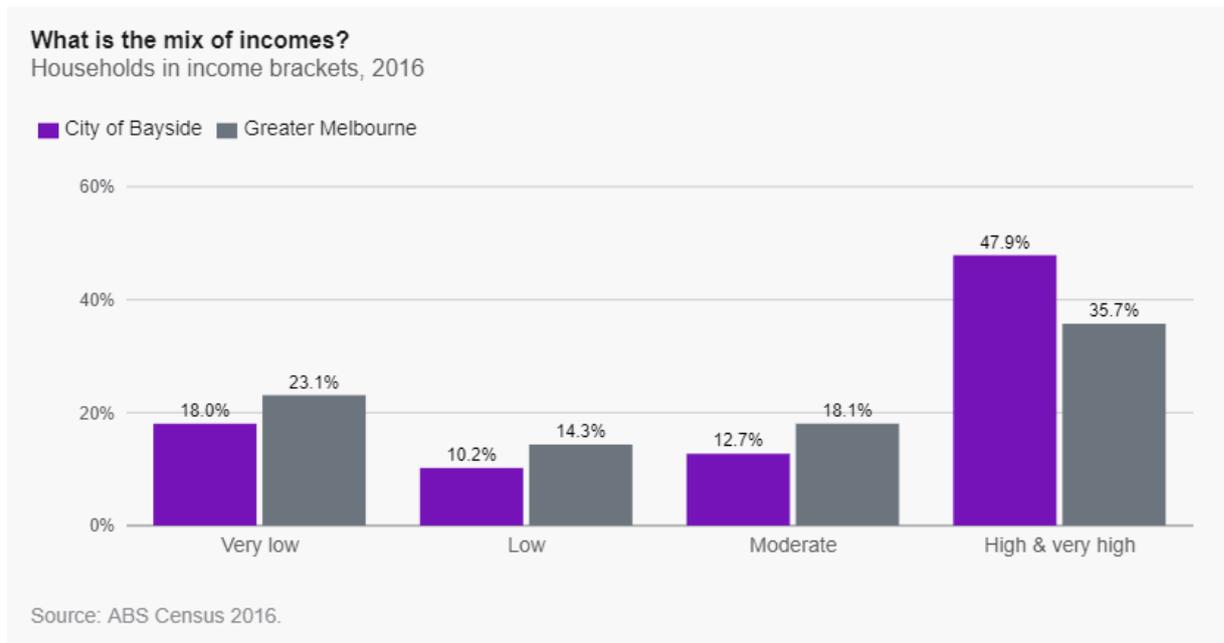
The diversity in households and forecasted decrease in household size reflects and reiterates the need to diversify housing models in new developments in Bayside. As we look to the future, medium and high density developments will need to be able to provide for adaptable and affordable housing to accommodate the changing needs of Bayside's growing population.

## Household Incomes

To understand the need for affordable housing in Bayside, it is important to identify the mix of incomes and household ownership. In Bayside, there is a large amount of households within the 'High' and 'Very High' income ranges (47.9%). However, there is also a large percent of households that have 'Very Low' incomes (18%) and 'Low' incomes (10.2%).

## Are Households in Housing Stress?

Figure 12 | Mix of incomes in Bayside



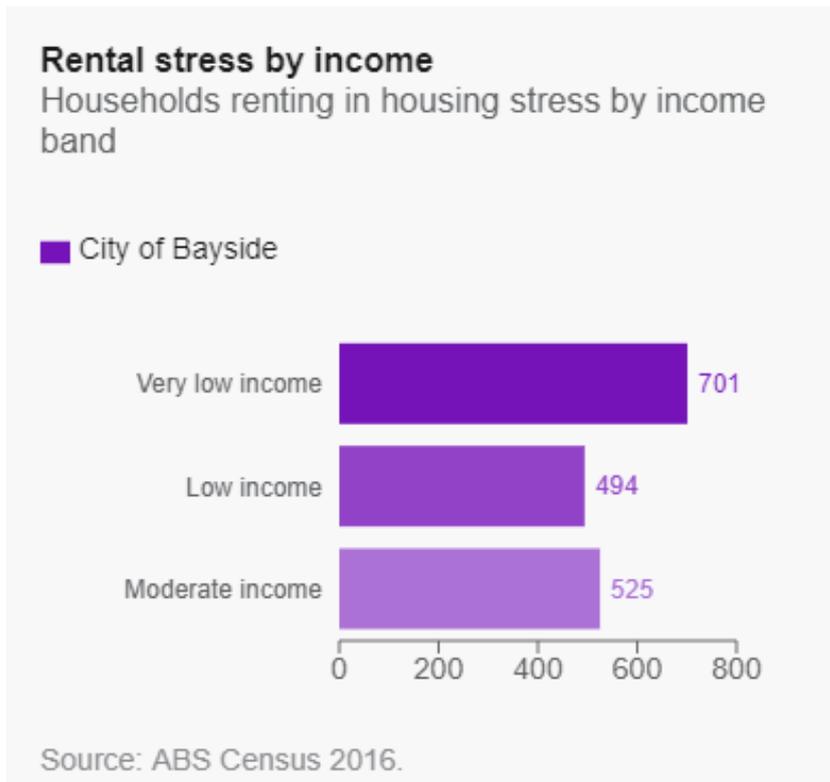
Housing stress happens when a household spends more than 30% of its gross household income on rent or mortgage. In 2016, about 2,769 Bayside households were in housing stress.

- Of the 11,624 households with a mortgage in Bayside, 1,049 (9%) are in mortgage stress.
- Of the 8,190 households renting in Bayside, 1,720 (23.7%) are in rental stress.

Figure 13 | Mortgage stress by income



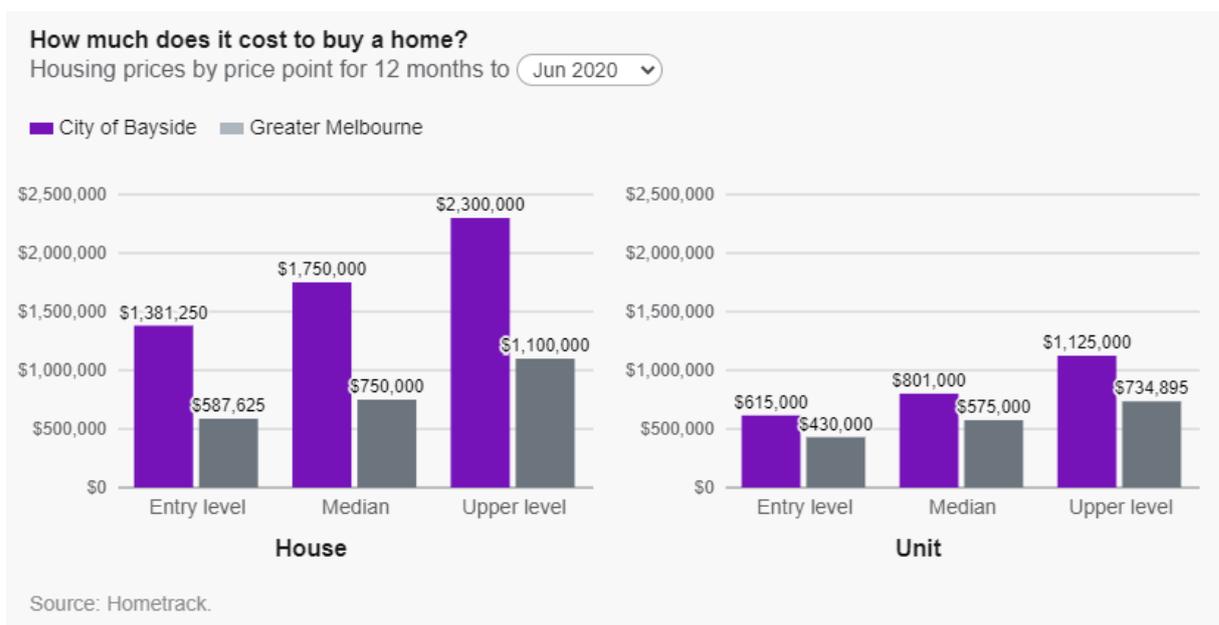
**Figure 14 | Rental stress by income**



## Is it affordable to live in Bayside?

Both housing and unit prices are above the Greater Melbourne average on entry level, median and upper levels. The entry level price of a house in Bayside is \$1,381,250, which is more than double the entry level of Greater Melbourne (\$587,625).

**Figure 15 | Housing prices in Bayside**



The trend continues when renting in Bayside, with the House median rental price for all suburbs unaffordable for households on very low and low incomes. Only Hampton East and Cheltenham has a House median rental price that is within the high-end of being affordable for a household on a moderate income. Unit rental prices in all suburbs are more forgiving. Again, this is only for households within the moderate income bracket (and the high end of the low income bracket).

**Figure 16 |** Median rental prices in Bayside

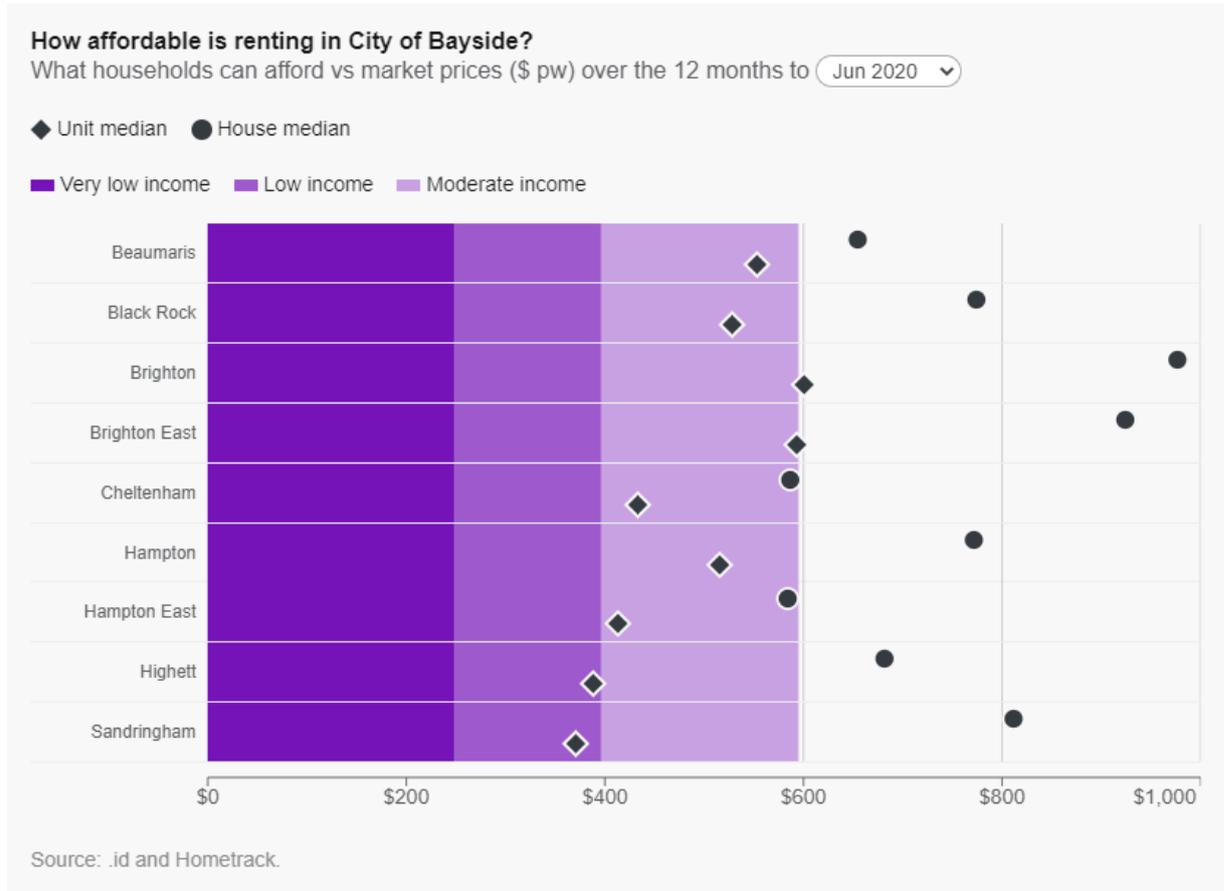
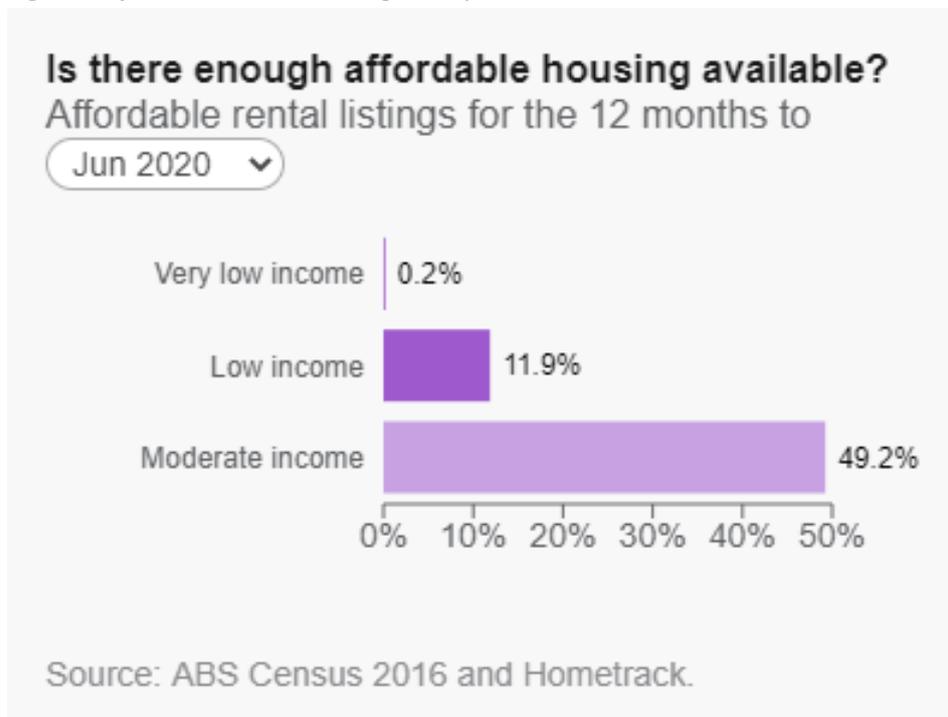


Figure 17 | Affordable rental listings in Bayside



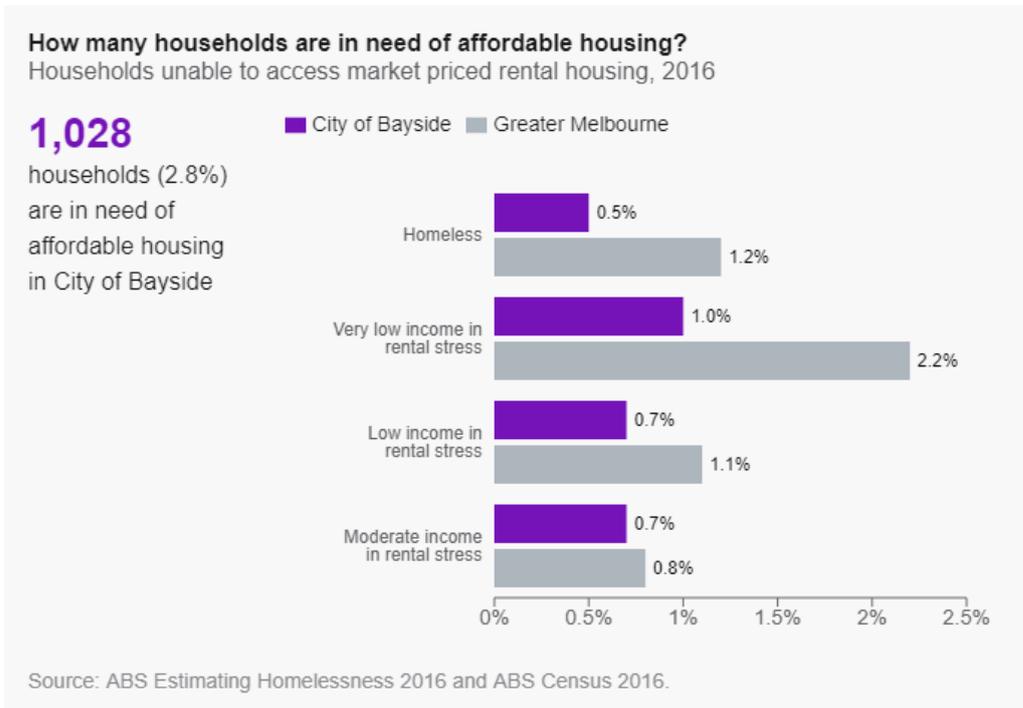
From June 2019 to June 2020, there was only 0.2% of rental listings affordable for a household with a very low income, despite having 18% of the Bayside population within this income bracket. Only 11.9% of rental listings were affordable for a household on a low income, and 49.2% available for a household with a moderate income.

From 2013 - 2016, 49.2% of people in housing stress in year one were also in housing stress in the next year. .id consultants assume that 50% of rental stress is households in temporary stress. Based on this assumption, it is estimated that around 860 households in rental stress needed affordable housing opportunities in Bayside in 2016. With very little options to offer, it is likely that these households looked outside of Bayside to live. Outside of housing and rental stress experienced by households in Bayside, several migration assumptions have also been made in relation to age and population trends:

- Housing prices in Bayside are only available for those that can afford it. It is assumed that this has forced much of the younger adult cohorts with lower incomes to look elsewhere to live.
- 59.5% of people that work in Bayside do not live in Bayside. Neighbouring municipalities Kingston, Glen Eira, Frankston and Port Phillip are the most popular residential locations of these local workers, possibly because of a larger availability of affordable housing.

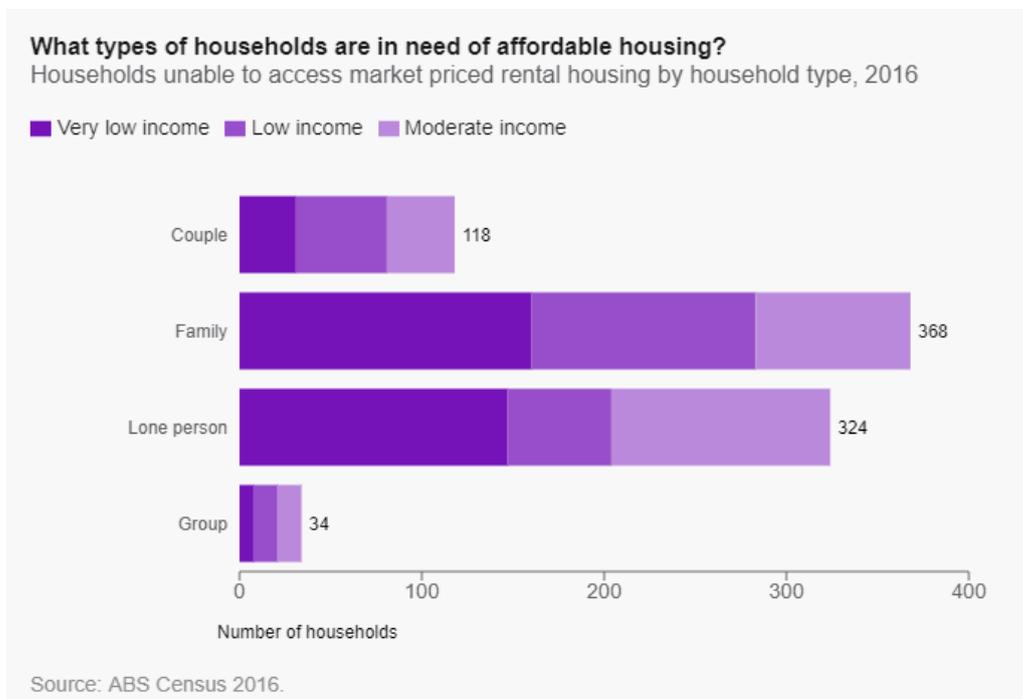
From observing the incomes of Bayside residents, median housing and rental prices within the area, an estimation of households in need of affordable housing can be made. The need is based on the aggregate of households unable to access market provided housing or require some form of housing assistance in the private rental market to avoid a position of rental stress. Unmet need excludes households in social housing as their need is met. From this, it is estimated that 1,028 households have an unmet need for affordable housing in City of Bayside. This represents 2.8% of all households.

**Figure 18 | Unmet need for affordable housing**



**Figure 19** identifies families and lone person households most in need of affordable housing. This also tells us that affordable housing must incorporate a mix of housing types to cater for different households and ages.

**Figure 19 | Households most in need of affordable housing**



Through this data analysis, there are many issues that have come to light. The most obvious being that households that find themselves on very low, low or moderate incomes, whether that be for a long or short

period of time, are struggling to live in Bayside. This struggle has equated to many households finding themselves in rental or mortgage stress.

### **The benefits of Universal Housing Design**

The National Social Housing Survey from 2018 found that 4 in 10 social housing households in Australia have one or more members with a disability.<sup>57</sup> On a local scale, there is approximately 4,213 people that reported needing help in their day-to-day lives due to a disability, which may not account for the entirety of people with disabilities living in Bayside.

Additionally, there is a forecast increase of lone households and family households in Bayside over the next 20 years. With these household types being the most in need for affordable housing, it is important that well-located, integrated and diverse housing is provided that meets the changing household needs and supports opportunities for a range of income groups in the Bayside community.

Through Amendment VC169, which came into effect on 9 October 2020, the Planning Policy Framework has been amended to encourage the development of well-designed housing that incorporates universal design and adaptable internal dwelling design.

A wide range of households immediately benefit from homes that are universally designed, including:

- Families with young children who need to get strollers and prams into their homes and want safer homes;
- People who sustain temporary or permanent injuries which limit their mobility, for example sporting and motor vehicle injuries, who would potentially require less time in hospital if they could safely move around their home while recovering;
- Ageing Baby Boomers who are looking to renovate their existing homes to better accommodate their future needs and age in place;
- Older people who are particularly vulnerable to slip, trip and fall injuries in their homes;
- People with disability and their families who are looking for a home that will accommodate their current and future needs;
- People with disability who wish to visit the homes of friends and relatives; and
- Home care workers and family and friends who provide in-home care and support.<sup>58</sup>

Through the public housing renewal program by the DFFH (Formerly DHHS), the public housing located at New Street, Brighton has been selected as a site for redevelopment. Notably, the State government has assured that the renewal will provide for a mix of new homes that will be built to the following standards:

- Better Apartments Design Standards;
- Gold Level Liveable Housing Guidelines; and
- 5-star energy and water rated.

### **Livable Housing Guidelines**

Livable Housing Australia (LHA) represents a unique partnership between community, business groups and government to increase the awareness and development of liveable homes; that are designed and built to

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<sup>57</sup> Australian Institute of Health and Welfare, the National Social Housing Survey, 2018, available at: <https://www.aihw.gov.au/reports/housing-assistance/national-social-housing-survey-2018-key-results/contents/table-of-contents>

<sup>58</sup> National Dialogue on Universal Housing Design, Strategic Plan, 2010, available at: <https://www.dss.gov.au/our-responsibilities/disability-and-carers/program-services/government-international/national-disability-strategy-initiatives/livable-housing-design/national-dialogue-on-universal-housing-design-strategic-plan>

meet the changing needs of occupants across their lifetime. LHA produced the Livable Housing Design (LHD) Guidelines to provide for inexpensive design features that can be incorporated into home design.<sup>59</sup>

There are 15 Livable Housing Design elements. Of the 15 elements, 7 are core design features which must be met to reach the silver level standard. Performance standards are set out below.

- **Silver Level; Seven core livable housing design elements**  
Focuses on the key structural and spatial elements that are critical to ensure future flexibility and adaptability of the home. Incorporating these features will avoid more costly home modification if required at a later date.
- **Gold Level; Enhanced requirements for most of the core livable housing design elements plus additional elements.**  
The gold level provides for more generous dimensions for most of the core livable housing design elements and introduces additional elements in areas such as the kitchen and bedroom.
- **Platinum Level; Some further enhanced requirements for the core livable housing design elements plus all remaining elements.**  
All 15 elements are featured in the platinum level. This level describes design elements that would better accommodate ageing in place and people with higher mobility needs. This level requires more generous dimensions for most of the core livable design elements and introduces additional elements for features such as the living room and flooring.<sup>60</sup>

Compliance with the LHD Guidelines is not a requirement under the Building Code of Australia, and performance standards can be voluntary met when constructing or retrofitting a home.

#### **The geographical and societal impacts when there is a lack of social and affordable housing**

Many households in Bayside have found themselves in rental or mortgage stress which correlates to the unmet need for affordable housing in Bayside. Unaffordable rental or mortgage cost therefore take out more than 30% of a household's income, making it likely the largest single component of their household budget. Large expenditure on housing costs then have to compete with expenditure of other items which can therefore result in households having to – or forced to – forgo these essentials such as education, medication, health visits, heating, housing quality, transport and recreational activities that have a direct impact on physical and mental health.<sup>61</sup>

The lack of affordable housing available to rent within the City of Bayside also means that Bayside residents are at higher risk of going through extreme lifestyle changes when struck with financial impacts. To understand how this can happen, the following examples are provided as situations that can lead to rental stress:

- A family breakdown or separation;
- Accident or Injury to individual(s) which requires full or part time care;
- Unprecedented financial stress;
- Temporary unemployment;
- Family or domestic violence fleeing; or
- Alcohol or drug abuse.

Any of these situations can and do occur within an individual's lifetime, and they will usually exit this stress by moving to a new house. However, if moving to a new house within Bayside isn't viable, it means that this household will likely move outside of the municipality and potentially uproot their lifestyle and their support of the Bayside community elsewhere. Impacts on social cohesion is not always a consequence of financial stress

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<sup>59</sup> Livable Housing Guidelines, 2017, available at: <http://www.livablehousingaustralia.org.au/>

<sup>60</sup> Livable Housing Guidelines, 2017, available at: <http://www.livablehousingaustralia.org.au/>

<sup>61</sup> C. Nygaard, Swinburn University of Technology, 'Social and Affordable Housing as Social Infrastructure – a literature review for the Community Housing Industry Association', 2019, available at: <https://www.communityhousing.com.au/wp-content/uploads/2019/11/Social-and-affordable-housing-as-social-infrastructure-FINAL.pdf?x12261>

and can also occur when empty nesters are seeking to downsize and are unable to find an affordable option within Bayside. This transition to more affordable suburbs outside of Bayside diminishes the diversity within the community and can cause negative impacts by limiting a person's ability to access the same services, facilities, sporting and leisure clubs, volunteer programs and other lifestyle activities. It also creates distance between households and a person's place of work which consequently impacts that person's lifestyle, routine and behaviours.

A benefit of providing social and affordable housing options is that it presents greater opportunities and access to work within the City of Bayside for low and moderate income earners. There are over 17,000 people travelling to Bayside for work. Despite a large majority of these people living within neighbouring municipalities, there are still many local workers travelling to Bayside from Greater Dandenong, Casey, Knox and Melbourne. With 22.5% of local workers earning less than \$500 a week, the assumption can be made that local workers are unable to live within Bayside due to financial reasons.

Lower income households make fundamental contribution to the economic and social life of the municipality and should not be forced out of the Bayside community due to the lack of affordable housing. If there is an increase in supply of social and affordable housing, this will enhance the City's key worker retention. If there is no intervention, the number of workers commuting every day will continue to increase, becoming significantly unsustainable, placing strain on the local economy and creating exclusion in the Bayside community.

#### **Access to Affordable Housing is a gendered issue**

Women experience housing instability at a disproportionately higher rate than men. This can be attributed to the fact that women can be financially dependent on their partner so when they no longer live with them, they can find themselves with limited employment experience, can struggle to find work and experience financial instability. Adverse critical life events like the loss of a partner, death, disability, disaster or migration or more concerning, when fleeing domestic violence, can trigger long lasting impacts.<sup>62</sup>

Women fleeing domestic family violence face additional barriers such as housing discrimination due to having a bad tenant rating from the damage and disruption caused by the abuser as well as having to deal with their and/or their children's mental and physical health needs as a result of the abuse. The housing options available to them can also be problematic as they may not offer security as they may be located in a risky neighbourhood, may feel substandard (particularly compared with their previous home), and may disrupt their children's schooling and support networks. These circumstances result in many women reporting returning to an abusive partner because they are not able to secure alternative housing, which is simply unacceptable. Responding to this issue is not simple, and like the affordable housing and homelessness issue as a whole, any addressing requires a holistic approach.<sup>63</sup>

As aforementioned, women that are seeking affordable housing are usually experiencing financial instability and are likely to require access to services for themselves and/or their children. That's why it is important to ensure social and affordable housing is close to major facilities, services and infrastructure. This will ensure they are close to public transport (as many women will not have the funds to be able to drive), their social support network, schools and childcare.

There is also a need to increase housing diversity in social and affordable housing developments. Larger families such as women with five or more children can have a difficult time being placed in a home and are often told there are no houses available that meet their requirements.<sup>64</sup> Advocating for more social and affordable housing to accommodate larger families can ensure these families are not turned away when in

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<sup>62</sup> A. Sharam, Institute for Social Research, Swinburne University of Technology, 'The Voices of Midlife Women Facing Housing Insecurity in Victoria, Australia', 2017.

<sup>63</sup> R. Bush, Women's Health in the South East (WHISE), 'Response to the Victorian Government's 10-Year Vision for Social and Affordable Housing', 2021

<sup>64</sup> R. Bush, Women's Health in the South East (WHISE), 'Response to the Victorian Government's 10-Year Vision for Social and Affordable Housing', 2021

need. Council will advocate to State Government, where renewal of existing public housing estates is occurring, to ensure housing diversity is improved. Where a planning application to Council is proposing multiple dwelling development, whether inclusive of social or affordable housing or not, Council will require a housing diversity report to ensure an array of household sizes are provided.

There are several other responses that can be made that are outside the scope of Bayside's Affordable Housing Strategy. This includes making childcare more affordable to increase women's ability to work, improving the system of moving women from one social housing situation to another and recognising the structural disadvantage that women face in being able to afford housing.

## **Summary of issues and opportunities**

Through this data analysis, the following issues have been identified. These issues are of high importance to the preparation of the Affordable Housing Strategy and should inform the objectives and actions of the Strategy:

### **The Bayside community is changing**

- By 2041, residents aged 50+ will be about 42.1% of the population.
- In 2016, 4.3% of the Bayside population reported needing help in their day-to-day lives due to disability, with 79.5% of these people older than 75 years of age.
- There will be a decrease in household sizes with lone person households, one parent families, group households and couples with dependents all increasing as household types.

In response to the changing dynamics of the Bayside population, Council needs to consider the changing needs and how this will be reflected through new developments in Bayside. Access to affordable, accessible and/or adaptable housing is important for lone households, one parent families, the ageing population and people with disabilities.

One option for Council to support these needs is by amending its planning scheme and advocating for planning mechanisms to provide for higher standards in new development. Public and affordable housing development and renewal are encouraged to be mixed tenure that offers a range of household sizes and incorporates both environmentally sustainable design and universal design.

Council can extend this support by utilising its various media platforms to raise awareness of the values and benefits of affordable and accessible housing and its importance to our changing needs. This can be captured and communicated with residents of the City of Bayside to ensure the issues are well understood by the community.

### **Attracting key workers to live in Bayside**

- 59.5% of people working in Bayside are living outside of Bayside, with some workers spending more than 2 hours in commute per day.
- 22.2% of local workers earning less than \$500 a week. The assumption is made that local workers that do not live in Bayside are unable to due to financial reasons.

If Council were able to facilitate the increase in supply of social and affordable housing in Bayside, this in turn would reduce the amount of people commuting to work. There are many benefits to living and working in the same area. While Council cannot simply promote Bayside as a place to live, there are ways to facilitate the increase in supply of affordable housing, through Council's planning functions, which would then incentivise these key workers to live within the municipality.

### **It is unaffordable to live in Bayside**

- Housing and unit prices are above the Greater Melbourne average on entry level, median and upper levels. The entry level price of a house in Bayside is \$1,381,250, which is more than double the entry level of Greater Melbourne (\$587,265).
- 18% of Bayside households are on a 'Very Low' income, with 10.2% with a 'Low' income.
- It is estimated that 1,028 households have an unmet need for affordable housing in City of Bayside. This represents 2.8% of all households.
- From June 2019 to June 2020, there was only 0.2% of rental listings affordable for a household with a very low income, despite having 18% of the Bayside population within this income bracket. Only 11.9% of rental listings were affordable for a household on a low income, and 49.2% available for a household with a moderate income.

These key issues have identified the need to provide more affordable and accessible rental housing in Bayside which can be developed and managed through registered housing providers and/or private developers. While the demographic analysis also uncovered the unaffordability's of home ownership in Bayside, it is unlikely Council's will be able to provide strategies or actions that would assist this issue. Rental housing is more accessible than ownership, especially for those in need and on very low and low incomes, and can be retained to help others in the long term. Further, Council can influence the amount of affordable rental housing that is developed in Bayside by building relationships with housing industry sectors and by utilising planning mechanisms and functions to increase the supply of social and affordable housing.

To increase the supply of social and affordable housing, consideration must be given to its location, as well as the existing location of Bayside's supply. Priority is notably given to sites that are located close to services and public transport, including bus stops and train lines. Existing public housing estates in Bayside are well serviced by bus stops and routes, which connect to the Frankston and Sandringham train lines, however, these estates are ageing and require refurbishment and possibly complete renewal and redevelopment. As these public housing estates are currently Bayside's main providers for social housing, any redevelopment should similarly incorporate environmentally sustainable design and universal design and provide for an increase in household types on these sites.

### **Responding to the key issues**

Local government has a range of existing roles and responsibilities that can expand to support the provision of affordable housing in new developments across Bayside. For this to happen, all levels of government need to support the delivery of new affordable housing, and must advocate for planning reform and new and ongoing investment for better affordable housing outcomes in Bayside. Council must build its commitment by influencing the actual provision of social and affordable housing through the planning system, investment, partnerships and collaborations. Building relationships with key stakeholders will be critical in increasing the supply of social and affordable housing and can lead to the collation of new data and resources, greater education and awareness.

In response to the key issues that have been identified in this Background Report, four key themes have been developed to inform the Affordable Housing Strategy; advocate, partner, plan and direct intervention and support. Using this framework, specific actions will be set and will be pursued by Bayside City Council to address the affordable housing crisis.

<b>ADVOCATE</b>	<b>PARTNER</b>	<b>PLAN</b>	<b>DIRECT INTERVENTION AND SUPPORT</b>
<p>Local government plays an important role in advocacy and issues relating to social and affordable housing in Bayside have been discussed through the Advocacy Action Plan, Community Development Steering Committee, the Charter, and the Inter Council Affordable Housing Forum.</p> <p>Council can continue to build strong arguments to advocate for planning reform, increased resourcing and direct investment by federal and state government to increase the supply of social and affordable housing in Bayside.</p>	<p>Increasing the supply of social and affordable housing cannot be solely undertaken by Council. Rather, this requires the collaboration of key stakeholders including the development industry, community housing agencies and providers and peak bodies that represent the not-for-profit sector.</p> <p>One of the key approaches to implementing the Affordable Housing Strategy is through partnership to build relationships with interested parties to respond to the affordable housing crisis.</p>	<p>Through its role in the planning system, Council holds a responsibility in directing housing growth and the supply of housing within Bayside, including affordable housing.</p> <p>Council can enhance its capability to encourage affordable housing by incentivising its inclusion in new development, promoting planning initiatives that seek to raise funds to support the provision of social and affordable housing, and by investigating the inclusion of new planning mechanisms that would support the increase of social and affordable housing in new developments.</p>	<p>The final approach to be implemented in the Affordable Housing Strategy is direct intervention and support.</p> <p>Council can investigate opportunities to invest in the provision of social and affordable housing by using its own land assets.</p>

# Community Feedback

Through the development of the Bayside Housing Strategy 2019, Council tested a range of possible actions and interventions with the community to better understand community sentiment in relation to affordable housing.

This included a series of questions within a survey seeking feedback on the key housing issues in Bayside. The key messages from this consultation of relevance to the Affordable Housing Strategy include:

- It is important to encourage a diversity of housing typologies in Bayside including family homes and smaller homes for single people, couples and small families;
- There is a need for the Strategy to recognise that many adult children are now staying in the family home for longer and so downsizing may occur later and that people downsizing do not always want to move into an apartment, often they want to downsize to a smaller, separate single level home with a small outside area;
- If additional housing capacity is needed in future years, most respondents would prefer it to be delivered by allowing higher density housing along the Principal Public Transport Network, followed by widening the activity centre boundaries;
- There is support for protecting neighbourhood character in Minimal Residential Growth Areas by directing growth to Housing Growth Areas, however respondents did not support changing the neighbourhood character in Housing Growth Areas. This reflects the competing objectives in planning. Whilst respondents agreed with protecting the neighbourhood character in the majority of Bayside by directing housing growth to Housing Growth Areas, the consequence of this is that the character in these identified Housing Growth Areas will change;
- Residential developments should have to achieve best practice Environmentally Sustainable Design;
- Retirement villages/nursing homes should be located near shops and public transport;
- There was support for Council encouraging developers to build more adaptable housing with most respondents preferring to adapt their existing house rather than move house should household circumstances change in the future;
- There were mixed views in relation to the role Council should play in incentivising the delivery of affordable housing.

Respondents were asked which incentives they would support, to encourage developers to provide more affordable housing. The following incentives were supported:

- Council providing a rate reduction/exemption for affordable housing that is owned by a Housing Association (55% support);
- Council incorporating some affordable housing into new or refurbished Council owned community buildings (64% support);
- Council advocating for shared equity schemes (51% support).

The following incentives were not supported:

- Council allowing more storeys for buildings where some affordable housing is included (76% do not support)
- Council fast tracking the planning process for buildings where some affordable housing is included (70% do not support)
- Council waiving planning application fees for buildings where some affordable housing is included (68% do not support)
- Council leasing its land for a nominal fee to Housing Associations to enable them to build affordable housing (53% do not support)

In terms of the locations where affordable housing should be encouraged, the majority of respondents (63%) thought locations close to transport and community facilities (but not activity centres) were best, followed by activity centres (36%), strategic redevelopment sites (38%) and none of these (23%). Please note, respondents could tick more than one answer.

While this feedback is important to collate and provide scope for the Affordable Housing Strategy, it should not limit Council's ability to test incentives that did not receive high levels of support. The consultation process was broad and did not provide for detailed consideration of a suite of affordable housing options, rather those that had received support through earlier processes or were most easily implemented. Ultimately, the Housing Strategy recommended Council develop a policy position in relation to affordable housing, which has formed the basis of the current project.

Incentives that received less support were considered further through the community engagement on the Affordable Housing Strategy, to understand why there may be less appetite for these approaches and whether these concerns can be resolved through greater awareness and education on the values and different types of models to provide for social and affordable housing.

Actions of the Affordable Housing Strategy were tested through the community consultation period from 18 March – 25 April 2021. During this time, Council received five submissions regarding the Draft Strategy, as well as 89 survey responses. All submissions generally outlined support for the Strategy. One of the submissions supported Council's preparation of the Draft Strategy however highlighted that the Strategy missed several opportunities for action, financial commitment, and expansion of existing services to address real needs.

When considering survey feedback received from the community and stakeholders, the majority of respondents strongly supported or somewhat supported each action proposed by Council with the exception of height and car parking dispensations. Most participants opposed the action (62 participants, 68%), being; 'Would you support planning applications seeking height or car parking dispensations which include a significant proportion of affordable housing?'

Comments associated with survey responses found many respondents concerned by the level of dispensation and whether this would impact the surrounding locality. Upon reviewing this feedback, it was considered necessary to continue to include this action within the Final Affordable Housing Strategy, however noting that the appropriateness of any dispensation would be assessed on a case by case basis. Any potential impacts of the dispensation on the amenity of the surrounding area will be considered through the planning assessment process. Through this process, affected residents are provided the opportunity to comment on the development proposal during the public exhibition period.

When asked if participants would consider making a voluntary donation to Homes for Homes as part of the sale of their house, if they were selling a property, a majority (64 participants, 71%) responded that they would not or did not know enough about Homes for Homes to respond. As many respondents were unaware of the Homes for Homes initiative, Council will look at ways it can increase community awareness and educate residents on how the initiative works.

The feedback received during the community consultation period has been documented in the Community Engagement Summary Report and adopted by Council at its Ordinary Meeting on 15 June 2021.

## Strategies and Actions

Bayside City Council has a robust planning framework in place to guide the built form and land use outcomes envisaged for activity centres and residential areas within Bayside. The *Bayside Housing Strategy 2019* guides how residential development in Bayside will be planned and managed over the next 20 years, by directing the majority of growth to activity centres near fixed rail transport, and minimal growth directed to low scale less accessible residential neighbourhoods. The Strategy encourages the delivery of housing that meets the needs of the Bayside community both now and in the future by encouraging the increased supply of affordable housing, adaptable housing and environmentally sustainable design.

To assist in the increase of social and affordable housing within these key locations, Council has many functions it can utilise that would sit under the four key themes; advocacy, partner, plan and direct intervention. This section of the Background Report will investigate what these actions and functions could look like and how Council could introduce them in the Affordable Housing Strategy.

### **Advocate: Inclusionary Zoning**

At large, Council's ability to facilitate the increase in supply of social and affordable housing is through its planning functions and by strengthening its advocacy. Inclusionary zoning generally refers to statutory planning controls requiring the percentage of affordable housing to be provided on sites and is a planning function that is not currently mandated in Victoria. However, its function has been applied in other states in Australia as well as the UK and the US and has found to be generally successful in leveraging higher quantities of affordable housing supply.

A study undertaken by AHURI provided the following measures of inclusionary zoning as a practice:

- In England, 12,866 affordable housing units (43% of total affordable housing output) were delivered through inclusionary planning requirements between 2015–16.
- About 12 per cent of annual housing completions in San Francisco are affordable dwellings produced through inclusionary zoning or impact fee requirements. Similar schemes apply to more than 500 cities across the United States.
- South Australia delivered 5,485 affordable homes between 2005–15 through an inclusionary planning target applying to new residential areas. This amounts to around 17 per cent of total housing supply in that state.
- In NSW, a planning incentive scheme introduced in 2009 has yielded around 2,000 affordable rental dwellings in Sydney, equivalent to about 1 per cent of the city's total supply.<sup>65</sup>

Across all jurisdictions examined, it was found that planning system tools like inclusionary zoning can support the increase in supply of affordable housing, but additional funding or subsidy is usually required to produce homes affordable to those on low and very low incomes. It was found that planning system tools for affordable housing supply work best when part of a wider whole-of-government strategy to address the continuum of housing needs.<sup>66</sup>

There has already been a forefront of advocacy from Victorian municipalities, the Planning Institute of Australia (Victorian Branch) and the housing industry which has highlighted the need to introduce state-wide mandatory inclusionary zoning (or a comparable mechanism) to support the delivery of affordable housing as part of

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<sup>65</sup> AHURI Brief, 'Supporting affordable housing supply: inclusionary planning in new and renewing communities', 2018, available at:

[https://www.ahuri.edu.au/data/assets/pdf\\_file/0019/17272/AHURI\\_Final\\_Report\\_No297\\_Supporting\\_affordable\\_housing\\_supply\\_inclusionary\\_planning\\_in\\_new\\_and\\_renewing\\_communities.pdf](https://www.ahuri.edu.au/data/assets/pdf_file/0019/17272/AHURI_Final_Report_No297_Supporting_affordable_housing_supply_inclusionary_planning_in_new_and_renewing_communities.pdf)

<sup>66</sup> AHURI Brief, 'Supporting affordable housing supply: inclusionary planning in new and renewing communities', 2018, available at:

[https://www.ahuri.edu.au/data/assets/pdf\\_file/0019/17272/AHURI\\_Final\\_Report\\_No297\\_Supporting\\_affordable\\_housing\\_supply\\_inclusionary\\_planning\\_in\\_new\\_and\\_renewing\\_communities.pdf](https://www.ahuri.edu.au/data/assets/pdf_file/0019/17272/AHURI_Final_Report_No297_Supporting_affordable_housing_supply_inclusionary_planning_in_new_and_renewing_communities.pdf)

appropriate mixed use and residential projects. Which is why Council must continue to strengthen its advocacy for change in the planning system and new and ongoing investment for better affordable housing outcomes.

If the Victorian Government intends on introducing state-wide mandatory inclusionary zoning, it is important that opportunities and implications within the Bayside municipality are considered. The application of a mandatory inclusionary zone would best suit locations that are within Bayside's activity centres and housing growth areas, where there is greater proximity to public transport and services, can cater for less restrictive car parking provisions and increases or variations in building height can be accommodated. The application of an inclusionary zone would also be favourable on any identified strategic redevelopment sites within the municipality; however, it is noted that there is limited possibility for this to occur given the lack of sites to cater for uplift.

### **Advocate and Partner: Charter Group and Homelessness Sector**

While Council is able to advocate for the provision of social and affordable housing on its own, any call for action is strengthened when it comes from a louder voice. That's why Council has partnered with the Regional Local Government Homelessness and Social Housing Charter and has committed to work together to advocate for the inclusive housing growth and for the introduction of mandatory inclusionary zoning.

Together, the 13 Councils will seek partnerships with Federal and State Government, public and private sector and deliver meaningful outcomes to increase the provision of social housing and respond to homelessness in South and East Melbourne. The Charter working group has also prepared and adopted a Terms of Reference which identifies a Regional Implementation Framework. Many of the actions from this framework are inextricably linked to the increase in supply of social and affordable housing and the continuation of this work should also be identified as actions of the Affordable Housing Strategy.

### **Plan: Investigating Planning functions**

In the absence of an inclusionary zoning control, Council can enhance its capability to encourage affordable housing by incentivising its inclusion in new development, promoting planning initiatives that seek to raise funds to support the provision of social and affordable housing, and by investigating the inclusion of new planning mechanisms that would support the increase of social and affordable housing in new developments.

Council recently granted a planning permit for a multi dwelling development in Hampton East which included the application of a condition requiring the landowner enter into a Section 173 Agreement with Council relating to affordable housing. The condition of the planning permit states:

*Before the commencement of the development, an agreement under Section 173 of the Planning and Environment Act 1987 must be entered into between the owner and the Responsible Authority in a form satisfactory to the Responsible Authority including:*

- a) A minimum of 10% of the proposed dwellings must be allocated for a rent-to-buy Key Worker Affordable Housing scheme and the dwelling mix must include a range of dwelling sizes.*
- b) A contribution of 0.1% from the sale of each dwelling must be provided for a Social Housing funding scheme such as Homes for Homes. This is to be applied at each sale, not limited to a once off.*
- c) A requirement that the owner pay the costs of the Responsible Authority in relation to the agreement.*

While the provision of affordable housing in multi dwelling developments is encouraged, it is acknowledged that successful negotiations through Section 173 agreements can be challenging. There is a need to simplify these negotiation processes and this has been supported by the Planning Institute of Australia (PIA) in their policy position paper for social and affordable housing, identifying several actions for planning system reform,

including; *Further refine, simplify and streamline Section 173 processes relating to affordable housing provisions to reduce the need for legal inputs and impacts on project costs and timelines.*<sup>67</sup>

Where able to negotiate, Council should continue to seek a percentage of proposed dwellings to be allocated to an affordable housing scheme or leased to a registered housing agency. The inclusion of affordable housing in new developments could be incentivised by offering rate reductions or exemptions and allowing for variations to discretionary height controls to provide for affordable housing.

Council can encourage the development of affordable housing in activity centres and designated housing growth areas by identifying sites to accommodate affordable housing. Where strategic redevelopment sites are identified within the municipality, mandatory requirements should be introduced to ensure a percentage of affordable housing is provided for. Planning proposals which seek to provide affordable housing would then be assessed through a priority assessment service offered by Bayside City Council.

Through the Bayside planning scheme, Council can also further its support for affordable and accessible housing by encouraging new developments to provide for universal design features and require housing diversity reports for planning applications that propose large scale apartment developments. The provision of different household sizes supports women and gender diverse individuals in need of affordable housing, whether this be as a lone person household or as a single parent with a large family. It is recognised that there is not a one-size-fits-all situation for people in need of affordable housing and the available housing stock must address this.

### **Partner and Plan: Homes for Homes**

An action which expands on the 'partner' and 'plan' themes is the facilitation of a Section 173 Agreement which seeks to impose a condition on all planning permits issued for multi dwelling developments by requiring a contribution of 0.1% from the sale of each dwelling to be provided to the Homes for Homes not-for-profit organisation. The development of the Section 173 Agreement was previously resolved at its Ordinary Meeting on 15 September 2020.

The limiting factor in the Homes for Homes model is that it is a voluntary initiative, which means there is no universal application or guarantee the promise made by the owner will be maintained over the longer term. Further, under the current requirements of the *Planning and Environment Act 1987*, Section 173 agreements are entered into voluntarily, and there is presently little to incentivise developers, especially where there is concern that the provision of affordable housing would not be feasible. Any scheme imposed by Council to apply this condition (or a similar) condition involuntarily would likely result in a number of appeals to VCAT to challenge the condition, and Council currently has no strategic basis to support the application of such a condition.

Therefore, there are risks with this approach in that the condition is essentially imposing a development contribution that has not been justified through the usual planning scheme amendment tests. Given the collection is undertaken by a third party and Council does not have any involvement in the collection or distribution of funds (and whether the contributions collected will then be spent within the City of Bayside, or elsewhere), there is no available VPP tool for Council to impose this condition as a mandatory requirement on development.

Council may wish to consider a statutory tool to require a contribution or perhaps find an alternative approach of administering the arrangements, including the possible establishment of a fund that can allocate resources to service providers.

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<sup>67</sup> Planning Institute of Australia, Victoria Branch, 'PIA Victoria Policy Position Paper, Affordable & Social Housing', 2020, available at: <https://www.planning.org.au/documents/item/10927>

Notwithstanding the above, the Homes for Home Initiative has the ability to promote greater awareness of the affordable housing issue to the Bayside community and can still be promoted as an organisation that Bayside City Council supports and can ultimately partner with. Information on the initiative would be provided by Council to the community to spread awareness and increase the amount of voluntary donations.

### **Partner, Plan and Direct Intervention: Investigating land in Bayside**

Council's existing planning framework encourages affordable housing to be developed within housing growth areas and activity centres, to remove barriers from accessing public transport, community facilities and services, businesses and shops. The *Bayside Housing Strategy 2019* also recognises the opportunity to deliver affordable housing at strategic redevelopment sites. Similarly to the redevelopment of the public housing located at New Street, Brighton (which is being undertaken through the State Government's public housing renewal program), Council would need to investigate what other sites exist within the municipality and have the potential to be redeveloped to enable a greater provision of affordable housing.

The City of Bayside is a middle ring suburb with a makeup that is majorly residential, surrounding major and small neighbourhood activity centres. The Bayside Business District is the only location within the municipality that provides for heightened industrial and commercial uses, and where residential development is prohibited under the Commercial 2 Zone. Given the limited availability of large, vacant/underutilised land parcels that could undergo rezoning and renewal, and the likelihood that incremental, standalone developments can proceed without any real involvement from Council due to VC187 & VC190, the most significant opportunities for Council to facilitate the provision of affordable housing is through private developments on land within or close to activity centres or upon Council-owned land that has been designated as surplus, and these opportunities should be investigated further as an action of the Affordable Housing Strategy

Previously, Council has limited its interventions to more of an advocacy position to assist community housing providers in securing land in Bayside, as this has generally been a role and responsibility of the provider itself. Where Council-owned land has been identified as surplus, and is appropriate for the development of social and affordable housing, leasing of these land parcels to a registered housing provider is an opportunity for Council to consider. Other options for consideration include divesting this land and selling to a registered housing provider and/or private developer.

Whilst this approach was not well supported through the Housing Strategy Review consultation, it is worth revisiting the issue in an environment where greater information is available to support decision making.

## **Addressing the Affordable Housing issue**

An Affordable Housing Strategy should be unique and responsive to its context. A handful of local governments in Victoria have already trialled and tested methods to increase the supply of affordable housing within their municipality, mostly through the preparation of a Social and Affordable Housing Strategy. Preparing a Bayside Affordable Housing Strategy cannot be a tick the box exercise, and goals, actions and objectives of the Strategy must be informed by the community's values, expectations and on-the-ground data.

This Background Report has identified the various approaches Council can implement, subject to community engagement, through the Affordable Housing Strategy and revolves around the four key themes; advocacy, partner, plan and direct intervention and support.

These four key themes, alongside the actions and strategies that have been identified in this Background Report, have informed the preparation of the Affordable Housing Strategy. Council will work to pursue the actions of the Strategy and help address the affordable housing crisis by:

- Increasing the provision of social and affordable housing on public and private sites across Bayside;

- Increasing the quality of social and affordable housing across Bayside;
- Creating partnerships to support the delivery of additional affordable housing;
- Building Council's role and responsibilities in supporting Bayside residents in housing crisis.

Advocacy by Bayside City Council will be strengthened by integrating all Council advocacy positions relating to social and affordable housing. Council has previously advocated to the State Government through the Public Housing Renewal Program, the Inner South-East Affordable Housing Study Project Working Group, Inquiry into Homelessness and through the Regional Local Government Homelessness and Social Housing Charter. Through the Affordable Housing Strategy, Council should advocate to the Victorian government for the increased investment and provision of affordable housing in Bayside, and the provision of a tool in the Victorian Planning Provision to require affordable housing, likely developed through inclusionary zoning. As the quantity of social and affordable housing increases, Council must continue to advocate for better outcomes at renewal and redevelopment sites to ensure development achieves a high number of public/affordable housing and is of high quality environmentally sustainable design and accessibility.

The Affordable Housing Strategy must also set actions to partner and build relationships with the housing industry sector and encourage partnerships between registered housing agencies and property developers within the City of Bayside. Council will continue to play an active role in the Charter working group and draw upon the collective voices of local governments to advocate for change. Equally as important is the relationship between Council and the Bayside community and how this should be strengthened by promoting greater awareness and understanding of affordable housing and homelessness. Education on the value and importance of affordable housing will provide for greater consultation with the community.

In its planning role, Council should seek to leverage more social and affordable housing through the planning system, by undertaking further investigations when negotiating agreements with the private market to contribute a portion of subject sites for affordable housing. Council has previously negotiated with the private market to provide a proportion of affordable housing within new development and will provide greater clarity to these processes and consider incentives through the Affordable Housing Strategy. Council should also pursue investigations into a suite of levers by amending the planning scheme. Through this work, further encouragement for affordable housing should be implemented within the Local Planning Policy Framework.

While there are limitations at hand, direct investment by Council should be undertaken where investment does not burden Council's financial capacity. Council should seek opportunities to expand its role to invest in affordable housing by investigating land in Bayside and by encouraging the development of affordable housing in Bayside within appropriate locations. During the sale process for Council owned surplus sites, Council will investigate an Expression of Interest process with social and affordable housing providers to offer them an advanced opportunity to purchase or lease the land. The terms and process will require further consideration and the full impact will need to be considered in detail, as the particulars may vary from site to site. Council should also develop a process to provide rate relief or exemptions for affordable housing providers.

## Appendix 1: Review of existing Framework

This section of the Background Report undertakes a review of the existing implementation actions specific to social and affordable housing that have been adopted through the *Bayside Housing Strategy 2019* and the *Improving Housing Affordability and Social Housing Options in Bayside – Advocacy Action Plan*, June 2018. The review will inform how we are tracking and whether any actions should be further implemented through the Affordable Housing Strategy.

### Bayside Housing Strategy 2019

No.	Action	Responsibility	Timeframe	Review / Comments
<b>Managing Housing Growth</b>				
1	Retain the existing residential zoning in Bayside. This clearly implements the Housing Strategy’s vision and spatial approach to managing housing growth in Bayside.	Urban Strategy	Ongoing	Yes.
5	Proactively identify Strategic Redevelopment Sites	Urban Strategy	Ongoing	This Background Report encourages Council to continue to investigate strategic redevelopment sites and the key partners to work with in utilising land to provide for affordable housing.
6	Apply the Development Plan Overlay to identified Strategic Redevelopment sites setting out specific requirements relating to the design and built form of the new development.	Urban Strategy	Ongoing	<p>Council has identified two Strategic Redevelopment sites which Development Plan Overlays have been implemented upon.</p> <p>The Former CSIRO Site in Highett is within DPO2. An objective of this Schedule is to provide for affordable housing. While a per cent of the new development has not been set within the Schedule, affordable and social housing outcomes have been negotiated through the Section 173 Agreement process.</p> <p>Council has partnered with State Government through the Public Housing Renewal Program in identifying the Social Housing at New Street, Brighton for renewal. Through Council’s advocacy, a 50/50 split of social housing and affordable private rental housing within the new development has been achieved</p>

				and will remain in perpetuity for social and affordable housing purposes (non-sale of land).
7	Identify the key Council policy commitments that Strategic Redevelopment Sites are expected to deliver.	Urban Strategy	High Priority	<p>Through this Background Report, it has been identified that an action of the Affordable Housing Strategy will be to identify more Strategic Redevelopment Sites that can provide for a percentage of affordable housing.</p> <p>The key policy commitment will be ensuring that Council is able to negotiate with the State, Not-for Profit or Private Market in delivering affordable housing upon these identified sites.</p>
<b>Housing Diversity</b>				
8	Retain the existing residential zoning in Bayside, to enable a diversity of housing to meet the needs of the Bayside population both now and into the future.	Urban Strategy	Ongoing	Yes.
11	Provide information to development applicants through the Bayside website and per-application discussions on adaptable housing design to encourage voluntary inclusion of accessible design features into new and existing homes.	Urban Strategy	High Priority	An FAQ on Adaptable Housing has been prepared and will be made available on the Bayside City Council website.
12	Advocate to the Australian Building Codes Board to include accessibility standards for all dwellings.	Urban Strategy	Ongoing	Through the Affordable Housing Strategy, Council will strengthen its advocacy in encouraging adaptable housing and universal design to become more prevalent within the housing stock.
13	Introduce a new category into the Bayside Built Environment Awards showcasing exemplar developments in adaptable housing design.	Economic Development	Medium Priority	The Bayside Built Environment Awards for 2020 were cancelled due to the COVID-19 pandemic however this category will be included in any future awards ceremony.
14	Undertake an audit of a sample of recently completed developments in different suburbs to determine to what extent adaptable housing is being delivered in Bayside.	Urban Strategy	Medium Priority	Not commenced.
<b>Social and affordable housing</b>				

15	Continue to implement the Improving Housing Affordability and Social Housing Options in the City of Bayside – Advocacy Action Plan, June 2018.	Urban Strategy	Ongoing	This Background Report reviews the implementation of the Advocacy Action Plan and what actions have been implemented, and what can continue to be progressed as outputs of the Affordable Housing Strategy.
16	Develop a specific affordable housing policy to facilitate delivery of more affordable housing in Bayside	Urban Strategy	High Priority	This Background Report informs the preparation of the Affordable Housing Strategy.
<b>Homelessness and temporary accommodation</b>				
17	Develop a policy position with key partners in relation to homeless and rough sleeping in Bayside.	Community Services	High Priority	Yes – alliance with South East Councils and the adoption of the <i>Regional Local Government Homelessness and Social Housing Charter 2020</i> .

**Improving Housing Affordability and Social Housing Options in Bayside – Advocacy Action Plan, June 2018**

Outcome	What we will do	Responsible	Timing/Frequency	Success Measure	Review
<b>Objective 1 – Increase the supply of social and affordable housing on State Government Land</b>					
The number of social housing units provided through existing public housing is increased	Liaise with DFFH (formerly DHHS) and other relevant State Governments to monitor site and property requirements for their additional stock and renewal programs.	<ul style="list-style-type: none"> <li>○ CEO</li> <li>○ Mayor</li> <li>○ Urban Strategy</li> <li>○ Communications, Customer and Cultural Services</li> </ul>	Review Annually	Increase of public and community housing stock on State Government-owned land.	Council partnered with DFFH (formerly DHHS) through the Public Housing Renewal Program, identifying the New Street Housing Estate in Brighton as a redevelopment site. The program redevelops the site to deliver an increase in the public housing on the site.
The quantity and quality of social and community housing units is improved, as new units replace older units, and supersede outdated housing models.	Lobby DFFH (formerly DHHS) and other relevant State Government Departments to deliver new affordable housing projects, including consolidation of sites in areas of older and poor condition	<ul style="list-style-type: none"> <li>○ CEO</li> <li>○ Council</li> <li>○ Urban Strategy</li> <li>○ Communications, Customer and Cultural Services.</li> </ul>	Review Annually	Increase of public and community housing stock on State Government-owned land.	<p>VicTrack has partnered with DFFH (formerly DHHS) to deliver social housing adjacent to the Hampton Railway station.</p> <p>The Public Housing Renewal Program improves the quantity and quality of</p>

	public housing, and strategic use of sites adjacent to transport hubs.				<p>housing provided at New Street, Brighton.</p> <p>Further investigation in partnership with DFFH (formerly DHHS) should be undertaken to identify the housing estates that require complete or partial renewal.</p> <p>Council should liaise with State Government Departments that are providing for large infrastructure projects to identify unused land purchased by the State that could be utilised for social or affordable housing.</p>
Community affordable housing options are provided in State and Commonwealth Government land within the City of Bayside	Partner with the Victorian Government to develop planning mechanisms that can deliver social housing and other perpetual affordable housing as a component of private development on state and commonwealth government owned land.	<ul style="list-style-type: none"> <li>○ CEO</li> <li>○ Mayor</li> <li>○ Director City Planning and Community Services</li> <li>○ Manager Urban Strategy</li> <li>○ Communications, Customer and Cultural Services.</li> </ul>	Review quarterly	Increase of community housing stock on State Government-owned land.	<p>Through the Public Housing Renewal Program, Council has been able to partner with the Victorian Government to deliver an increase in the quality and quantity of social housing on State Government Land within the City of Bayside.</p> <p>Further investigation should be undertaken to identify other State government owned housing estates within the City of Bayside that require complete or partial renewal.</p>
Structured meetings with key advocacy partners and decision makers.	Invite key partners / decision makers to meet regularly with our senior representatives.	<ul style="list-style-type: none"> <li>○ Mayor</li> <li>○ CEO</li> <li>○ Director City Planning and</li> </ul>	Quarterly	<ul style="list-style-type: none"> <li>○ Representation at regional planning level</li> </ul>	Council has attended to the following meetings with key advocacy partners:

	Prepare notes for meetings with relevant decision makers to provide up to date message.	<ul style="list-style-type: none"> <li>Community Services</li> <li>○ Manager Urban Strategy</li> </ul>		<ul style="list-style-type: none"> <li>○ Strengthen relationships with key decision makers.</li> </ul>	<ul style="list-style-type: none"> <li>○ Inter Council Affordable Housing Forum</li> <li>○ South-East Council Meetings: Regional Local Government Homelessness and Social Housing Charter</li> <li>○ Inner South-East Affordable Housing Study Project Working Group</li> <li>○ Inner South-East Economy and Planning Working Group</li> <li>○ Meetings with VicTrack and DFFH (formerly DHHS); Suburban Rail Loop</li> </ul>
<b>Objective 2 – Encourage and facilitate the private sector to deliver affordable housing stock.</b>					
The private sector delivers affordable housing to meet planning requirements that are applied across the City.	Advocate to the State Government for legislative change to the Victorian Planning Scheme to include requirements for developer contributions to the supply of community and/or public housing (e.g inclusionary zoning).	<ul style="list-style-type: none"> <li>○ Mayor</li> <li>○ CEO</li> <li>○ Director City Planning and Community Services</li> <li>○ Manager Urban Strategy</li> </ul>	Quarterly	Increase of community and affordable housing stock on privately owned land.	<p>Council has recently conditioned the entering of a Section 173 Agreement between Council and the landowner through the planning assessment process for a multi-dwelling apartment in Hampton East. Through the agreement, the owner must provide a minimum of 10% of the proposed dwellings to be allocated for a rent-to-buy Key Worker Affordable Housing scheme and the dwelling mix must include a range of dwelling sizes. A contribution of 0.1% from the sale of each dwelling must also be provided under the agreement for a Social Housing funding scheme such as Homes for Homes.</p> <p>Council has resolved to enter into a Section 173 Agreement with land</p>

					owners where a multi-dwelling development has been approved. This approach will indirectly assist in the delivery of affordable housing stock by having land owners agree to provide a contribution to Homes for Homes upon the sale of land.
Local community housing organisations, the private sector and charitable or other organisations apply innovative solutions to deliver high quality new affordable housing units in the city.	Identify incentives to attract and engage the private sector in affordable housing provision.	<ul style="list-style-type: none"> <li>○ Council</li> <li>○ CEO</li> <li>○ Director City Planning and Community Services</li> <li>○ Manager Urban Strategy</li> <li>○ Communications, Customer and Cultural Services</li> </ul>	Ongoing	Increase quality of affordable housing stock.	Recommended incentives to attract the private sector and Not-for-Profit organisations have been identified in this Background Report. The implementation of these incentives will be an action of the Affordable Housing Strategy.
Facilitate others to deliver affordable housing in the City of Bayside through Council providing assistance and guidance including: <ul style="list-style-type: none"> <li>○ Housing needs analysis</li> <li>○ Sharing the findings of Council's applied research.</li> </ul>	Seek opportunities to negotiate affordable housing outcomes through the implementation of (e.g. s173 Agreements).	<ul style="list-style-type: none"> <li>○ Council</li> <li>○ CEO</li> <li>○ Director City Planning and Community Services</li> <li>○ Manager Urban Strategy</li> <li>○ Communications, Customer and Cultural Services.</li> </ul>	Ongoing	Increase of community and affordable housing stock on privately owned land.	Council has recently conditioned the entering of a Section 173 Agreement between Council and the landowner through the planning assessment process for a multi-dwelling apartment in Hampton East. Through the agreement, the owner must provide a minimum of 10% of the proposed dwellings to be allocated for a rent-to-buy Key Worker Affordable Housing scheme and the dwelling mix must include a range of dwelling sizes. A contribution of 0.1% from the sale of each dwelling must also be provided under the agreement for a Social

					<p>Housing funding scheme such as Homes for Homes.</p> <p>Further, Council resolved at its Ordinary Meeting on 15 September 2020 to require all planning permits issued for multi dwelling developments to include a condition requiring the implementation of the Homes for Homes initiative, via a Section 173 Agreement.</p> <p>Council has implemented a publicly available platform called the 'City of Bayside Community Profile' which has been prepared by demographic resource consultants, .idcommunity. The platform provides an analysis of the Bayside community utilising Census Data. This key data has been utilised within this Background Report and informs the need to increase the supply of affordable housing in Bayside.</p>
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