

Policy Guidance Note: Affordable Housing Outcomes at Significant Developments

1. Purpose

- 1.1. The City of Yarra is a vibrant and diverse municipality. Through the Council Plan and other strategic documents, Council expresses its commitment to maintain and support a socially, economically and culturally diverse community.
- 1.2. Sustaining a diverse population requires a diversity of housing available at prices that can be afforded by households with very low, low and moderate incomes. Yarra City Council (Council) has a long and proud tradition of advocating for the best housing outcomes for its residents and is committed to working to increase the supply of social and affordable housing in the municipality.
- 1.3. Council wants to see effective partnerships between community housing providers and property developers to deliver affordable housing within the municipality.
- 1.4. This policy guidance note is provided so that applicants and other interested parties can understand Yarra City Council's expectations relating to **affordable housing** outcomes at **significant developments** (providing 50 or more dwellings).
- 1.5. This policy guidance note includes information on **Registered Housing Associations** and **Registered Housing Providers** in the state of Victoria.
- 1.6. This note may be updated from time-to-time by Council as and if required.

2. Context

- 2.1. Data shows a consistent and worsening shortfall of housing in the City of Yarra that can be afforded by **very low to moderate income households**:
 - 2.1.1. 15 percent (6,000) of Yarra households are in housing stress¹
 - 2.1.2. More than 3,000 of those in housing stress are rental households on very low incomes²
 - 2.1.3. Nine percent of households are estimated to have an unmet need for affordable housing (homeless, marginally housed and households in long-term rental stress)³
 - 2.1.4. There are 9 advertised private rental lettings in Yarra that are affordable to people on statutory (Centrelink) incomes⁴

¹ ABC Census of Population and Housing, 2016

² ABC Census of Population and Housing, 2016

³ Based on analysis of ABS Census data (2016) by .id Consulting

⁴ DHHS, Affordable lettings by local government area, June quarter 2019

2.1.5. It is estimated that there are 1,000 or more homeless people in Yarra⁵

2.1.6. 85 percent of those who work in Yarra live outside the municipality⁶

3. Guidance

- 3.1. When land is rezoned to allow residential use, this positively impacts the **site value** and Council considers that it is reasonable to capture some of this value and direct it towards improving the provision of affordable housing in the municipality.
- 3.2. When considering proposals for the rezoning of land for residential use that would allow the development of 50 or more dwellings, it is Council policy that a requirement (or requirements) will be included in the planning scheme provisions that secure at least 10% of the dwellings as affordable housing, which are to be transferred to a registered housing agency, or an alternative arrangement of equal or better benefit, to the satisfaction of Council.
- 3.3. A requirement for affordable housing that is imposed on the land when it is rezoned will attach to the land and must be considered by individuals, corporations or government entities in the purchase of the land for development.
- 3.4. In securing the delivery of affordable housing, Council will seek to ensure that the affordable housing will:
 - 3.4.1. Meet identified local needs both initially and subsequently, once constructed and into the future.
 - 3.4.2. Be affordable – as per the State government legislated income bands – both initially and subsequently, once constructed and into the future.
 - 3.4.3. Be tenure-blind and integrated with market housing, meaning that subsidised and private dwellings should not be able to be readily differentiated through either their appearance, quality or amenity and should have equal access to all communal indoor and outdoor spaces.
 - 3.4.4. Promote high accessibility standards by being in accordance with Liveable Housing Design Guidelines Silver level or higher.
 - 3.4.5. Be built to a high standard in terms of durability and energy-efficiency to decrease ongoing maintenance costs.
- 3.5. Council encourages developers to meet their affordable housing obligations by forming partnerships with Registered Housing Agencies ([see list below](#)).
- 3.6. Council planning officers will offer the following services to developers to assist in the successful delivery of affordable housing:

⁵ Australian Institute of Health and Welfare 2017-18: 1,070 homelessness services clients, ABS Census 2016: 838 estimated homeless, and StreetCount 2018: 29 rough sleepers

⁶ ABS Census of Population and Housing, 2016

- 3.6.1. Interpretation and advice of planning policy and guidance, and what this means for an individual site.
 - 3.6.2. Assistance in calculating the required amount and mix of affordable housing.
 - 3.6.3. Advice on the standard and quality of the proposed housing, design, layout and other development control matters.
- 3.7. Affordable housing will often be secured through a requirement in a Schedule to the **Development Plan Overlay (DPO)** and/or an agreement made under **Section 173 (s173)** of the *Planning and Environment Act 1987*. A s173 is placed on the title to a site until the conditions are met, or for a predefined number of years, as agreed between Council, the developer/landowner and a registered housing agency.
- 3.8. As part of a DPO, Council will also require a **Housing Diversity Report** to be submitted for Council's consideration and approval. A Housing Diversity Report will need to include information such as:
- 3.8.1. A demographic analysis of the types of people and households anticipated to live within the development based on the proposed dwelling design and bedroom mix.
 - 3.8.2. A response to the 'Specified Matters under Section 3AA(2)' of the *Planning and Environment Act 1987* with regard to the affordable housing that is proposed for the site.
 - 3.8.3. An outline of a preferred delivery model for achieving the agreed affordable housing outcome.
 - 3.8.4. Evidence of genuine discussions that have been had with registered housing agencies.
 - 3.8.5. Financial information as it pertains to project feasibility.
- 3.9. Council has identified a range of **households** that fall within the definition of affordable housing (as per the *Planning and Environment Act 1987*) and are unable to afford safe, secure and appropriate housing in the local market. These groups have specific needs – number of bedrooms, accessibility, supportive services etc. – that Council wants addressed at significant developments in Yarra. These households are:
- 3.9.1. homeless persons,
 - 3.9.2. lower income renters,
 - 3.9.3. Aboriginal and Torres Strait Islander people,
 - 3.9.4. people with disabilities, and
 - 3.9.5. key workers in the local economy.
- 3.10. Further information about these groups, including implications for housing products and support services is available in the *Yarra Social and Affordable Housing Strategy, 2019*.

4. Policy basis

- 4.1. According to the *Local Government Act 1989*, the ‘primary objective of a local council is to endeavour to achieve the best outcomes for the local community having regard to the long term and cumulative effects of decisions’.
- 4.2. Plan Melbourne 2017–2050 – the Victorian Government strategy for the growth of Melbourne – aims to increase the supply of social and affordable housing through the following policies:
 - 4.2.1. ‘Strengthen the role of planning in facilitating and delivering the supply of social and affordable housing’ (Policy 2.3.3)
 - 4.2.2. ‘Create ways to capture and share value uplift from rezoning’ (Policy 2.3.4)
- 4.3. The *Planning and Environment Act 1987* was amended effective 1 June 2018 to add a new objective for the planning system ‘to facilitate the provision of affordable housing in Victoria’.
- 4.4. In Victoria, affordable housing can be facilitated through a voluntary planning negotiation between a developer or landowner and the Responsible Authority (generally a local council).
- 4.5. The Victorian Planning Policy Framework (VPPF) includes the objective to ‘deliver more affordable housing closer to jobs, transport and services’ (Victorian Planning Provisions 16-01-4S).
- 4.6. A number of local plans and policies support the increase of affordable housing in Yarra, including:
 - 4.6.1. The Yarra City Council Plan 2017–2021, which states that Council will: ‘Actively Plan for Yarra’s projected growth and development and advocate for an increase in social and affordable housing.’
 - 4.6.2. Strategic Direction 4 of the Yarra Housing Strategy (2018), which is to: ‘Facilitate the provision of more affordable housing in Yarra.’
 - 4.6.3. The Yarra Social and Affordable Housing Strategy (2019), which has an overarching strategy to: ‘Ensure a diverse population by increasing the supply of affordable housing suitable to households at various income levels and requirements.’
- 4.7. This Policy Guidance Note demonstrates Council’s clear and unwavering commitment to translate these local plans and policies into action. That is, through the delivery of affordable housing.

5. Key definitions

Affordable housing

Affordable housing is 'housing, including social housing, that is appropriate for the housing needs of very low, low and moderate income households'.⁷

Development Plan Overlay

A Development Plan Overlay (DPO) requires an overall plan to be prepared to co-ordinate land uses, development and redevelopment change over a defined area. It requires the preparation of a Development Plan that sets out conditions for land uses and the new built form. The specifics for such a plan are laid out in the Schedule. A schedule to the overlay specifies what the Development Plan must include and can include requirements about all manner of things connected with development, including pedestrian and road connections, where different land uses should be located, and the design of new development on the land among other things.

Household

One or more persons, usually resident in the same dwelling.

Housing Diversity Report

A Housing Diversity Report explains the mix of housing on the site including how it is proposed to provide 10% of the overall housing stock as affordable housing and the diversity of households likely to be housed.

Registered Housing Agency

Registered housing agencies are experienced not-for-profit organisations that provide and/or manage affordable rental housing for low income households. They 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 agencies seek to balance affordability for tenants and financial viability for the agency in a fair and transparent way. The rent paid by tenants enables registered agencies to largely pay for the costs of owning, maintaining and managing the agency's rental housing.

Victorian Policy is that 75 percent of housing agencies' social housing tenants must come from the Priority List of the Victorian Housing Register.

Registered Housing Association

There are currently a total of ten Registered Housing Associations (RHAs) in Victoria who own and manage affordable rental housing to lower income households. 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

⁷ Victorian *Planning and Environment Act 1987*

acquisition, using a mix of government funds and private sector investment. They also manage housing properties owned by them or leased from other parties, such as the Director of Housing.⁸

Registered Housing Provider

There are currently 29 Registered Housing Providers operating in Victoria. They 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.

Section 173 Agreement

The mechanism commonly used to facilitate the supply of affordable housing through the Victorian planning system. It is a voluntary agreement (made under section 173 of the *Planning and Environment Act 1987*) between a planning authority and a landowner, and can be used to deliver affordable housing as part of new developments. The agreement sets out conditions or restrictions on the use or development of the land, or to achieve other planning objectives relating to the land. The agreement can be registered over the title to bind future owners and occupiers of the land to the agreement. The agreement is enforced in the same way as a permit condition or planning scheme requirement.

Significant development

This policy applies to sites to be rezoned which will yield a development of a sufficient size to create on-site provision of affordable housing. These are defined as sites likely to yield 50 or more dwellings.

Site value

Site value (SV) of land means the sum which the land, if it were held for an estate in fee simple unencumbered by any lease, mortgage or other charge, might in ordinary circumstances be expected to realise at the time of the valuation if offered for sale on such reasonable terms and conditions as a genuine seller might be expected to require, and assuming that the improvements (if any) had not been made.⁹ SV is commonly known as the market value of the land only.

Very-low-to-moderate income households

The Victorian Governor in Council Order (the Order) specifies the income ranges for very low, low and moderate income households for affordable housing that is not social housing. The Order is published annually in the Government Gazette.

Social housing eligibility differs from affordable housing and is managed through the Victorian Housing Register.

⁸ Victorian Housing Registrar, <http://www.housingregistrar.vic.gov.au/Who-we-regulate/Housing-associations> (accessed 10 Dec 2018)

⁹ *Valuation of Land Act 1960* (Vic) s 2

6. Registered Agencies in Victoria

Registered Housing Associations

The following are the contact details of Registered Housing Associations currently registered in Victoria:

[Aboriginal Housing Victoria Limited](#)

Telephone: 03 9403 2100

Website: <http://www.ahvic.org.au>

[Common Equity Housing Limited](#)

Telephone: 03 9208 0800

Website: <http://www.cehl.com.au>

[Community Housing \(Vic\) Ltd](#)

Telephone: 03 9856 0050

Website: <http://www.chl.org.au>

[Housing Choices Australia Limited](#)

Telephone: 1300 312 447

Website: <http://www.housingchoices.org.au>

[HousingFirst Limited](#)

Telephone: 03 9534 5837

Website: <http://www.housingfirst.org.au>

[Loddon Mallee Housing Services Ltd](#)

Telephone: 03 5444 9099

Website: <http://www.havenhomesafe.org.au>

[Rural Housing Network Limited](#)

Telephone: 02 6055 9015

Website: <http://www.beyondhousing.org.au>

[Unison Housing Limited](#)

Telephone: 03 9349 0250

Website: <http://unison.org.au>

[Wintringham Housing Ltd](#)

Telephone: 03 9376 1122

Website: <http://www.wintringham.org.au>

[Women's Housing Ltd](#)

Telephone: 03 9412 6868

Website: <http://www.womenshousing.com.au>

Registered Housing Providers

The following are the contact details of Registered Housing Providers currently registered in Victoria:

[Active Community Housing Ltd](#)

Telephone: 03 9314 8555

Website: <http://www.activecommunityhousing.com.au>

[Baptcare Affordable Housing Ltd](#)

Telephone: 13 22 78

Website: <https://www.baptcare.org.au/services/housing/affordable-housing>

[BAYSA Ltd](#)

Telephone: 03 5221 4466

Website: <https://www.bcyf.org.au>

[Centacare Housing Service Inc](#)

Telephone: 03 5337 8999

Website: <https://www.centacareballarat.org.au>

[EACH Housing Ltd](#)

Telephone: 03 8720 2753

Website: <http://www.each.com.au/service/each-housing/>

[Eastcoast Housing](#)

Telephone: 03 5127 7160

Website: <http://www.eha.org.au>

[Eastern Suburbs Rental Housing Co-operative Limited](#)

Telephone: 03 9890 9477

Website: <http://www.esrhc.org.au>

[Inner East Social Housing Group Limited](#)

Telephone: 03 9853 7501

Website: <https://www.ieshg.com.au>

[Launch Housing Ltd](#)

Telephone: 03 9288 9600

Website: <https://www.launchhousing.org.au>

[Mallee Accommodation & Support Program Ltd](#)

Telephone: 03 5021 6500

Website: <http://masp.org.au/>

[Mission Australia Housing \(Victoria\)](#)

Telephone: 03 8615 2218

Website: <http://www.mahousing.com.au>

[Northcote Rental Housing Co-operative Ltd.](#)

Telephone: 03 9482 5998

Website: <http://www.nrhc.coop/>

[Northern Geelong Rental Housing Co-operative Ltd](#)

Telephone: 03 5277 9993

Website: <http://www.ngrhc.org.au>

[Pahran/Malvern Community Housing Inc.](#)

Telephone: 03 9826 5194

Website: <https://pmch.org.au/>

[Salvation Army Housing \(Victoria\)](#)

Telephone: 03 8878 2320

Website: <http://www.salvationarmy.org.au/sah>

[Servants Community Housing](#)

Telephone: 03 9819 6073

Website: <http://www.servants.org.au/>

[South Port Community Housing Group Inc](#)

Telephone: 03 9696 1128

Website: <http://www.spchg.org.au/>

[SouthEast Housing Cooperative Ltd](#)

Telephone: 03 9706 8005

Website: <http://www.sehc.org.au>

[St Kilda Community Housing Ltd](#)

Telephone: 03 9534 1809

Website: <http://www.stkch.org.au>

[Sunshine/St Albans Rental Housing Co-operative Ltd](#)

Telephone: 03 9312 6904

Website: <https://www.sunrhc.org.au/>

[The Haven Foundation Ltd](#)

Telephone: 03 9455 7000

Website: <http://www.havenfoundation.org.au/>

[United Housing Co-operative Ltd](#)

Telephone: 03 9689 8157

Website: <http://www.unitedhousing.org.au>

[Uniting Housing Australia Limited](#)

Telephone: 03 9251 5960

Website: <http://unitinghousing.org.au/>

[Victorian Women's Housing Association Limited](#)

Telephone: 03 9664 7800

Website: <http://www.wpi.org.au>

[VincentCare Community Housing](#)

Telephone: 03 9611 9200

Website: <http://www.vincentcare.org.au>

[WAYSS Limited](#)

Telephone: 03 9791 6111

Website: <http://www.wayssltd.org.au>

[West Turk Housing and Elderly Services Co-operative Ltd](#)

Telephone: 03 9366 3856

[Williamstown Rental Housing Co-operative Ltd](#)

Telephone: 03 9391 9267

Website: <https://www.williamstownhousingcoop.org.au/>

[YWCA Housing](#)

Telephone: 03 8341 8700

Website: <http://www.ywca.net/pages/ywca-housing>

7. Further information

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