

CITY OF WHITTLESEA SUBMISSION

AFFORDABLE HOUSING WORKING GROUP: ISSUES PAPER

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Preface

The City of Whittlesea Council welcomes the opportunity to respond to the Australian Government, Council on Federal Financial Relations: **Affordable Housing Working Group Issues Paper** (2016). Council is in a strong position to respond to the Issues Paper, in accord with the City of Whittlesea **Social and Affordable Housing Policy and Strategy 2012-2016** (SAH Strategy) statements, the foremost of this response will be to provide information to address, increase and improve the supply, accessibility and inclusivity of social and affordable housing in the community.

Council acknowledges it has a regulatory role and is responsible for acting in the best outcomes for the community. Council also has a specific role relating to encouraging and facilitating high quality affordable housing developments, targeted to households at different life stages and income levels, including a mix of lower to moderate income groups.

The City of Whittlesea¹:

Is a large municipality with distinct communities

The City of Whittlesea is located on Melbourne's metropolitan fringe, approximately 20km north of the CBD. It is a large municipality covering 490km². It comprises of rural, established and growing urban and areas.

Is experiencing significant liveability challenges

The challenge of distance from employment, services, infrastructure and social supports is exacerbated because of a significant lack of public investment. The current infrastructure lag is estimated at \$9.8 billion across the outer suburbs.²

Is a significant growth area³

- Third fastest growing and third largest growing municipality in Victoria
- Sixth largest growing municipality in Australia.
 - 2,371 new houses were constructed (2012/13)⁴
 - 3,249 occupancy permits were granted, an average of 62 per week (2013/14)⁵
 - 3.5 commercial building permits approved per week (2013/14)

Population is growing across the service age groups

- Average of 63 children born per week in 2015⁶

¹ City of Whittlesea (2014) Human Services Needs Analysis Snapshot, <https://www.whittlesea.vic.gov.au/common/~media/Files/Your%20Council/Advocacy/Human%20Services%20Needs%20Analysis%20-%20Snapshot.pdf>

² Inquiry into Liveability Options in Outer Suburbs p128-9

³ Version 2 City of Whittlesea Profile and Precinct Summaries Published January 2016

⁴ Australian Bureau of Statistics, Census of Population and Housing 2011

⁵ Version 2 City of Whittlesea Profile and Precinct Summaries, Published January 2016

- The number of births per week has increased by 47% in five years^{Error! Bookmark not defined.} and projected to grow to 101.7 births per week by 2035
- Largest growth by age groups is estimated to be 70-84 year olds (64%), followed by 5-11 year olds (54%) and 0-4 year olds (51%) over next ten years (2014 to 2024).^{Error! Bookmark not defined.}

Is socially economically diverse with areas of significant disadvantage

- One of the highest levels of overall social disadvantage (the fifth most disadvantaged Local Government Area (LGA) in Metropolitan Melbourne)
- One of the most socio-economically disadvantaged suburbs in Victoria, Thomastown/Lalor⁷
- One of the least socio-economically disadvantaged suburbs in Victoria, Mernda/Doreen.

Has a changing education, employment and economic profile

- 88,503 resident workers
- 57,163 local jobs⁸
- Increased number of residents with post-secondary school qualifications^{9 and 10}
- Increased proportion of residents employed in managerial and professional positions as well as clerical positions.

Is culturally and linguistically diverse

- Aboriginal and Torres Strait Islander population increased by 279 people (25%) between 2006-2011
- Migrants from more than 140 countries
- Number of people born overseas increased by 11,266 or 28%, and the number of people from a non-English speaking background increased by 9,903 or 27% between 2006 and 2011.

⁶ Version 2 City of Whittlesea Profile and Precinct Summaries, Published January 2016

⁷ Australian Bureau of Statistics, Census of Population and Housing 2011

⁸ Version 2 City of Whittlesea Profile and Precinct Summaries, Published January 2016

⁹ Profile id, (2014), *City of Whittlesea Community Profile*, <http://profile.id.com.au/whittlesea>, accessed February 2014

¹⁰ City of Whittlesea, *Annual Household Survey (2013)*, Department of Organisation Improvement, Research Unit.

Identifying and addressing the issues in general – summary of the City of Whittlesea position

Housing is a key element in the liveability of our neighbourhoods, it is key public national infrastructure and makes good economic sense. The lack of affordable housing is a national problem faced by all levels of government, the private sector and the social housing sector. The responses are complex, as the lack of supply and high demand are not the only causes of the housing affordability predicament facing Australia and Melbourne. The taxation system that favours home owners, planning systems that do not encourage or assist the development of affordable housing, coupled with locating lower cost housing in areas distant from social and physical infrastructure, particularly public transport, contribute to the problem¹¹.

The City of Whittlesea is of the strong view that social and affordable housing in Australia is the core responsibility of all tiers of government working partnership. City of Whittlesea acknowledges and agrees with the Brotherhood of St Laurence statement in their submission to the Senate Economics References Committee, Inquiry into Affordable Housing 2014 that ‘at every point housing policies need to be assessed to ensure they facilitate not hinder economic, social and civic participation. Affordable housingis critical to achieving a more productive economy’¹².

There is a need to link affordable housing policies and provision with broader social and economic development. Housing is key public national infrastructure, it makes good economic sense. Within this context of the SAH Strategy Council affirms that:

- Housing is a basic human need that contributes to individual and community safety and wellbeing
- Every person, regardless of their age, culture, gender, race, religion or sexual preference, has a right to affordable and appropriate housing to enable their participation in community life
- Affordable housing should be in locations accessible to appropriate services and facilities for a range of households
- Whittlesea Council in collaboration with the State government, the Commonwealth government, other local governments, the community sector and the private sector can develop strategies to expand affordable housing choices
- Whittlesea Council can assist in the development and maintenance of community diversity and sustainability with a SAH Strategy that encourages both a social and housing mix throughout the municipality.

Within the City of Whittlesea the lack of access to affordable or suitable housing continues to grow due to the following issues:

¹¹ City of Whittlesea Social and Affordable Housing Policy and Strategy 2012 -2016

¹² Brotherhood of St Laurence Submission to the Senate Economics References Committee, Inquiry into Affordable Housing 2014 p.3

- Population growth and declining household size
- Low level of social housing stock for people with a disability
- Low level of rental stock
- Extremely low level of emergency and crisis housing stock
- Mismatch between dwelling stock and household size
- Limited rental stock of less than 3 bedrooms, limited affordable rental housing for those on low incomes

Council's SAH Strategy provides a practical plan to help increase access to affordable housing in the municipality Strategy goal is:

To encourage and facilitate the growth of affordable, accessible and appropriate housing for very low, low and moderate income households across the municipality.

Identifying the need

Our qualitative and quantitative evidence indicates the level of need in the following areas:

- People/families on very low incomes -up to \$31,148
- People with a mental illness
- Crisis accommodation: Family/domestic Violence (men, women and children)
- People with intellectual and physical disabilities
- Aboriginal community
- Supported accommodation:
 - Youth (for example. Youth Foyer Model)
 - People with a disability (for example respite care)

Definitions

Use of the term 'housing affordability' has multiple meanings. It requires careful consideration when it is observed that, increasingly less expensive housing is located in areas of low living affordability. In the City of Whittlesea, much 'affordable housing' is evidently unaffordable, evidenced by known liveability costs.

Any supported policy direction should be framed around a clear vision and definition of social and affordable housing. The City of Whittlesea adopted SAH Strategy defines affordable housing as *"housing that is appropriate for the needs of a range of low and moderate income households; and priced so that households are able to meet other essential basic living costs."*

As above, a **definition of social housing** must also be included.

Council's SAH Strategy defines social housing as

- **Public housing:** housing owned and operated by public agencies;
- **Community housing:** housing managed (and sometime owned) by a not-for-profit community based organization; and
- **Indigenous community housing:** Social housing owned and (usually) managed by Indigenous community organisations.

The concept of affordable living: It is important to note that affordability of housing is an outcome of both the cost of housing (mortgage or rental payments) and the income of the

household. As such, affordable housing considerations should include the concept of ‘affordable living’ which takes into account:

- Transport costs associated with accessing employment areas, services and facilities;
- Household expenditure on utilities; and
- The costs of adaptable housing as a household needs may change, such as suitability for people ageing or people with a disability.

Responses to the relevant questions have been presented as follows:

This City of Whittlesea submission focuses on issues relevant to Council’s extensive experience as a facilitator and planning authority relating to housing. Council acknowledges that the primary responsibility for the provision of and funding for social and affordable housing lies with Federal and State governments. However, local governments have an important, although limited role to play in promoting and encouraging the development of social and affordable housing. Local government in Victoria have limited capacity to intervene in the housing market to ensure the provision of affordable housing.

Local government must juggle a number of sometimes competing interests and relationships which impact on housing, nevertheless Council recognises it can undertake a number of roles and responsibilities in relation to encouraging the development of social and affordable housing in the municipality, these roles include:



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¹³ City of Whittlesea Social and Affordable Housing Policy and Strategy 2012 -2016 p. 80

Barriers to large scale investment

Targets and inclusionary zoning

Housing targets should be set within the development of a metropolitan Housing Strategy that includes a Housing Plan. Therefore, the City of Whittlesea recommends that a metropolitan **Housing Strategy including a Housing Plan** is developed that stipulates housing targets relating to housing diversity, supply and affordability.

Significant work will be required to undertake this project, and it is recommended that wherever possible the State Government works with local governments to draw on research contained in each Local Government Authority's (LGA) **housing diversity and social and affordable housing strategies** where they exist. While not a core responsibility of local government, in Council's view targets and inclusionary zoning need to urgently be considered and led at Federal and State government level.

The City of Whittlesea recommends, the Working Group to consider the need to define flexible **housing targets for social and affordable housing**. The impact of planning requirements on housing costs and the development process affects housing affordability. The limitations of current planning regimes prevent the uptake of greyfield precinct redevelopment and unless otherwise convinced, developers will continue to pursue well-tested, 'safe' approaches. The Victorian Planning Schemes are limited because of current provisions within the *Victorian Planning and Environment Act 1987* that do not provide any guidance with respect to affordable housing provision. To this end, setting metropolitan wide targets within a Housing Strategy would assist Councils to deliver more social and affordable housing and create a consistent approach across Melbourne.

The introduction of an **inclusionary zoning** mechanism in Planning Schemes is supported. Where a change in zoning results in uplift in value for the land, any future development occurring on that land that is suitable for residential development should include a percentage of purpose built affordable housing. For example, there may be further scope to examine the zoning of land in the greenfields (Precinct Structure Plans) to mandate a percentage to be social and affordable housing.

Specific **social and affordable housing targets** should be included in Planning Schemes. For example, Council's SAH Strategy outlines that "Council's objectives for social and affordable housing in the Municipal Strategic Statement or any Local Planning Policy for housing should include:

- Desired proportions of affordable and social housing in residential developments of 10 or more units.
- Incentives for residential developments which include affordable and social housing such as density bonuses (provided the increased density does not compromise local amenity) and fast track planning."

In order to increase affordable private rental housing for low income households, potential Planning Scheme requirements that could be waived or reduced without compromising

amenity and character are outlined in the SAH Strategy and include “a reduction of **car parking standards** where there is strong access to public transport, and **building density bonus offers** where an increased density will not compromise local amenity.”

Accountability and transparency: Implementation of targets and inclusionary zoning necessitates comprehensive mechanisms that embeds accountability and transparency. This is a critical principal which is built into all layers of Government grant and fund giving processes and should be applied in this case. To manage such a process the development of an independent body should be furthered examined.

Whittlesea Planning Scheme: The City of Whittlesea is currently in the process of undertaking an amendment to the Whittlesea Planning Scheme, Municipal Strategic Statement (amendment C197) to implement Action 3 from the Planning Scheme Review Report - April 2013. Part of this amendment is the addition of **Clause 21.09-3 Social and Affordable Housing** (yet to be approved and gazetted by the Victorian government):

To maintain the City’s characteristic diversity, there must be an adequate supply of affordable housing for purchasers and renters. Future housing development must respond specifically to the need for more affordable housing. Council also aims to increase the supply of social housing, including crisis and emergency accommodation, to house the City’s most vulnerable and very low income households.

Council will actively promote and facilitate the development of 500 additional social housing dwellings with government and non-government housing providers to be constructed in areas with public transport, including:

- Established West (excluding Epping North) 200 dwellings
- Established East: 200 dwellings in 5 years
- Urban Growth 100 dwellings (South Morang only)

The City aims to achieve the inclusion of 5% social housing and 10% affordable housing in the structure planning of any established or greenfield housing development.

Affordable Housing is housing that is appropriate for the needs of a range of low and moderate income households, and priced so that households are able to meet other essential basic living costs. Social Housing encompasses subsidised housing, usually rental, for designated households, and can include public housing, community housing and indigenous community housing.

Objective 1: To facilitate the provision and access to social and affordable housing for low and moderate income households.

Strategy 1.1 Support the provision of social and affordable housing associated with larger residential development/ mixed use development or on strategic redevelopment sites.

Strategy 1.2 Promote and facilitate affordable housing in locations with good access to public transport and/ or services.

- Strategy 1.3 Support the development of social housing generally within the established suburbs.
- Strategy 1.4 Facilitate a balanced mix of private, affordable and social housing within new developments.
- Strategy 1.5 Ensure that the social and affordable housing components within new developments are well-designed and integrated with the remainder of the development.
- Strategy 1.6 Support the development of and access to affordable private rental housing for low and moderate income households including a proportion to be owned and managed by a registered Housing Association, Housing Provider or similar Not for Profit Organisation.
- Strategy 1.7 Support innovative materials and affordable construction techniques, which could result in a more affordable housing product for residents.

Objective 2: To support the provision of crisis, emergency and supported housing

- Strategy 2.1 Support the provision of and access to emergency and crisis housing, preferably in discrete locations close to public transport.
- Strategy 2.2 Support the provision of and access to youth supported accommodation in areas with close proximity to services and public transport.

However the concepts of “support” “promote” and “facilitate” do not offer Council the required power within the Victorian planning framework to ensure developers will actually deliver on affordable and social housing goals and targets.

Affordability of housing and living

Housing affordability has rapidly deteriorated in Australia. Different groups put forward different reasons: issues with land supply and development; charges and fees on land development; the efficiency of the housing industry; the planning system; the lack of skilled tradesmen; and the taxation system.

Factors impacting on affordability include:

- Land values, land development and housing construction costs (including approval costs, delays and government charges)
- Demand for and supply of housing in a local area
- Capacity of diverse population groups to compete for housing
- Location in relation to access to services, facilities, education, employment and transport
- Quality of the housing especially in relation to environmental sustainability and the ongoing cost of maintenance, heating and cooling

A comprehensive understanding of affordability would include non-monetary factors, such as the time and social costs of commuting. Other factors include the affordability of mortgage payments and vulnerability to interest rate rises (see Dodson and Sipe 2008)¹⁴.

There is a need for changes to current funding arrangements that are often focussed on either rural or metropolitan areas, without consideration for the significant disparities between inner and outer metropolitan areas (especially in relation to infrastructure). New arrangements need to be established. This position supports the National Growth Areas Alliance proposal for the consolidation of existing urban policy-related initiatives into a new National Urban Infrastructure Fund.

As a designated Victorian growth area, the City of Whittlesea faces rapid population growth. It is one of the fastest growing municipalities in Australia with population growth projected to rise from around 200,000 (current) to 328,000 (2035). In this context the delivery of timely infrastructure and services (from all levels of Government) is a significant issue. This rapid population growth has not been supported by the necessary provision of infrastructure and services to build liveable and socially sustainable communities. Much of this population change is in growth areas that currently have no access to train services.

Melbourne's growth area Councils have accommodated a disproportionate amount of Melbourne's population growth and this has placed significant pressure on existing infrastructure and created strong demand for new infrastructure, which has not been met and should be addressed as a matter of urgency. The findings of a recent Parliamentary reports state:

*'To date, infrastructure and service provision has not kept pace with housing development and population growth. The physical location and relative newness of some of Melbourne's outer suburbs increases the risk of social isolation for residents of those areas'*¹⁵

¹⁴ City of Whittlesea Social and Affordable Housing Policy and Strategy 2012 -2016

Recent Parliamentary reports point to the need for both infrastructure and human service investment in growth areas such as the City of Whittlesea. Key findings¹⁶ of the **Parliamentary Inquiry into the Liveability Options in Outer Suburban Melbourne (2012)** can be summarised in the following liveability measures that represent the greatest challenges for Melbourne's outer suburbs:

1. A significant lag in the provision of services, social infrastructure and physical infrastructure, particularly transport infrastructure in the form of roads and public transport.
2. **A significant decline in housing affordability, which has had a disproportionate impact on residents of Melbourne's outer suburbs due to the relatively greater living costs that they face.**
3. The existence of pockets of relative socio-economic disadvantage, as well as reduced social participation and social cohesion due to the relative isolation of some outer suburban communities.
4. A relative lack of access to parks and public open space, as well as to private open space.
5. Relatively poor access to medical, health and support services, as well as poorer health outcomes.

The **Parliamentary Inquiry into Growing the Suburbs**¹⁷ found that reduced liveability was linked to the shortage of local knowledge industry jobs and decline in local industry that have traditionally provided a high proportion of local jobs. The report highlighted a need for increased local employment opportunities and transport infrastructure to support employment. The **Victorian Auditor General's Report**¹⁸ notes that the states' failure to deliver transport infrastructure and services needed to support growing new communities has led to poor accessibility and risks future liveability.

Our local affordability research¹⁹ has revealed the following issues:

Increase in access to affordable house purchase for moderate income households

The Issue: The City of Whittlesea has experienced an increase in house prices across the municipality in the years 2001 to 2010, but the increases are less than in Darebin. Using both the 30% of income affordability and the residual income house purchase measure reveals that very low income groups cannot purchase housing in the area and there is

¹⁵ Victorian Auditor-General, *Developing Transport Infrastructure and Services for Population Growth Areas*, Parliamentary Paper No 249, Session 2010-13, State Government of Victoria

¹⁶ Summary of findings Creating liveable communities in the interface, Interface Councils 2014

¹⁷ Outer Suburban//Interface services development committee, inquiry into Growing the Suburbs: Infrastructure and Business development in outer Suburban Melbourne, parliamentary paper 236 Section 2010-13 State Government Victoria June 2013

¹⁸ Victorian Auditor General, *developing Transport Infrastructure and services for population growth areas*, parliamentary paper No 249 Session 2010-13, State government Victoria, ppviii-ix

¹⁹ City of Whittlesea Social and Affordable Housing Policy and Strategy 2012 -2016

limited stock available at affordable prices for low income households. Even moderate income earners have limited house purchase affordability options in Whittlesea. The residual income affordability measure reveals that it is the smaller households on moderate incomes with few dependent children that can afford to purchase housing. However, even when we factor in a higher deposit for second time home purchase households, moderate income couples and couples with two or more children cannot afford to purchase housing in the municipality without facing financial stress²⁰.

Increase affordable private rental housing for low income households

The Issue: The City of Whittlesea has experienced the lowest growth in rental stock compared with other outer urban growth municipalities in the North and West, but more growth than the bordering middle ring municipality of Darebin. However, there is limited rental stock of less than 3 bedrooms and rents have increased by 39% in real terms in the ten years to 2010. Using both the 30% of income affordability measure and the residual income rental affordability measure reveals very limited affordable rental housing for people living on a very low income (i.e. those in receipt of Centerlink payments). The residual income affordability measures reveal that singles and sole parents with one child on low incomes can afford rent. However, couples and couples with two children require a moderate income to afford rent and not face a financial crisis²¹.

It is expected that demand for private rental housing for low income households in the City of Whittlesea will continue to grow. However, the proposed diversification of housing stock through increased density around activity centres will not add to the stock of affordable private rental dwellings for the low income group. The higher construction costs of 'commercial' medium-density stock, as well as the proximity to rail stations, will result in relatively high rents for this stock²².

Financial stress (atlas id)²³

- Approximately one sixth (15.9%) of households in the City of Whittlesea are experiencing mortgage stress and one third (30.1%) are experiencing rental stress. These are higher rates than Greater Melbourne (11.7% and 24.9%, respectively).
- The rates of mortgage and rental stress vary widely across City of Whittlesea precincts. Thomastown, Lalor, Epping and Epping North are all in the top five for both mortgage and rental stress, while Blossom Park households have the highest percentage of rental stress overall (atlas id).
- According to the 2015 Annual Household Survey, a little over a third (17.3%) of households renting or with a mortgage reported heavy housing-related financial

²⁰ City of Whittlesea Social and Affordable Housing Policy and Strategy 2012 -2016 p.91

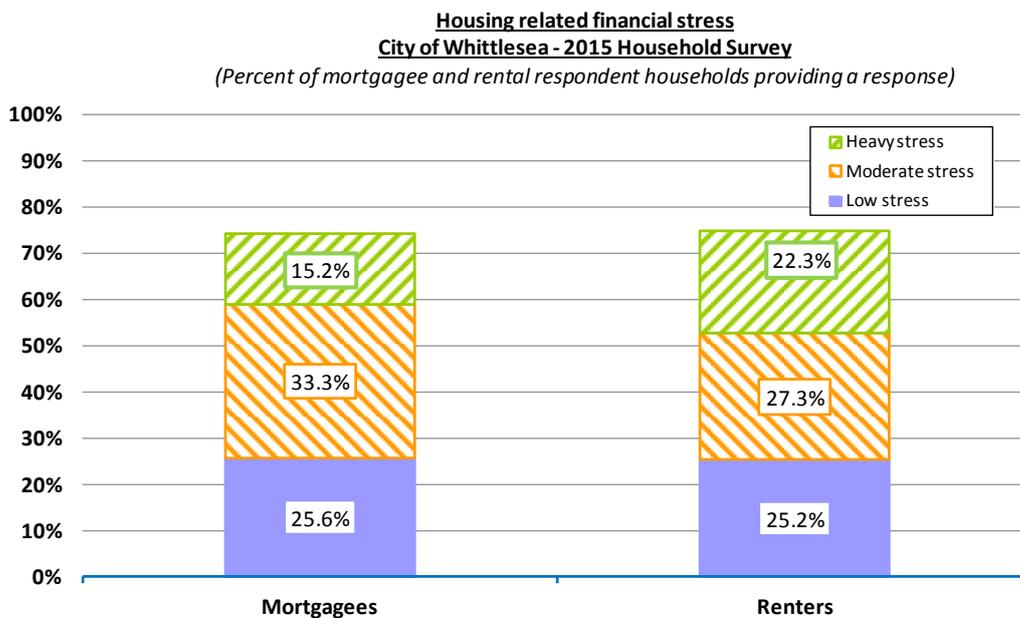
²¹ City of Whittlesea Social and Affordable Housing Policy and Strategy 2012 -2016 p.89

²² City of Whittlesea Social and Affordable Housing Policy and Strategy 2012 -2016 p.89

²³ CITY OF WHITTLESEA PROFILE: Version 2.0. Place Profile Report– Whittlesea Local Government Area, published January 2016

stress. (AHS 2015). This compares with 5.5% for Metropolitan Melbourne and 3.9% for eight growth area councils). (Governing Melbourne 2014)²⁴

Table one:



Many people experiencing housing affordable issue are not necessarily the most disadvantaged in the City of Whittlesea community. Broadly speaking, many residents within growth areas are experiencing²⁵:

- Relatively low average incomes
- Relatively high unemployment rates
- Relatively high level of youth disengagement with higher education and workforce participation
- Relatively low provision of professional employment
- Relatively high level of socio-economic disadvantage
- Poor provision of public transport and heavy reliance on private vehicle-based travel
- The VAMPIRE index²⁶ research demonstrates clearly that the highest levels of vulnerability are located in the interface municipalities.

Alongside this, specific groups are experiencing particular issues of access and disadvantage. Low income households who are dependent on cars, due to lack of public transport, are

²⁴ Governing Melbourne 2014 Governance Melbourne report as cited in 2015 Annual Household Survey Report.

²⁵ Interface Councils (2012), Submission to the Inquiry on Growing the Suburbs, page 2

²⁶ The VAMPIRE (Vulnerability Assessment for Mortgage, Petroleum and Inflation Risks and Expenses) index identifies the relative degree of socio-economic stress in suburbs in Brisbane, Sydney, Melbourne, Adelaide and Perth. http://app.griffith.edu.au/ertiki/tiki-read_article.php?articleId=17601

vulnerable to rising fuel prices and at risk of isolation and social exclusion and a higher cost of living. Transport costs are the second-largest cost to households.

Figure 1 below sets out the remodelled 2006 VAMPIRE Index for the City of Whittlesea based on collector districts. The Figure clearly shows that Whittlesea township and the Urban Growth areas of Mernda and Doreen and Epping North have high vulnerability to fuel price increases. Only a few pockets within the Whittlesea municipality have minimal, low or moderate vulnerability²⁷.

The 2011 VAMPIRE Index shows that

- vulnerability in all areas of **Mernda** have increased from a mix of predominately Moderate –Very High to **all Very High**.
- **All of Doreen** has a **Very High** rate of vulnerability, compared to varying vulnerability cross the precinct from Low to Very High in 2006.

Feasibility options

The City of Whittlesea is committed to exploring ways to increase the provision of social and affordable housing options in the municipality. At the time of writing this submission Council is undertaking a feasibility study to investigate some of the ways Council can actively facilitate the provision of social and affordable housing within the municipality. The study is one of a number of pieces of work to implement actions outlined in Council's SAH Strategy.

The focus of this study is to identify Council owned land that may be suitable for the provision of social and affordable housing and the models available to Council to support the provision of social and affordable housing. The study has the following key objectives:

- **Build connections** and relationships with key stakeholders responsible for delivering social and affordable housing.
- **Build knowledge** within Council of social and affordable housing delivery models.
- **Identify and assess** underutilised Council owned land for its suitability for the delivery of social and affordable housing with a view to narrowing down potential options and identifying sites worthy of more detailed investigation and analysis

Energy and resources

Liveability and affordability are important to City of Whittlesea residents. If houses are designed appropriately, thermal comfort and liveability can be increased and energy consumption can be reduced ultimately making them more affordable²⁸.

Policy Direction U5.1 of **Council's Environmental Sustainability Strategy** encourages new buildings to exceed minimum environmental performance standards. Many other Victorian Councils are similarly trying to achieve higher levels of environmentally sustainable design

²⁷ City of Whittlesea Social and Affordable Housing Policy and Strategy 2012 -2016 p.40

²⁸ Adapted from: City of Whittlesea Submission Better Apartments Discussion Paper July 2015, in response to the Better Apartments Discussion Paper released in May 2015 by the Department of Environment, Land, Water and Planning.

through planning scheme controls. ESD should be supported by the State Planning Policy Framework and be linked to the requirement for either a Sustainable Design Assessment (SDA) or Sustainability Management Plan (SMP) based on the development size. These assessments could be used in marketing to educate purchasers on the implications of design on potential future building operation costs or savings.

Property contributions – airspace

Council provides the rights to develop the airspace above an existing or future community building or car park. One option is transferring the title of the airspace under a two lot plan of subdivision (strata or substratum subdivision). An alternative option is freehold sale of the land with a S173 agreement to use the ground level for car parking. Council could also explore leasing the air-rights of the site with long term tenure²⁹.

The City of Whittlesea features growth areas undergoing rapid development. Within these areas there are a number of planned town centres which will feature future community facilities. There could be the potential to co-locate social housing above these community facilities in the air rights. This would likely involve Council partnering with a housing provider to deliver the social housing component of the project. For example;

Community Centres

Future / planned Council owned community facilities (e.g.. Community Activity Centres, sporting pavilions, Early Learning Centres).

Town Centres

Mixed use development in future town centres. For example:

- *Aurora Town Centre's future library site. (Places Victoria, Aurora, Epping North)*
- *Mernda Town Centre's library and art space*

State Government site opportunities

Transport Hubs

Mixed use development in future transport hubs. For example:

- *Mernda train station, Vic Track*

Council has put considerable effort into the planning and development of community hubs in strategic locations around the municipality. We see these community hubs as opportunities for investment in social and affordable housing. Flexibility in approaches to social and affordable housing site opportunities is critical. Each site is unique requiring varying levels of sensitivity, partnership engagement and coordination. Flexible approaches supports the delivery of integrated and innovative housing projects. There are excellent examples across Melbourne:

²⁹ City of Whittlesea (2015) FEASIBILITY STUDY: Social & Affordable Housing (internal working document)

Kyme Place, Port Melbourne, Port Phillip Housing Association

<http://www.ppha.org.au/portfolio/developments/104-completed-projects/144-kyme-place>

Council Asset: 31 space at grade car park for local retail centre.
(approx. 960sqm site)³⁰

Mechanism: Air Rights transfer

Council transferred the 'air rights' over the existing car park to the Port Phillip Housing Association (PPHA) to facilitate the development of social housing while still retaining ownership and management of a 22 space car park at ground level³¹.

Design Response: This 'rooming house' is partially built over a Council car park which is located behind the Bay Street shopping strip. It is designed as a 'big house' to sensitively integrate with neighbouring dwellings along Liardet Street. The building's setback from Liardet Street includes a front yard and picket fence. The building also provides a transition in height from the adjoining single storey residential dwellings to the more substantial commercial premises located facing the shopping strip³².

Drill Hall, Melbourne, Housing Choices Australia

<http://www.housingchoices.org.au/pages/completed-proje-drill-hall-melbourne-134.html>

Council Asset: Council Hall

Mechanism: Air Rights Transfer

Council transferred the 'air rights' over the community hall to the Housing Choices to facilitate the development of social housing while still retaining ownership and management of the community hall at ground level. The community hall retained as part of the redevelopment is used for exhibitions, markets, rehearsal and light recreation activities.

Design Response: The developer restored and refurbished both the exterior and interior of the building in line with Heritage Victoria requirements. The development has an average FirstRate energy rating of 6.3. It demonstrates the sustainable reuse of a heritage building by incorporating an ecologically sustainable development (ESD) strategy that focuses on lower resource use and lower occupancy costs for tenants.

³⁰ City of Whittlesea (2015) FEASIBILITY STUDY: Social & Affordable Housing (internal working document)

³¹ City of Whittlesea (2015) FEASIBILITY STUDY: Social & Affordable Housing (internal working document)

³² City of Whittlesea (2015) FEASIBILITY STUDY: Social & Affordable Housing (internal working document)

Supporting greater housing diversity

It is important to focus on achieving a diversity of housing typologies in appropriate locations. Council's experience is that while densities are increasing it is generally through smaller lot sizes with the same dwelling types, which is clearly not providing an appropriate level of diversity.

The location, design and form of housing impacts on the composition of the local population, affecting diversity, community wellbeing and social cohesion. The range of housing types, suitability and affordability of housing within a municipality impacts on population diversity.

Adaptability is particularly important for the City of Whittlesea, as outlined in Council's submission to the *Better Apartments* discussion paper (2015): "The City of Whittlesea is experiencing changing demographics with an aging community and smaller households in the established suburbs, and younger rapidly growing households in our new communities. These changing demographics are creating demand for different ways of living and adaptable buildings can reduce the future cost of meeting these changing needs."

The need for housing adaptability is also highlighted at a strategic level, with the City of Whittlesea's SAH Strategy outlining the following actions;

5.1 Encourage the development of housing that is adaptable for people at different life stages and abilities. That Council promote housing that incorporates universal housing standards and adaptable housing standards to ensure housing is appropriate for older persons and people with a disability. Adaptable housing standards must comply with Australian Standard AS4299 1995

5.2 Encourage the development of housing for the diverse households in the municipality. That Council advocate to the Office of Housing and to registered housing associations for more four bedrooms dwellings to accommodate very large families.

The following recommendations are made to inform policy direction for adaptable housing:

Adaptable and flexible housing

The Victorian Planning Provisions to ensure that land use accommodation is not overly prescriptive/restrictive in the delivery of flexible and adaptive housing. For example:

- Enabling the use of dwellings to have additional facilities such as two kitchens, one on the ground floor, one on the second floor to enable multigenerational households to live together.
- Facilitating greater provision of two and three bedroom apartments to support growing and changing families.

The Working Group should draw on the significant research already undertaken in the *Livable Housing Design Guidelines* developed by the Commonwealth Department of Social Services (DSS), which provide a good foundation to inform any future policy direction with respect to adaptable housing. Similarly, the *Better Apartments* Discussion Paper (2015) released by the State Government contains significant discussion around adaptable housing and could be referenced.

Secondary/Ancillary suites

Secondary/ancillary suites have myriad benefits and merit more investigation and state policy direction. Beyond providing flexible living arrangements to accommodate the changing needs of family occupation and tenancy, secondary suites can also:

- Encourage and support households to ‘age in place’ and encourage independent supported living by person or persons with a disability.
- Provide greater choice in rental housing when a family member does not occupy the suite. Secondary suites are one of the most cost-effective ways of providing additional rental stock.
- Provide a form of low impact or “invisible” densification by increasing density without significantly changing the built form of single-family neighbourhoods
- Provide mortgage helpers for homeowners through income generated from renting a suite.

Under current planning provisions, secondary suites are difficult to provide and the VPP only allow for a dependent persons unit that is not self-contained. A clear state policy and updates to the VPP may assist in facilitating secondary suites.

Universal Design

The greater provision of universally accessible dwellings will encourage ageing in place and multi-generational living which can offer greater flexibility to individuals and families in their housing choices. The City of Whittlesea is a signatory to the *Australian Network for Universal Housing Design and Rights and Inclusion* Australia Position Statement that:

The City of Whittlesea is currently advocating to the Australian Government to regulate minimum access features in the National Construction Code for all new and extensively modified housing. The three minimum access features are:

1. An accessible path of travel from the street or parking area to and within the entry level of a dwelling.
2. Doors, corridors and living spaces that allow ease of access for most people on the entry level.
3. A bathroom, shower and toilet that can be used by most people, with reinforced wall areas for grab-rails at a later date.

Stronger direction from State Government is required to support greater provision of universal design and adaptable housing, similar to the *Better Apartment Guidelines*. It is important that these provisions and criteria do not compromise amenity for surrounding residents and neighbours.

Planning and delivery of social and affordable housing takes years of commitment and significant resources by providers. Time becomes the enemy of a project's success as it increases financial costs, requires additional human resources and adds a level of exhaustion and frustration. The Working Group to identify the numerous ways governments can streamline processes to support increase supply of social and affordable housing.

Consideration of financing models

It is critical that any financing models considered is transparent and improves the mechanisms for increase in social and affordable housing supply. Particularly, a need for more equitable distribution in areas of disadvantaged and lower levels of social and community infrastructure and diversity of social / recreational opportunities. The proposed models to embed a system of accountability and transparency. This is a critical principal which is built into all layers of Government grant and fund giving processes and should be applied in this case.

Housings loan/bond

Council suggests the Working Group consider and investigate the **Homes for Homes**, The Big Issue initiative its aim to help raise an ongoing supply of new funding for social and affordable houses: <http://www.homesforhomes.com.au/about/>

Investment in mixed / shared equity

The Working Group to investigate mixed / shared equity models, Housing Choices Australia offers a Mixed Equity program for people with a disability who require support to live in the community and who are able and wish to make a financial commitment to their long term home: <http://www.housingchoices.org.au/pages/mixed-equity-housing.html>

Housing Trusts

The Issues Paper identifies a housing trust structure to be considered although does not provide any detail with regard to implementation, accountability, equity and transparency measures. Recognition in the value of establishing a housing trust is highlighted at a strategic level Council's SAH Strategy States:

Strategic Action 2.2 Council identify potential social housing development opportunities. That Council investigate the establishment of a land trust under a partnering arrangement.

Housing cooperatives

Council strongly supports and recommends developments with a mixture of housing types and diverse tenure and ownership arrangements.

Further Innovations and housing development cooperatives

Further investigations are required around housing development cooperatives and diverse tenure and ownership arrangements. There are excellent examples of shared living and cooperative housing arrangements from Europe, North America and even Australia. An example of a local housing development cooperative is CitiNiche <http://www.citiniche.com.au/>

Impact investment models including social impact bonds

Integration of government policies that will correct the current social and affordable housing imbalance is necessary. Social and affordable has increasingly become a complex and contested public policy area. From a public policy perspective, it is unhealthy to focus as is the core of the Issues Paper on financing models in isolation of infrastructure planning, taxation, income support, housing and job investment. We are currently in a policy grid lock. This would work best if there was cross government-portfolio reform initiative, identifying long term sustainable outcomes. A new narrative about affordable housing lead by all levels of government is needed in the public discourse arena that is evidenced based³³.

Social, environmental and economic return

The Working Group to undertaking further research to determine and understand the social, economic and environmental benefit generated by social and affordable housing investment.

A housing provider case study:

Women's Property Initiative Women's Property Initiative (a non-profit organisation established in 1996 to develop innovative housing solutions for disadvantaged women and their children). WPI undertook research to identify their investment in affordable housing for women -the social and economic returns, the findings:

- WPI creates \$30 million in value for its stakeholders and the Victorian community from an investment of \$7.45 million.
- WPI delivers \$3.14 of social value for every \$1.00 invested.
- On average WPI tenant households save \$7,179 a year because VWHA rents are more affordable than market rent.
- Over the next 20 years WPI is projected to have provided over \$114 million in value. With more houses, this figure will be much higher.
- Women tenants benefit from an increase in disposable income, improved independence, improved stability and safety, opportunities for further work and/or education, and feelings of comfort and happiness. Social value \$3,143,609
- Children of tenants benefit from improved engagement at school and feelings of stability, safety, comfort and happiness. Social value \$1,680,184³⁴.

³³ City of Darebin (2014) Submission to the Australian Parliament Senate Standing Committees on Economics Inquiry into Affordable Housing
Brotherhood of St Laurence (2014) Submission to the Senate Economics References Committee, Inquiry into Affordable Housing

³⁴ Victorian Women's Housing Association (2010) Research Report, Victorian Women's Housing Association investment in affordable housing for women - the social and economic returns
<http://www.wpi.org.au/vwha/PDF/Publications/Social%20Return%20on%20Investment%20%20Report.pdf>

Social Procurement

A vast majority of people secure their wellbeing by active participation in the paid workforce. Social procurement initiatives are a measure that can increase employment among those accessing social and affordable housing payments. The Working Group to investigate a whole of government approach that builds on evaluated successful social procurement initiatives. Social responsible purchasing provides a valuable opportunity for job pathways and work experience for people accessing social housing.

City of Whittlesea Social Procurement Policy

Council has a strong commitment to promoting employment pathways and increasing employment opportunities for local people who experience multiple barriers to employment including: people who are long term unemployed, young people who have been disengaged from education and training, Aboriginal people, people with disabilities and people who experience mental illness and people from refugee backgrounds.

There is increasing recognition that governments have significant potential to use its purchasing power to create sustainable social outcomes for the local community. In 2011 City of Whittlesea was one of eight councils across Victoria participating in the Department of Planning and Community Development (DPCD) Social Procurement Expert Support Program. The program was established to support the development of social procurement in Victorian councils. In 2012 Council's commitment to achieving social benefits through procurement has been recognised through inclusion of social procurement in Council Procurement Policy, processes and documentation.