

Attachment Two**EXISTING MECHANISMS FOR INCREASING AFFORDABLE HOUSING****1. Site specific affordable housing**

This involves seeking affordable housing within key, strategic development sites as either voluntary section 173 Agreements under the Planning & Environment Act or as a condition of development approval. This could especially apply where there is betterment capture or windfall gain by the developer through higher development density, varied development standards or rezoning.

This may still be prevented through any Panel process or intervention by the Minister for Planning, as occurred with the AMCOR site in Yarra and the City Road site in Port Phillip.

2. Urban renewal areas

There is a future opportunity to seek affordable housing outcomes in broad acre urban renewal areas controlled by State Government through development or urban renewal authorities. A future opportunity will be provided in the Fishermans Bend urban renewal area in parts of the Cities of Port Phillip and potentially part of Melbourne. The State Government indicates that a major objective of this renewal will be affordable housing, although it is yet to outline what is meant by 'affordable housing' and what mechanisms could be used to achieve affordable housing. Useful mechanisms could include:

- Identifying sites that can be developed by housing associations for community housing including key worker housing, either on their own or through partnerships with private owners or developers.
- Seeking developer contributions through planning mechanisms such as inclusionary zoning where there is a betterment capture through higher densities, varied development standards or rezoning. This assumes that the State Government may be more supportive of affordable housing planning mechanisms in one-off, defined areas.

3. Voluntary agreements with developers

IMAP Councils already have the powers to negotiate section 173 Agreements under the Planning and Environment Act through the statutory planning process. Usually, developers will enter into voluntary agreements when the Responsible Authority can provide planning incentives.

4. Partnerships with community housing organisations

IMAP councils can form partnerships with one or more Housing Associations or Providers registered under the Housing Act. Three IMAP Councils have formal partnerships with Housing Associations:

- Yarra City Council with Yarra Community Housing Ltd.
- City of Melbourne with Housing Choices Australia Ltd.
- City of Port Phillip with Port Phillip Housing Association Ltd.

These partnerships can vary from informal, opportunity driven/site specific arrangements to ongoing arrangements under formal housing trusts and involve Council contributions such as cash and/or land through lease or title transfer.

One significant opportunity for IMAP Councils involves air space development for community housing built over replacement car parks or community facilities when they are being upgraded. Under two lot plans of subdivision created on completion of developments, Councils can retain ownership of the car park or community facility while transferring ownership of the community housing to community housing organisation partners.

5. Strategic planning tools

IMAP Councils already encourage affordable housing under strategic planning policy. This policy comprises housing strategies/plans and activity centre structure plans that can be reflected in the Local Planning Policy Framework via municipal planning schemes.

Structure Plans can include identified sites suitable for social and affordable housing. If the identified sites are Council owned, Councils can negotiate agreements with registered Housing Associations or Providers for the development of community housing or mixed private and community housing with private developers and community housing organisations. If the sites are privately owned, Councils can seek to broker section 173 Agreements with private owners or developers and potentially including community housing organisations, for affordable or community housing outcomes in return for various planning or development incentives.

6. Advocacy on affordable housing and housing affordability

IMAP can continue to advocate for more affordable housing and on housing affordability issues. This could be based on a target for maintaining existing social housing levels at 5.9% of total dwellings using a range of mechanisms as outlined in this attachment.