



Submission to the City of Melbourne's Draft Affordable Housing Strategy 2030 Consultation Process

Council to Homeless Persons welcomes the opportunity to provide input to the City of Melbourne in response to the Draft Affordable Housing Strategy 2030.

Council to Homeless Persons (CHP) is the peak Victorian body representing organisations and individuals with a commitment to ending homelessness. CHP works to end homelessness through leadership in policy development, advocacy, capacity building and consumer participation.

Council to Homeless Persons greatly values the leadership role played by the City of Melbourne in responding to homelessness. CHP also appreciates the partnership approach the Council has demonstrated in working with Council to Homeless Persons, and the broader specialist homelessness sector, in directly responding to the significant challenge of homelessness in inner Melbourne.

As Council is well aware, lack of access to housing that people experiencing homelessness can afford, is the single biggest barrier people face both to finding a pathway out of homelessness, and to avoiding an experience of homelessness.

Of the 279 people counted sleeping rough in the 2018 StreetCount, 34 per cent were already on the public housing wait list. For single people on unemployment benefits only 0.4% of rental properties in the City of Melbourne were affordable (DHHS December 2019 Rent Report).

As Council has noted in the draft Affordable Housing Strategy, lack of access to affordable housing creates broad impacts for the wellbeing of the community, as well as for the economy of Melbourne. However, in the spectrum of these impacts, it is homelessness that has the most serious





consequences for individuals, for community wellbeing, and for the economy of inner Melbourne. Street present homelessness also creates significant direct costs to Council.

Consequently, Council to Homeless Persons response to the Affordable Housing Strategy focusses on the degree to which the Strategy will succeed in delivering greater access to affordable long-term housing for people experiencing homelessness. This is because housing solutions that achieve this aim are the most effective strategy to reduce homelessness in inner Melbourne.

The Draft Affordable Housing Strategy is to be commended for focussing Council effort on creating affordable *rental* housing, as rental housing options are more accessible to low income households than home purchase options. However, within the spectrum on affordable housing, only social housing options are affordable to people on the lowest incomes, who are most vulnerable to, or who are already experiencing homelessness. There is a risk that a broad strategy across all affordable housing options, will result in the creation of housing that is predominantly at the more expensive end of the affordable housing spectrum, as these options require less subsidy, and can be easier to develop.

While this approach may create higher numbers of affordable houses, the approach will achieve far less impact on wellbeing or the economy, as the benefit to the community per unit developed will be far less, than a housing option that ends a person's homelessness permanently.

- 1. Recommendation:** That Council include a priority for affordable housing outcomes that meet the needs of the lowest income households, or state a specific target for achieving housing outcomes for this group in the Final Strategy.

Inclusionary zoning

Council to Homeless Persons welcomes the Council's inclusion of advocacy for mandatory inclusionary zoning in the Strategy. As the Strategy notes, the existing process for voluntary agreements has failed to achieve significant new affordable housing outcomes. Only a mandatory inclusionary zoning scheme can deliver the scale needed to achieve a reasonable flow of new affordable housing.



2. **Recommendation:** The Council retain the commitment to advocate for mandatory inclusionary zoning in the Final Strategy.

Use of City of Melbourne land

Council to Homeless Persons welcomes the Council's commitment to use City of Melbourne land to achieve affordable housing outcomes, and supports the commitment to a 25 per cent target of affordable housing in residential developments on Council land. As noted above, these commitments will achieve the most impact if they prioritise creating housing options for the lowest income households.

3. **Recommendation:** The Council retain the action and policy commitments to using City of Melbourne land for affordable housing in the Final Strategy, but specify that:
 - a. the affordable housing project to be developed in the next five years include at least 30% of units developed for the lowest income households
 - b. the 25 per cent target for new residential developments on Council land be comprised of 15% for housing for the lowest income households and 10% broader affordable housing.

Strengthening internal affordable housing processes

Council to Homeless Persons welcomes the Council's commitments to robust processes within the City of Melbourne to enable affordable housing development. It is vital that these processes remain connected to the challenges faced by Council in housing people experiencing homelessness in inner Melbourne, and the direct costs and broader impacts of failing to house this group. Hence CHP proposes that any planning policies developed specifically include the reduction of homelessness as an objective, and that processes are structured within the organisation to include Council staff with expertise in responding to homelessness.

4. **Recommendation:** The Council retain commitments to strengthening internal affordable housing processes in the Final Strategy, but specify that:
 - a. the Affordable Housing planning policy to be developed specifically include the reduction of homelessness as an objective



- b. the special purpose entity and other processes to assess affordable housing outcomes or decide priorities include staff with expertise in responding to homelessness.

Advocate and partner for affordable housing

Over the past two years, Council to Homeless Persons has greatly valued the advocacy and leadership from the City of Melbourne with other levels of Government, particularly at the Federal Government level.

We welcome the inclusion of the continuation of this advocacy in the Strategy and strongly support each of the draft actions, particularly the focus on:

- Advocacy to other levels of government for more social housing, with an emphasis on public housing, and
- Identification of surplus government land for the delivery of affordable housing in the City of Melbourne.

5. **Recommendation:** The Council retain each of the draft commitments to advocacy and partnering to achieve affordable housing outcomes as currently states in the Final Strategy