

## 14.2. Affordable Housing Action Plan

Author	Stacey Poulter, Strategic Planner
Responsible Director	Steve Hamilton, Director Strategy and Growth

### Purpose

The purpose of this report is to seek adoption of the Affordable Housing Action Plan and noting of the Affordable Housing Community Engagement Summary Report.

### Summary

Housing is a human right and considered as essential infrastructure in any community. Being able to access affordable and appropriate housing helps people secure and maintain a job, keep families safe, raise happy and healthy children, enjoy a better standard of living and contribute to their community. If we want to create a sustainable and prosperous community in Greater Bendigo this must be for all our residents, and this includes everyone having access to affordable housing.

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

Like many places in Australia, there is a growing affordable housing problem in Greater Bendigo. Our community is facing increasing levels of homelessness and demand for social housing, pressure in the private rental market, costs of housing and housing stress, and housing supply mismatch. The impacts of the COVID-19 pandemic have placed even further pressure on affordable housing as well as the broader housing market. In particular, the community and local organisations reported a worsening of people struggling to pay for basic living expenses (such as food, heating, rent or mortgage payments) and secure rental housing, or delays with new housing.

In 2017 Council identified the need to prepare a strategic response to this growing issue. An Affordable Housing Action Plan (Action Plan) has now been developed to support an increase in the supply and provision of affordable housing to meet the community's needs. While this includes mechanisms to increase the supply of well-designed and efficient affordable housing, the Council as a provider or supplier of housing is out of scope for this project. The City already influences affordable housing in many different ways, however the Action Plan aims to bring this work together in a more coordinated way and focus those efforts to collectively achieve better outcomes for our community.

An extensive community engagement program has been undertaken to develop the Action Plan. The engagement approach directly involved the community to ensure concerns and aspirations were consistently understood and considered. Community engagement was undertaken during project milestones in stage one (project scope), stage two (background paper) and stage three (draft action plan). A wide range of individuals, groups and organisations participated, however most feedback was from industry stakeholders (those delivering and supporting affordable housing), community members and tenants. Overall there is significant community support for the Action Plan and a shared concern for this growing issue in our municipality.

## **RECOMMENDATION**

That Council:

1. Adopts the Affordable Housing Action Plan.
2. Notes the Affordable Housing Community Engagement Summary Report.
3. Acknowledge and thank the stakeholders who contributed to the development of the Affordable Housing Action Plan.

### **Policy Context**

Community Plan Reference:

City of Greater Bendigo Community Plan 2017-2021

As part of the 2017-2018 actions set out in the Community Plan, the following objective and action are intended to achieve Goal 4 Presentation and managing growth:

- Objective 4.2 Plan to meet future housing needs
  - Action 4.2.3 Develop a Social and Affordable Housing and Living Strategy and commence implementation

Strategy Reference (include weblink as applicable):

Greater Bendigo Health and Wellbeing Plan 2017-2021

Goal 2 Safe and secure: The Greater Bendigo community lives free from violence and abuse, is protected from environmental risks and is supported to live affordably.

- Objective: Reduce socio-economic disadvantage by increasing access to and affordability of;
  - Nutritious food
  - Diverse housing
  - Energy.

Goal 5 Liveable: The Greater Bendigo community is adaptable and resilient and has access to sustainable natural, built, social and economic environments that support and enhance health and wellbeing.

- Objective: Improve accessibility;
  - Health and community services
  - Transport
  - Technology and information
- Objective: Facilitate supportive built and natural environments.

Residential Development Strategy

- Objective: To provide and support affordable housing opportunities
- Objective: To provide for a range of housing types and densities that responds to the changing needs of the community

Housing Strategy

The Housing Strategy adopted by Council in 2016 (amended in 2018) identified strong community support for Council to play a role in ensuring our municipality advocates for the provision of affordable housing. The Housing Strategy set out a number of issues and opportunities that have helped to inform the development of an Affordable Housing Action Plan.

In particular, the Housing Strategy recommended that the *"development of an affordable housing policy will commence in 2017/18 and will involve engaging with a range of stakeholders and government agencies"*.

## **Background Information**

Victorian Local Councils have an important role in ensuring there is adequate supply of housing to meet community needs. However, there is no set policy or role for the provision of affordable housing, and it is therefore the responsibility of each individual Council to determine what their policy or role will be. It is clear there is an appetite in the community for the Greater Bendigo Council to continue to increase its support and advocacy for additional affordable housing.

Previous Council Decision(s) Date(s):

- 17 June 2019 – Councillor briefing to provide a project update and gain feedback prior to the preparation of an Affordable Housing Background Paper.
- 18 November 2019 – Councillor briefing for feedback on the Affordable Housing Background Paper and project Community Engagement Plan prior to consultation with the community.
- 19 August 2020 – Council endorsed the Draft Affordable Housing Action Plan for consultation with key stakeholders and the community.
- 21 December 2020 – Councillor briefing to provide a project update and an overview of the State Government's recently announced Big Housing Build program.

## **Report**

The City has developed an Affordable Housing Action Plan which is to be considered by Council for adoption (see Attachment 1).

The Action Plan sets out the City's role and actions it will implement to support an increase in the supply and provision of affordable housing to meet the community's needs. The City already influences affordable housing in many different ways, however the Action Plan aims to bring this work together in a more coordinated way and focus those efforts to collectively achieve better outcomes for our community.

Housing is a human right and considered as essential infrastructure in any community. Being able to access affordable and appropriate housing helps people secure and maintain a job, keep families safe, raise happy and healthy children, enjoy a better standard of living and contribute to their community. If we want to create a sustainable and prosperous community in Greater Bendigo this must be for all our residents, and this includes everyone having access to affordable housing.

The Planning and Environment Act 1987 defines affordable housing as housing (including social housing) that is appropriate for the needs of very low income households, low income households and moderate income households.

Across Australia and in Greater Bendigo there is a growing affordable housing problem. Greater Bendigo already has a high number of households within the very low income range (42 %), low income range (25 %), and moderate income range (20 %), however there are also high levels of housing stress. In 2016, almost 26 percent of all households were vulnerable to a housing crisis or eviction due to rental or mortgage stress. There are even higher proportions in the very low income households (71 % in rental stress) and low income households (72 % in mortgage stress). When people experience housing stress, basic needs such as food, water consumption, heating and cooling are often sacrificed in order to keep living in their home. Housing stress and financial hardship can increase the risk of people and families needing social housing or becoming homeless.

There are now more than 60,000 people across Victoria waiting for social housing, of which 2,632 are in Greater Bendigo. Currently social housing supply in Bendigo (2,404 occupied homes) cannot meet this need. The Action Plan proposes a number of strategies to increase social housing supply from current levels of 4.6 per cent, to meet demand of 10 per cent by 2036.

The key issues relating to affordable housing in Greater Bendigo have been identified through research and an extensive community engagement program, and include increasing homelessness and demand for social housing, increasing pressure in the private rental market, rising cost of housing and housing stress, and housing supply mismatch. The key indicators for these issues in Greater Bendigo are summarised as follows:

- Increasing homelessness and demand for social housing
  - 327 people estimated to be experiencing homelessness in 2020, yet at the same time 2,599 people accessed specialist homelessness services.
  - Social housing wait list has doubled over four years, from 1,315 in 2016 to 2,632 in 2020.
- Increasing pressure in the private rental market
  - Rental vacancy rate dropped from 2.5 per cent in 2016, to 0.7 per cent in 2020.
  - Rise of short-stay accommodation (e.g. Airbnb and Stayz).
  - Recent changes to legislation (Residential Tenancies Act and Regulations).
  - Poor quality housing – the majority of rental properties were built prior to the current building regulations (commenced 1993), now require upgrading and are running below current energy efficiency standards.
- Rising cost of housing and housing stress
  - In 2006 the median house price was five times the annual median household income and by 2016 this had risen to 5.24, representing an increase in house prices from \$217,000 to \$322,500 over 10 years.
  - The median purchase price of land increased from \$85,000 in 2006 to \$150,000 in 2016.
  - In 2016 over 11,000 (almost 26%) households in very low, low and moderate income ranges experiencing rental and mortgage stress.

- During the COVID-19 pandemic lockdowns in 2020, more than 80 per cent of survey respondents, including local community and organisations, reported a worsening of issues relating to affordable housing, in particular the ability to pay for basic living expenses (such as food, heating, rent or mortgage payments) and being able to secure rental housing or delays with new housing.
- Housing supply mismatch
  - The average floor area of homes increased by 40% over 10 years, from 228m<sup>2</sup> in 2010 to 313m<sup>2</sup> in 2020.
  - The proportion of 'empty nesters' increased by 20.6 per cent from 2006 to 2016 (indicator of an ageing population who will likely need to downsize to smaller homes).
  - In 2016 there were 11,569 single/lone person households however there were only 7,741 one or two bedroom dwellings.

Key components of the Action Plan set out Council's response to these issues, including the objectives, social housing target and Council roles.

Three objectives have been developed in partnership with the community to identify where we want to be:

1. Better understand affordable housing issues
2. Increase supply and improve quality of affordable housing
3. Improve Council processes and timeframes that affect affordable housing

These objectives are supported by 26 actions (set out in the implementation plan) that have been developed and tested with key internal and external stakeholders. Each action responds to barriers and opportunities in processes, policies and funding programs identified by the community, industry stakeholders and City staff.

Consideration is also given to the City's response to the State Government's recently announced Big Housing Build program. This \$5.3 billion program represents a significant shift in affordable and social housing policy, aiming to increase supply from 3 per cent to the national average of 4.2 per cent (around 60,000 additional dwellings). Importantly, Greater Bendigo has been allocated a minimum investment of \$85 million in affordable housing, and there is a further \$485 million unallocated funding across the state. The Action Plan includes strategies to ensure that Greater Bendigo is well positioned to respond to opportunities arising from this program now and into the future.

In developing the Action Plan, the community told us that it was important for Council to clearly identify a position and define the role that Council will play in the affordable housing sector. Greater Bendigo already has an extensive network of organisations providing support and delivering affordable housing to those in need. However, there is a clear desire from industry stakeholders for Council to better support this existing network of organisations through the following roles:

- Leader – Establishing a clear position on affordable housing and building an increased understanding of the issues
- Advocate – Advocating across community, industry and all levels of Government to improve outcomes in all areas relating to affordable housing

- Facilitator – Bringing together key stakeholders and reducing barriers to facilitate an increase in the supply of affordable housing
- Partner – Partnering with key stakeholders to leverage assets and resources to increase the supply of affordable housing

Outcomes from consultation on the Draft Action Plan show strong community support for the key components of the Action Plan:

- 76% felt the 'Objectives' responded appropriately to the key issues.
- 81% agreed that the roles for Council to address affordable housing are appropriate.
- 88% agreed with the social housing target of 9.5% by 2036 or felt this should be a higher proportion or delivered quicker.

Priority/Importance:

High – the development of the Action Plan is a commitment of the Community Plan 2017-2021.

Options/Alternatives:

Council has the option of endorsing the Affordable Housing Action Plan, endorsing the Affordable Housing Action Plan with changes, or not endorsing the document.

Timelines:

This project commenced in August 2018, however experienced delays during the COVID-19 pandemic, as a result the final Action Plan will be considered by Council for adoption in August 2021. The major milestones for this project are as follows:

- Stage 1: August 2018 – Project scope
- Stage 2: February 2019 – Background Paper
- Stage 3: August 2020 – Draft Action Plan
- Stage 4: August 2021 – Final Action Plan

Progress:

The project is currently in stage 4, where a final Affordable Housing Action Plan has been prepared and will be considered by Council for adoption.

Risk Analysis:

The City has committed to developing an Affordable Housing Action Plan through the Community Plan 2017-2021. Based on this direction, the City has engaged extensively with the community, local Community Housing Providers, organisations and individuals, as well as peak bodies and government. By not adopting the strategy Council will not deliver on its undertaking and commitment to community and stakeholders. Without looking at addressing the provision and quality of affordable housing it is likely to be a growing problem in Greater Bendigo with associated social, economic and environmental implications.

**Consultation/Communication**

An extensive community engagement program has been undertaken for this project, with an approach to directly involve the community to ensure concerns and aspirations were consistently understood and considered. Community engagement was undertaken

during project milestones in stage one (project scope), stage two (background paper) and stage three (draft action plan). The findings from each round of community engagement informed develop of key documents, such as the Background Paper, Draft Affordable Housing Action Plan, and the final Affordable Housing Action Plan.

Over the course of the project, community engagement was open for almost 12 weeks. Engagement activities were promoted across all media platforms, including media releases, radio interviews, newspaper adverts, Facebook posts from the City's Facebook page, and emails to the project mailing list. The project reached more than 16,000 people and directly engaged 239 individuals, groups and organisations in its development.

A wide range of individuals, groups and organisations participated, however most feedback was received from industry stakeholders (those delivering and supporting affordable housing), community members and tenants. Engagement activities focused on opportunities to discuss issues in detail and work through solutions. As a result, 136 people were involved in workshops, forums and one on one meetings, providing key insights to local issues and contributing to practical actions to address these. Further feedback was also provided through online surveys (90 respondents) and written submissions (13).

At times where COVID-19 restrictions were in place, engagement activities were limited to online surveys, written submissions and virtual meetings. Outcomes of the feedback collected during each engagement period helped to inform and refine documents in each project stage.

For further information please see Attachment 2.

### *Project Governance*

A Project Steering Committee and Project Working Group were established at the beginning this project to assist with development of the Affordable Housing Action Plan. Both the Committee and Group have representatives from across the organisation who contributed to the project direction and document content during each stage of the project.

### **Resource Implications**

Development of the Action Plan has been delivered within the Strategic Planning Unit operational budget.

### Projected costs for future financial years:

There are actions proposed in the implementation plan that have budget implications, which will need to go through the normal budget cycle and be determined by Council.

### **Attachments**

1. Affordable Housing Action Plan.
2. Affordable Housing Community Engagement Summary Report.