

Merri-bek City Council is committed to increasing the amount of affordable housing in the municipality. In addition to establishing Merri-bek Affordable Housing Ltd, delivering policy and advocacy, the Council is working with landowners and developers to secure affordable housing as part of planning permit or rezoning proposals. This work is guided by the Merri-bek Affordable Housing Action Plan 2022-26.

What is Affordable Housing?

Affordable Housing is non-market housing that is appropriate for very low, low, and moderate income households. There is an eligibility requirement and allocation process to ensure the Affordable Housing goes to those that need it, and that they can afford it.

Why am I being asked to provide Affordable Housing?

When a permit is issued, or land is rezoned, there is an uplift in the value of that land. Recognising the significant demand for Affordable Housing in Moreland and reflecting the objective in the *Planning and Environment Act*, we are seeking to share some of that uplift with the community through the provision of Affordable Housing.

To encourage you to include affordable housing in your development we may also be able to offer incentives such as additional height, if the site and surrounds can support it, and if the amount of affordable housing warrants it.

What are the options for including affordable housing in my proposal?

There are different ways you can include affordable housing. You could:

- Gift some dwellings to a registered housing agency
- Sell some dwellings at a discount to eligible households or a registered housing agency
- Offer discounted rent to eligible households for some of the dwellings

- Set a discounted affordable rent for a number of homes over a defined period (in Build-To-Rent developments)
- Provide land for affordable housing to be constructed
- Provide a cash contribution in lieu of dwellings or land.

The key thing is that the proposal actually delivers Affordable Housing (rather than just delivering lower-cost housing) and that the proposal is viable for the owners or managers of the Affordable Housing.

As there are different options and implications of each option, we encourage you to talk to the planning staff at the earliest point in your proposal to find an option that works for you.

Do I need to find a community housing organisation to partner with?

Community housing organisations (also called registered housing agencies) are not-for-profit organisations that provide housing for low income households. Due to the timeframes required to rezone or develop a property, it may not be feasible to bring a community housing organisation (CHO) on-board at this early stage.

If that is the case, then it is even more important that your affordable housing proposal is designed so that it is viable for a CHO to participate in the future. This may mean agreeing a significant discount from purchase price and/or establish ways that the CHO won't be burdened with large owners' corporation costs.

What is in an Affordable Housing report?

You may be asked to provide an Affordable Housing report as part of your proposal. Planning officers may refer to a specialist advisor to work out what is required. The report should be a site-specific proposal for the provision of Affordable Housing. It should include the:

- Proposed yield of the site (all dwellings)

- Proposed affordable housing contribution (quantum and discount)
- Explanation of what type of households benefit (very-low, low- or moderate income)
- Period of time that the properties will remain as affordable housing.

You may also include some commentary on the demand for Affordable Housing in the location or municipality if that has guided your specific response to Affordable Housing.

Can I just nominate a % of dwellings that will be Affordable Housing?

It is not enough to simply say how many dwellings will be Affordable Housing. It is essential that you also indicate the discount that will be offered so that the value of the contribution is clear. If an agreement says that a certain % of the dwellings will be Affordable Housing but does not indicate who will pay for or subsidise the dwellings, it creates problems when it comes time for the agreement to be implemented.

An Affordable Housing Agreement should set out the:

- Quantum of housing (% of dwellings or % of floorspace)
- Discount on those dwellings (% discount from market value up to 100% discount)
- Period of time that the properties will remain as Affordable Housing.

Agreeing the method to calculate the Affordable Housing contribution allows that contribution to move with the market and also provides flexibility so that the value of the contribution can be converted into cash or an alternative delivery mechanism if need be (e.g. more dwellings with a smaller discount or fewer dwellings with a larger discount).

Why do we need a Section 173 Agreement?

Affordable Housing negotiations and agreements are voluntary, but it is important that once agreement is reached that it is secured through a Section 173 Agreement. This is so that there is assurance that the Affordable Housing contribution will actually be delivered. This is particularly important if the site changes hands prior to the development being finished, or where Council has made a concession (e.g. additional height or reduction in car parking requirements) to facilitate to provision of Affordable Housing.

Where can I find further information?

Our planning staff can discuss Affordable Housing with you as part of your proposal. If you have a general enquiry on affordable housing contact: affordablehousing@merri-bek.vic.gov.au

There are also independent Affordable Housing consultants that you can engage to assist you.

The Department of Transport and Planning has information on Affordable Housing contributions. <https://www.planning.vic.gov.au/guides-and-resources/strategies-and-initiatives/housing-strategy>

The Municipal Association of Victoria and the Community Housing Association Victoria have developed detailed industry guidance called *Understanding Affordable Housing and Section 173 Agreements*.

<https://chiaviv.com.au/working-together/affordable-housing-agreements/>

Moreland Language Link			
廣東話	9280 1910	हिंदी	9280 1918
Italiano	9280 1911	普通话	9280 0750
Ελληνικά	9280 1912	ਪੰਜਾਬੀ	9280 0751
عربي	9280 1913		
Türkçe	9280 1914	All other languages	
Tiếng Việt	9280 1915	9280 1919	