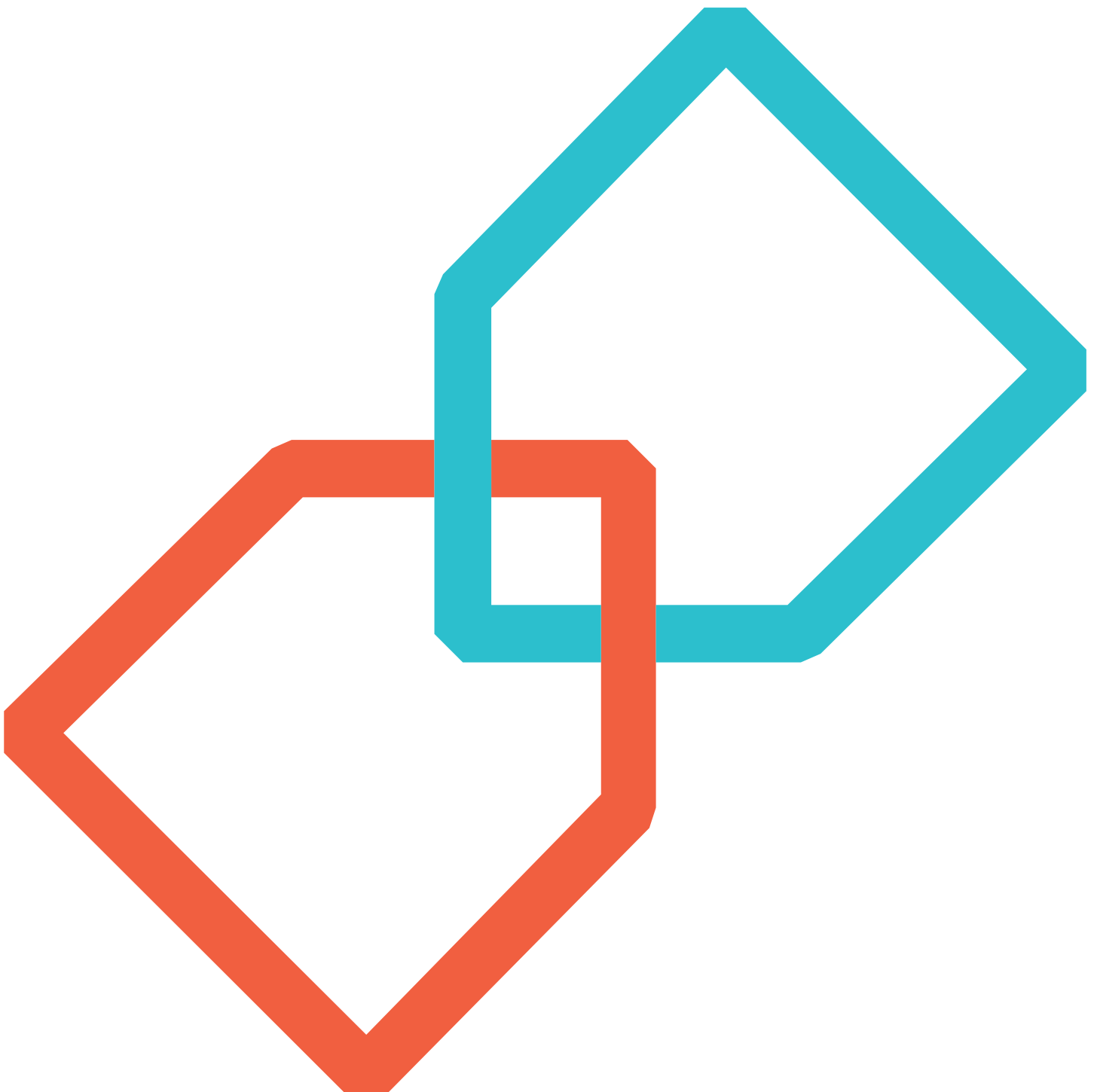




AFFORDABLE
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OUTCOMES

Affordable Housing Proposal

24 Jessie Street & 19 Hall Street, Coburg



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Disclaimer

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Executive Summary

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Uniting (Victoria Tasmania) Limited ('Applicant'), Uniting Church Australia Property Trust Victoria (landowner), and Uniting Housing (Victoria) Limited (Victorian registered housing provider), (together referred to as 'Uniting') are proposing to redevelop 24 Jessie Street, Coburg ('Site') and are seeking planning approval under Clause 53.23 (*Significant Residential Development with Affordable Housing*) of the *Victorian Planning and Environment Act 1987* ('the Act'). Applications under Clause 53.23 are assessed by the Development Facilitation Program ('DFP').

Uniting engaged Affordable Development Outcomes to review their proposal and to confirm its alignment to the Act, relevant planning policy and DFP guidance. This report sets out the analysis and confirms strong alignment to the planning policy framework and requirements to ensure an appropriate, long-term affordable housing will result.

Context

The Act establishes the facilitation of affordable housing as an objective of planning. Affordable housing is defined in the Act as "*housing, including social housing, that is appropriate for the needs of very low-, low-, moderate- income households.*"

Affordable housing delivered with reference to the Act, gazetted list of matters and income bands is required to be:

- **appropriate** in terms of response to **housing need, location, tenure, dwelling type** and **integration**;
- **affordable** in terms of rent or mortgage repayments, with the ideal benchmark that lower income households should not pay more than 30 per cent of income on housing costs;
- **allocated** to eligible households that earn below the government published income bands and that require housing assistance or would otherwise be in housing stress; and
- **managed** as affordable housing for an appropriate '**longevity**' of time.

Affordable housing includes 'social housing', defined under the *Housing Act 1983* as housing owned, managed and/or operated by a 'participating registered agency' (referred to as a Registered Housing Agency ('RHA')), strongly aligns to this criteria.

In relation to land-use planning provision of affordable housing:

- the Act, Planning Policy Framework and State Housing Policy establish the facilitation of affordable housing is a key objective of planning;
- a responsible authority and landowner can agree to an affordable housing contribution, which may include provision of planning incentives to support a value share proposition;
- the Act and related definition of affordable housing provide a framework to assess a proposed built form against, and for a responsible authority to confirm that the proposed dwelling(s) will achieve the intentions of the Act, and result in a dedicated and appropriate affordable housing outcome;
- Clause 53.23 aims to encourage residential development that includes a significant percentage of affordable housing by providing streamlined planning approval by the Minister for Planning or Department by delegation, ability for planning scheme requirements to be waived and removal of third party review rights; and
- Clause 53.23, category 3, provides for applications to be considered where it aligns to the purpose of the Clause and with regards to a range of criteria including the percentage of dwellings proposes to be affordable housing and whether the development will be "*owned and operated by a community housing provider*".

As a result of a planning agreement there should be a clear expectation in relation to the contribution the landowner will make towards the delivery of affordable housing. In practice, delivery may also depend on the attraction of funding and/or financing to supplement the value created by the planning approval.



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Affordable Housing Demand

Part 1 sets out an key data relating to demographics and demand for affordable housing in Merri-bek. It re-affirms the planning policy objective to facilitate affordable housing, with evidence clearly demonstrating:

- there is a very low level of private rental affordability in Merri-bek for households on the lowest incomes, with only 35 of leases registered in Merri-bek in the last 12 months deemed affordable for very low-income households in receipt of Federal Government income support - representing two per cent of all leases;
- very low and low income households are experiencing, or are at considerable risk of experiencing, the highest levels of housing stress and homelessness in Merri-bek, with median market rents considerably higher than the income capacity of these households when a 30 per cent income to rent benchmark test is applied;
- there is a considerable number of households on the Victorian Housing Register ('VHR') that are assessed as eligible for social housing, the majority of whom are singles requiring one-bedroom properties; and
- Merri-bek Council estimated that the shortfall in affordable housing in 2016 was at least 4,000 dwellings and that this was estimated to increase to between 7,000 and 10,500 dwellings by 2036.¹

Affordable Housing Proposal

The application is for **75 residential dwellings** and Uniting office space. **All dwellings** will be provided as long-term **affordable housing**, comprising:

- 56 discount to market rent affordable housing dwellings, to be rented to moderate income 'essential workers' (with incomes set by the Act or Housing Australia Future Fund requirements, whichever are lower) at a maximum 74.9 per cent of market rent and no more than 30 per cent of income (whichever is lower); and
- 19 dwellings to be rented to households eligible for housing under the VHR, with tenants to pay no more than 25 per cent of their income on rent (referred to as 'social housing').

Part 2 demonstrates that the proposal strongly align to all aspects of the planning policy and the matters that require consideration under the Act and will result in appropriate and affordable housing allocated to very low, low and/or moderate income households in need of housing assistance.

The requirement under category 3 of Clause 53.23 for the affordable housing to be owned and managed by a 'community housing provider' is met by the Uniting Housing (Victoria) Ltd, as a Victorian RHA, being responsible via Uniting inter-company agreements for the management of the dwellings in accordance with the housing agency regulatory standards and requirements.

Summary

The facilitation of affordable housing is an objective of the Act and a specific objective of Clause 53.23

Of key relevance in relation to the application of Clause 53.23:

- 100 per cent of the dwellings on the Site will be managed as affordable housing;
- the application is submitted by Uniting which includes Uniting Housing (Victoria) Ltd, a Victorian registered housing provider (a 'community housing provider' in accordance with the Clause); and
- the application and proposed dwellings strongly align to State and local planning and policy objectives, the affordable housing definitional criteria and local demand.

Approval and the subsequent development will result in a significant, long-term, appropriate and affordable housing response for lower to moderate income households in Merri-bek.

¹ Merri-bek affordable housing Action Plan 2022 - 20



Part 1: Context and Affordable Housing Needs Assessment

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Affordable Housing Overview

The ‘facilitation’ of the provision of affordable housing is one of eight objectives of the *Planning and Environment Act 1987* with the following definition incorporated at Section 3AA:

‘Affordable housing is housing, including social housing, that is appropriate for the housing needs of any of the following - very low income households-, low income households-, moderate income households.’

A range of programs fall within the affordable housing spectrum (Figure 1).

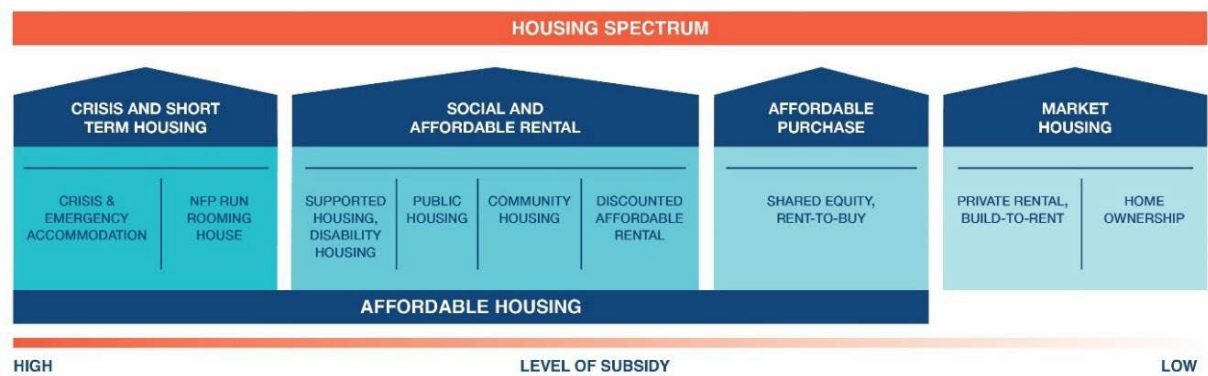


Figure 1: Housing Spectrum (Source: Affordable Development Outcomes)

Very low, low and moderate income bands, by household type, are published in accordance with the Act and indexed annually (Table 1). Not all households earning below these ranges will require housing assistance.

| Household type | Very Low Income | Low Income | Moderate Income |
|----------------|-----------------|----------------------|-----------------------|
| One adult | <\$30,640 | \$30,640 - \$49,020 | \$49,021 - \$73,530 |
| Couple | <\$45,950 | \$46,951 - \$73,530 | \$73,531 - \$110,300 |
| Family | <\$64,330 | \$64,331 - \$102,950 | \$102,951 - \$154,410 |

Table 1: Affordable housing income ranges, Greater Melbourne, 2024-2025

Eight criteria are established by Government Gazettal that must be considered by the responsible authority when determining whether a proposed dwelling will be appropriate for the needs of very low, low and moderate income households.²

These are expanded on in Table 2 and provide a framework for guiding development, assessment and delivery of outcomes:

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² *Planning and Environment Act 1987*, Section 3AAA, For the purposes of determining what is appropriate for the housing needs of very low income households, low income households and moderate income households, regard must be had to the matters specified by the Minister by notice published in the Government Gazette (2018)



| Matter | Guidance |
|---------------|--|
| Housing Need | Affordable housing dwelling type, allocation and price should respond to the evidence of household need and the subsequent housing responses required to achieve long-term and stable housing affordability for very low, low and/or moderate income households that are unable to pay market prices and therefore require a dedicated housing response. |
| Allocation | Affordable housing is expected to be rented or sold to a very low, low or moderate income household (as defined income bands established under the <i>Planning and Environment Act 1987</i> or by social housing income eligibility) that is experiencing, or would otherwise be experiencing housing stress. |
| Affordability | The dwelling should be affordable for the household to rent or purchase. The common benchmark is households in the lowest 40 per cent of income should not pay more than 30 per cent of their gross household income on rent. Consideration should also be given to features to reduce housing costs such as passive design, solar power and all-electric appliances. |
| Tenure | The tenure – either rental or ownership – should respond to the evidence of need (who is in stress) and the income capacity of households that require affordable housing. |
| Type | The dwelling type should respond to housing need, for example, where need is greatest for housing for single persons, dwellings are predominantly one or two-bedroom apartments or townhouses. |
| Location | The dwellings should be prioritised for areas where households have good access to transport and services suitable for their needs. Very low income households, households with a disability and older persons are particularly expected to require housing that is located within walking distance to public transport that supports universal access. |
| Integration | Affordable housing dwellings should be integrated within the neighbourhood and/or development and are not distinguishable externally from market housing. |
| Longevity | The dwelling is ideally made available in perpetuity as affordable housing reflecting the forecast demand. Where government investment is provided a minimum term of use will be set by government funding requirements. |

Table 2: Matters to inform appropriateness of affordable housing. Guidance developed by Affordable Development Outcomes

Social Housing

Social housing is the primary form of affordable housing in Victoria and is defined under Victoria's *Housing Act 1983* as meaning:

- public housing, being “non-profit housing in the public sector, other than under the Victorian Affordable Housing Programs”; and
- “housing owned, controlled or managed by a participating registered agency” being “a registered agency that is declared by Homes Victoria to be a registered housing association or a registered housing provider (referred to as Registered Housing Agencies in this report (‘RHA’)).

Dwellings managed as social housing are highly targeted with households selected off the Victorian Housing Register (‘VHR’), provide long-term tenure security for residents and are rented at a maximum 30 per cent of household income (plus Commonwealth Rent Assistance).

Uniting Housing Victoria as a Victorian RHA must meet a range of regulatory standards and must adhere to policies and performance standards relating to household eligibility, allocation and rent setting when they are in receipt of State Government funds and are owning and or managing social housing.



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Development Summary

The site is located at 24 Jessie Street and 19 Hall Street, Coburg, with the City of Merri-bek and within the Neighbourhood Residential Zone – Schedule 1.

The proposal is for the redevelopment of an existing Uniting facility into 75 new residential dwellings across two buildings, and a new 'Uniting Hub' (office).

The proposed dwelling mix comprises:

- 23 x one bedroom apartments; and
- 52 x two bedroom apartments.

All dwellings will be managed by Uniting Housing Australia as affordable housing.

Relevant Planning Policy

The Act establishes an objective of planning to *"facilitate the provision of affordable housing in Victoria"* (Section 4(1)(fa)).

The Planning Policy Framework includes state and regional strategies for ensuring a supply of residential land. Clause 16 (Housing) includes strategies to improve housing affordability by:

- ensuring land supply continues to be sufficient to meet demand;
- increasing choice in housing type, tenure and cost to meet the needs of households as they move through life cycle changes and to support diverse communities;
- promoting good housing and urban design to minimise negative environmental impacts and keep costs down for residents and the wider community;
- encouraging a significant proportion of new development to be affordable for households on very low to moderate incomes; and
- increase the supply of well-located affordable housing by facilitating a mix of private, affordable and social housing in suburbs, activity centres and urban renewal precincts.

In 2023 the State Government incorporated **Clause 53.23 – Significant development with affordable housing** into the Planning Scheme with the purpose including to:

- *"facilitate residential development that includes affordable housing to meet existing and future needs;"*
- *"facilitate residential development with high quality urban design, architecture and landscape architecture;"*
- *"provide opportunities for non-residential use and development in association with residential development;"*

An application can be submitted if the application includes the use or development of land for accommodation (other than camping and caravan park, group accommodation and residential hotel); and meets a condition under one of three categories established in the policy.

Uniting's application is made under **Category 3** which requires that:

- *"The responsible authority has advised in writing that the use or development of land for accommodation (other than camping and caravan park, group accommodation and residential hotel) is of significance having regard to:*
 - *The purpose of clause 53.23.*
 - *The percentage of the total number of dwellings in the development that are proposed to be affordable housing and whether an alternative mechanism will be used for the delivery of affordable housing.*
 - *The estimated cost of development.*
 - *The location of the development and whether it has convenient access to jobs, services, infrastructure and community facilities.*



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- *Whether the design, liveability and sustainability of the development is exemplary.*
- *Whether the development will be owned and operated by a community housing provider.*

Must have written advice from the Chief Executive Officer, Invest Victoria confirming the likely financial feasibility of the proposal."

The amount of affordable housing to be provided is not established under Category 3.

Other categories establish that *"at least 10% of the total number of dwellings in the development must be affordable housing, or alternatively this condition may be met via an alternative mechanism..."*

The Minister for Planning has established the Development Facilitation Program ('DFP') to assess applications submitted under Clause 53.23.

The Minister, or by delegation, the Department of Transport and Planning, is the Responsible Authority and there is no third party right of review.

The application is expected to be assessed against the Merri-bek planning scheme which makes specific reference to affordable housing at:

- Clause 02.03-5 – Housing, which recognises:
 - *"At least 4000 households in Merri-bek are experiencing housing stress or homelessness and this is expected to increase to at least 7000 households by 2036. To meet this need it is estimated that at least 18 per cent all new dwellings built in Merri-bek by 2036 would need to be affordable housing."*
 - *In planning for population growth and diversity, Council seeks to..."facilitate housing that is affordable in relation to purchase price, rental price and ongoing living costs (utilities, transport) associated with the design and location of housing."*
- Clause 16.01-2L - Housing affordability Merri-bek, which establishes strategies to:
 - *"Encourage developments to include affordable housing to be owned and managed by a registered housing association, registered housing provider or the Director of Housing."*
 - *Encourage public landowners to use surplus land for the provision of social and affordable housing."*

Affordable Housing Funding and Financing Context

The State Government is investing in social and affordable housing via the \$5.3 billion Big Housing Build and regional funding allocations. RHA's are the primary recipients of this funding either to own and/or manage the resulting housing.

The Commonwealth Government has committed:

- Social Housing Accelerator program (\$500 m in Victoria to be committed by 2025);
- \$10 billion Housing Australia Futures Fund ('HAFF') to support 30,000 new social housing dwellings and 10,000 new affordable housing dwellings nationally.

Government criteria for funding RHAs includes value for money, sustainability, social procurement, tenant allocation and delivery certainty.

Streamlined and fast-track planning approval processes such as established by Clause 53.23, and/or additional density or height are other non-financial mechanisms that can support the feasibility of affordable housing delivery.

RHAs can also apply charitable taxation benefits that contribute to meeting costs of development or acquisition, and some may have capacity to secure low-cost debt financing.

Uniting has applied to HAFF for funding to enable development of the Site.

Should this funding not be secured Uniting will consider State Government funding opportunities and capacity to use its own capital and to acquire senior debt to develop the project.



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Affordable Housing Needs Assessment

The development is being led by Uniting as a charitable entity with a purpose to deliver community services and which includes within the company structure, Uniting Housing Victoria - a registered housing provider with a purpose to provide housing that seeks to alleviate poverty and benefit lower income households.

Uniting was driven by the considerable demand for affordable housing when deciding to pursue the redevelopment of the land for this purpose.

To confirm the demand and the corresponding built form requirements for affordable housing, a brief analysis of key data was undertaken, summarised below. This analysis re-affirms the high demand for dedicated, long-term affordable housing in Merri-bek.

Contextual Information

| Item | Number | Percentage |
|--------------------------|---------|------------|
| Number people | 171,357 | |
| Number households | 70,636 | |
| Lone person (single) | 20,058 | 28.4% |
| Couples with children | 18,333 | 26% |
| Couples without children | 16,860 | 23.9% |
| One parent families | 6,057 | 8.6% |
| Group households | 5,474 | 7.7% |
| Other families | 1,090 | 1.5% |
| Other non-classifiable | 2,250 | 3.2% |

Table 3: Key population demographics, Merri-bek 2021 (ABS Census)³

Housing Supply and Diversity

| | 2011 | 2016 | 2021 | Change 2011 - 21 |
|-----------------------------------|-----------|-----------|-------------|------------------|
| Total number dwellings | 63,292 | 70,639 | 78,224 | 23.6% |
| Total number households | 58,575 | 64,703 | 70,636 | 20.6% |
| 0 - 1 bedrooms | 6.9% | 7.9% | 8.6% | 24.6% |
| 2 bedrooms | 30.5% | 31.7% | 33.3% | 9.2% |
| 3 bedrooms | 43.2% | 39.5% | 38.8% | -10.2% |
| 4 bedrooms | 11.4% | 11.6% | 12.5% | 9.6% |
| 5 bedrooms + | 2% | 2.2% | 2.4% | 20.0% |
| Not stated | 6.1% | 7.1% | 4.4% | -27.9% |
| Owned Outright | 32.6% | 28.5% | 27.1% | -16.9% |
| Purchasing (mortgage) | 27.6% | 27.3% | 30% | 8.7% |
| Privately rented | 28.3% | 32.6% | 34.7% | 22.6% |
| Social housing[^] | 2.8% | 2.5% | 2.3% | -17.9% |
| Median price Unit | \$420,000 | \$489,000 | \$610,000 | 45.2% |
| Median price House | \$580,000 | \$775,000 | \$1,090,000 | 87.9% |

Table 4: Key dwelling data, Merri-bek 2011, 2016, 2021 (ABS Census)

³ Australian Bureau of Statistics, 2021 Census

[^]number social housing is based on Census data which relies on self-reporting. Social housing numbers based on State Government is outlined below



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Social Housing Supply

State Government Department of Families, Fairness and Housing annual report provides the most accurate information on social housing supply.

As at 30 June 2023 there were 2,343 social housing dwellings in Merri-bek, of which 380 were 'community owned'.

This is a 0.6 per cent increase (16 dwellings) from 30 June 2021 where there were 2,327 social housing dwellings.

If the total dwelling number as reported in the Census is accurate then social housing represented 2.97 per cent of all dwellings in 2021.

Census data highlights that the percentage of social housing in Merri-bek declined from 2011, whilst overall housing supply increased 23.6 per cent from 2011 to 2021 and 10.7 per cent between 2016 and 2021.

Market Values and Rents

Victorian Valuer General data based on all sales indicate the following median market values for units and houses in Coburg and Merri-bek in 2023:⁴

| | Coburg | Merri-bek |
|--------------------|-------------|-------------|
| Median Unit price | \$580,000 | \$585,000 |
| Median House price | \$1,180,000 | \$1,056,500 |

Table 5: Median property values, Coburg and Merri-bek, 2023

The median rent in Merri-bek in the March 2024 quarter based on all new leases during the period ranged from \$430 per week to \$800 per week. The number of rentals were particularly low for one and two bedroom dwellings (Table 6).⁵

| 1 bedroom flat | | 2 bedroom flat | | 3 bedroom flat | | 2 bedroom house | | 3 bedroom house | | 4 Bedroom house | |
|----------------|-------|----------------|-------|----------------|-------|-----------------|-------|-----------------|-------|-----------------|-------|
| # | Rent | # | Rent | # | Rent | # | Rent | # | Rent | # | Rent |
| 342 | \$430 | 622 | \$527 | 160 | \$620 | 102 | \$580 | 255 | \$680 | 65 | \$800 |

Table 6: New lettings number and median rent by dwelling type, Merri-bek, March 2024 quarter

Rental Affordability

There is very poor rental affordability in Merri-bek for households on the lowest incomes with only 35 of the registered leases in Merri-bek in the last 12 months, representing 2 per cent of all leases deemed affordable for very low-income households (recipients of Federal Government income support).⁶ Households are not guaranteed access to these rentals.

| Type | Number Leases Affordable | % Leases Affordable |
|--------------|--------------------------|---------------------|
| 1 bedroom | 3 | 0.9% |
| 2 bedroom | 14 | 1.7% |
| 3 bedroom | 11 | 2.2% |
| 4 bedroom + | 7 | 4.6% |
| Total | 35 | 2% |

Table 7: Affordability of new private rental lettings, Merri-bek, March 2023 – 24

⁴ Victorian Valuer General (2024) Guide to Property Values 2023 and median unit and house price by suburb

⁵ Department Fairness, Families and Housing (2024) Rental Report March 2024 quarter

⁶ ibid



Affordability of Market Rents

An assessment of household capacity to pay median market rents in Merri-bek, summarised in Table 8 highlights that very low and low income households are least likely to be able to afford median rents, requiring between 1 and at least 59 per cent discounts for rents to be affordable (no more than 30 per cent of income). Moderate income households are less likely to be experiencing housing stress if in the rental market.

| Household and Dwelling Type | Estimated Market Rent Per Week | Very Low Income | | | | Low Income | | | | Moderate Income | | | |
|-----------------------------|--------------------------------|----------------------|-------------------------|------------------------------------|----------------------|----------------------|-------------------------|------------------------------------|----------------------|----------------------|-------------------------|------------------------------------|----------------------|
| | | Maximum Income Limit | Maximum Affordable Rent | Gap between income and median rent | Gap as % Median Rent | Maximum Income Limit | Maximum Affordable Rent | Gap between income and median rent | Gap as % Median Rent | Maximum Income Limit | Maximum Affordable Rent | Gap between income and median rent | Gap as % Median Rent |
| Single (1 BR) | \$430 | \$30,640 | \$177 | -\$253 | -59% | \$49,020 | \$283 | -\$147 | -34% | \$73,530 | \$424 | -\$6 | -1% |
| Couple (1 BR) | \$430 | \$45,950 | \$265 | -\$165 | -38% | \$73,530 | \$424 | -\$6 | -1% | \$110,300 | \$636 | \$206 | 48% |
| Couple (2 BR) | \$530 | \$45,950 | \$265 | -\$265 | -50% | \$73,530 | \$424 | -\$106 | -20% | \$110,300 | \$636 | \$106 | 20% |
| Family (3BR) | \$680 | \$64,330 | \$371 | -\$309 | -45% | \$102,950 | \$594 | -\$86 | -13% | \$154,410 | \$891 | \$211 | 31% |

Table 8: Rental affordability assessment, Merri-bek, Affordable Development Outcomes July 2024

Unmet Need Estimate

A housing needs analysis undertaken for Council found the unmet need for affordable housing in Merri-bek in 2016 was estimated at between 4,000 and 7,300 dwellings. The unmet need for affordable housing was forecast to increase by a further 3,000 households to 2036.

To meet this level of need, up to 26 per cent of the forecast 38,000 new dwellings required in Merri-bek by 2036 were estimated to need to be affordable.⁷

Another indicator of demand is the VHR.

As at March 2023 there were 6,327 eligible households on the VHR that have registered a preference for housing in the Broadmeadows wait list area, which includes Coburg and Coburg North, of which:

- 3,573 households were deemed 'Priority' very low income applicants, 2,049 of whom were single requiring one bedroom dwellings; and
- 2,754 household were 'Register of Interest' applicants, 1,122 of whom were single.⁸

Required Response to Demand

The evidence highlights the significant lack of affordable housing options and poor market affordability in Merri-bek.

A 23.6 per cent increase in dwellings between 2011 and 2021 has not led to improved affordability with declining rates of social housing due to a lack of government investment, and a significant increase in market rents and dwelling prices – with median unit prices increasing by 45.2 per cent and median house prices increasing by 87.9%.

To address the estimated unmet demand of between 4,000 and 7,000 dedicated affordable housing dwellings requires targeted, long-term and genuine affordable housing responses with a priority on:

- one bedroom dwellings; and
- social housing, owned and managed by the State or a RHA, where rent is set with regards to income and affordability.

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⁷ SGS Economics & Planning (2019) Supplying Homes in Moreland, p10

⁸ Department Fairness, Families and Housing (2024) Rental Report March 2024 quarter



Part 2: Affordable Housing Proposal

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A decorative geometric pattern consisting of a grid of interlocking squares, each containing a smaller square, creating a tessellated effect. The pattern is rendered in white lines on a teal background and is positioned in the bottom right corner of the page.

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Affordable Housing Proposal

The application is for **75** residential dwellings and Uniting office space. **All residential dwellings will be provided as long-term affordable housing**, comprising:

- 56 discount to market rent affordable housing dwellings, to be rented to moderate income ‘essential workers’ (with incomes set by the Act or Housing Australia Future Fund requirements, whichever are lower) at a maximum 74.9 per cent of market rent and no more than 30 per cent of income (whichever is lower); and
- 19 dwellings to be rented to households eligible for housing under the VHR, with tenants to pay no more than 25 per cent of their income on rent (referred to as ‘social housing’).

Alignment to Clause 53.23 criteria

The proposal is assessed as meeting Clause 53.23 criteria that relates to affordable housing provision as follows:

| Category 3 requirements | |
|---|--|
| <i>“The responsible authority has advised in writing that the use or development of land for accommodation (other than camping and caravan park, group accommodation and residential hotel) is of significance having regard to:</i> | |
| <i>The purpose of clause 53.23</i> | The proposal is for all dwellings to be affordable housing, strongly aligning to the purpose of Clause 53.23 to ‘facilitate residential development that includes affordable housing to meet existing and future needs.’ It also aligns to the purpose to: <ul style="list-style-type: none">- “facilitate residential development with high quality urban design, architecture and landscape architecture;” and- “provide opportunities for non-residential use and development in association with residential development;” |
| <i>The percentage of the total number of dwellings in the development that are proposed to be affordable housing and whether an alternative mechanism will be used for the delivery of affordable housing.</i> | The proposal is for 100 per cent affordable housing, to be delivered and managed on site. |
| <i>The location of the development and whether it has convenient access to jobs, services, infrastructure and community facilities.</i> | The location is excellent regarding access to jobs, services, infrastructure and community facility, as set out in the planning report. |
| <i>Whether the development will be owned and operated by a community housing provider.</i> | See below for the land ownership and management structure. Register Housing Agency Uniting Housing Victoria will be responsible for ensuring affordable housing related regulatory requirements are met. |

Ownership and operation by a community housing provider

The requirement under category 3 of Clause 53.23 for the affordable housing to be owned and managed by a ‘community housing provider’ is met by the Uniting structure, registered housing agency involvement and inter-company relationships and agreements with:

- the Uniting Church of Australia Property Trust (Victoria) the owner of the land subject to the application;
- Uniting (Victoria Tasmania) Limited (‘UVT’) (Applicant) as the community services organisation of the Uniting Church is responsible for delivering and managing services and programs across Victoria and Tasmania including affordable housing;
- two registered housing entities, Uniting Housing Australia and Uniting Housing (Victoria) being subsidiaries of UVT with the merger of the three entities completed in 2023;
- the Trust granting UVT ‘Registered Body Status’, allowing them to use and manage the land without restrictions;



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- the registered housing agencies including Uniting Housing (Victoria) Ltd contracting UVT to undertake all housing related services, including but not limited to tenancy management, asset management, and development management, through a Service Level Agreement, a Master Development Agreement, and a Master 'Making Housing A Priority (MHAP) Agreement'; and
- Uniting Housing (Victoria) Ltd as the Victorian RHA responsible for ensuring all regulatory and funding obligations and reporting is adhered to in the management of properties and tenancies; and

This structure has been supported by the Victorian Government through the provision of significant Social Housing Growth Funds and is the structure lodged with the Commonwealth Government for funding for the Site development under the Housing Australia Future Fund ('HAFF').

Alignment to Affordable Housing Criteria

The proposal has clear regards to the matters set out under *Planning and Environment Act* definition, outlined below, to ensure **appropriate, genuine, long-term, sustainable affordable housing** is realised.

| Gazetted Matter | Considerations | Project Response |
|------------------------------------|--|---|
| Location | <ul style="list-style-type: none"> <i>Is the location appropriate for lower to moderate income households?</i> <i>What access will residents have to services and transport?</i> | <p>See Planning Report for locational details</p> <ul style="list-style-type: none"> The site is very well located and will provide tenants of the affordable housing with excellent access to public transport, education, local retail and employment opportunities. Of note, it is immediately opposite John Fawkner Private Hospital which employs a range of workers including lower income cleaners, security and administrative staff. |
| Official Estimates of Housing Need | <ul style="list-style-type: none"> <i>What is the evidence of need? Which very low, low and/or moderate households are understood to be paying more than 30 per cent of their income on housing costs?</i> <i>How does the proposal respond to the evidence?</i> | <ul style="list-style-type: none"> Work undertaken by Merri-bek Council and analysis by Affordable Development Outcomes establishes there is clear demand for affordable housing in the area. The proposal will deliver 100 per cent affordable housing on the site, comprising a mix of discount to market rent housing and income based rent. Management overseen by a registered housing provider Uniting Housing Victoria will ensure that housing responds to household need, with the social housing dwellings to be rented to households on the Victorian Housing Register. |
| Dwelling Typology | <ul style="list-style-type: none"> <i>Will the dwelling type and bedroom mix be appropriate in response to demand?</i> | <ul style="list-style-type: none"> The evidence establishes that the highest need is experienced by very low and low income singles followed by couples. One and two-bedroom dwellings are most appropriate for these households. The proposal will deliver 23 one-bedroom and 53 two-bedroom apartments which directly responds to the evidence and the site development opportunity. |
| Tenure | <ul style="list-style-type: none"> <i>Will the tenure (rental or ownership) appropriately respond to demand?</i> | <ul style="list-style-type: none"> The proposal will deliver 100 per cent affordable housing in the form of rental housing with allocation, rent setting and management overseen by Uniting Housing Victoria. |
| Integration | <ul style="list-style-type: none"> <i>How will the dwellings be integrated with any market housing? Will they be tenure blind?</i> | <ul style="list-style-type: none"> The proposal is for 100 per cent affordable housing. Of the 75 apartments a mix of discount-to-market rental housing, intended to be targeted to low to moderate income workers, and 'social housing' rented to very low income households in receipt of government income support. This will support integration of a range of very low, low and moderate income households within the buildings. The site sits within the broader Coburg and Merri-bek community. Integration of residents is expected to occur in public places and is enabled by the provision of affordable housing on the site, supporting lower to moderate income households to live in the community. |
| Allocation | <ul style="list-style-type: none"> <i>How will the dwellings be allocated (rented or sold) to households that meet eligibility</i> | <ul style="list-style-type: none"> All dwelling allocation will be overseen by Uniting Housing (Victoria) Ltd as a registered housing agency in accordance with government policy and |



| Gazetted Matter | Considerations | Project Response |
|----------------------|---|---|
| | <i>requirements and need assistance?</i> | standards and regulatory requirements, and will include any requirements set by government funding. |
| Affordable | <ul style="list-style-type: none"> How will the dwellings be affordable for targeted households? How will this be confirmed? | <ul style="list-style-type: none"> The management of the dwellings will be overseen by Uniting Housing (Victoria) Ltd which is experienced and committed to ensuring affordability for tenants. The affordable housing will be provided at a maximum 30 per cent of income and/or no more than 74.9% of market rent (whichever is lower). Uniting Housing (Victoria) Ltd is regulated by the Victorian Housing Register and under various charitable and taxation requirements which provide a high degree of oversight and therefore assurance the rent setting policies support genuine affordability. |
| Longevity outcome of | <ul style="list-style-type: none"> How long will the public benefit be realised? How is this secured? | <ul style="list-style-type: none"> The affordable housing will be managed as affordable housing for at least 25 years as a result of government funding criteria. Uniting's intention is that the dwellings are retained in an affordable housing purpose beyond this term. |

Summary

The proposal has been driven by a desire by Uniting to respond to the housing crisis and provide high quality, long-term, dedicated affordable housing for households in need.

The resulting affordable housing will be:

- highly responsive to local need;
- appropriate in terms of dwelling size, amenity and location for households in need of assistance;
- affordable in terms of rent;
- allocated to eligible households; and
- managed by a not-for-profit entity overseen by registered housing agency, Uniting Housing (Victoria) Ltd who is highly skilled in managing social and affordable housing and is regulated by the Victorian Housing Registrar; and
- available as affordable housing for a considerable period.

As a 100 per cent affordable housing development – specifically a community housing project, strongly aligns to the key purpose and criteria of Clause 53.23 and Category 3 developments.

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