

6.5 ADVOCACY ON INCLUSIONARY ZONING

Submitting Councillor: Rebecca Paterson and Josh Fergeus

MOTION

That Council writes to the major political parties, requesting that they commit to the introduction of inclusionary zoning for affordable housing as part of a major reform to planning in Victoria in the lead up to the next State election.

INTRODUCTION

Housing affordability is a key issue in the community and has become more prominent in recent times, with skyrocketing house prices and increasing levels of homelessness being seen across Melbourne. The provision of affordable housing is a challenge for all levels of government and drives the need to consider a range of options to encourage and/or mandate an increased supply of affordable housing.

As this is an election year for the State Government, there are opportunities to advocate for major political parties to commit to supporting inclusionary zoning before the next State election.

DISCUSSION

Affordable housing includes not only social housing, but low cost housing for rental or purchase. In order to improve the supply and provision of affordable housing, a range of mechanisms needs to be considered and inclusionary zoning is one of these mechanisms. It has been widely used overseas, particularly in the United Kingdom, but to date has not been widely used in Australia.

Inclusionary zoning generally refers to a statutory planning control that requires development proponents to provide a number of dwellings on their site for affordable housing or to pay a cash-in-lieu contribution. The affordable housing units may be managed by a community housing organisation (who would then rent or sell the dwellings), or sold at below market rates. A variety of options could be considered.

Examples of Inclusionary Zoning

Inclusionary zoning (IZ) is widely used overseas, with mandatory requirements in the United Kingdom and United States. South Australia has implemented IZ, and since 2011 this has produced over 2,200 homes. In NSW, IZ has been applied in small pockets of inner Sydney on large development sites and government projects.

The Victoria State Government through its *Homes for Victorian* policy (HfV) is trialling an Inclusionary Housing Pilot that applies IZ to six surplus government land sites.

Commitment to addressing the affordable housing issue

Council is a member of Eastern Affordable Housing Alliance (EAHA) together with the municipalities of Knox, Manningham, Maroondah, Whitehorse and Yarra Ranges. A key priority for the EAHA this year is to undertake an advocacy campaign to gain commitment from the major political parties in acknowledging the shortfall of social housing in the Eastern Metropolitan Region, and committing to redressing that shortfall.

The other major ask in the EAHA advocacy campaign is to request the commitment of parties to introducing inclusionary zoning as a mechanism to assist in addressing the shortfall in affordable housing, of all varieties.

The Monash Housing Strategy 2014 also identifies housing affordability and accessibility as an issue with the existing housing market, as it is in most of Melbourne, with a lack of diversity in housing type, and decreasing affordability. An action of the Housing Strategy is to *“Advocate to the State Government for the introduction of new initiatives in support of housing affordability, diversity and accessibility.”* This motion supports that action.

A further example of Council’s commitment to acknowledging and highlighting the issue of affordable housing is that the Council’s Draft budget 2018-19 includes a new initiative to prepare an Affordable Housing Strategy.

CONCLUSION

The planning system and public investment in infrastructure in Victoria often results in dramatic increase the value of land, that are for the most part captured by the landowner. This can have a detrimental effect, with knock on effects for housing affordability.

As Melbourne continues to grow, but directs that growth to established areas, the need to use the planning system to efficiently and equitably provide housing diversity and affordability is critically important to the future make up of our community.

I recommend that in the lead up to the upcoming State election, Council request that the major political parties commit to a policy for the introduction of inclusionary zoning.