

## **2.3 POTENTIAL SITES FOR SOCIAL HOUSING IN MONASH IN RESPONSE TO THE VICTORIAN STATE GOVERNMENT'S 'BIG HOUSING BUILD'**

Responsible Directors: Russell Hopkins and Peter Panagakos

### **EXECUTIVE SUMMARY**

In late November 2020, the Victorian State Government announced a landmark \$5.3 billion 'Big Housing Build' investment into social and affordable housing, to be delivered by a new State Government agency, Homes Victoria.

Monash Council, as a local government sector leader in homelessness outreach, social housing and affordable housing policy, advocacy and partnerships, is in a strong position to approach Homes Victoria with a number of potential Council-owned sites in Monash that could be utilised for new social housing dwellings through the 'Big Housing Build' investment.

The State Government, through its agencies such as VicRoads and Melbourne Water, also owns significant parcels of underutilised land across Monash that may be excess to State requirements. It is recommended that Council encourage the State Government to consider all their land holdings in Monash for potential inclusion in the 'Big Housing Build'.

### ***PURPOSE***

The purpose of this report is to -

- provide some background to the 'Big Housing Build';
- identify potential suitable parcels of Council owned land; that could be made available for the provision of social housing; and
- recommend that the State Government also request agencies such as VicTrack and Melbourne Water to undertake an assessment of potential sites amongst their significant land holding in metropolitan Melbourne such as the site at 1A Johnson Street, 1 – 15 Johnson Street & Part Johnson Street, Oakleigh.

This stage is a first step in planning for the opportunities to be announced by Homes Victoria when they provide further timelines and directions to local government in 2021.

### ***KEY CONSIDERATIONS/ISSUES***

Since amalgamations of the mid 1990s most councils across Victoria have reduced their land holdings, particularly where that land was deemed surplus to the organisations or communities need. Whilst available, underutilised or unencumbered Council land is limited in Monash, the community net benefit of

additional social housing dwellings to the municipality is considered important by Council.

The identification of potential land sites in Monash for social housing aligns with a suite of policy commitments Council has made to advocate for an increase in social housing and affordable housing supply in Monash as well as the broader east and south-east region. Whilst the ability to identify suitable sites is constrained due to limited supply, competing demands on Councils land holdings and statutory obligations that apply when disposing of some categories of land such as public open space. Council has identified three initial potential priority sites within Monash that could be put forward for consideration.

### ***FINANCIAL IMPLICATIONS***

The development and building of new social housing dwellings in Monash as referred to in this report would be subject to successful funding investment by the Victorian State Government's 'Big Housing Build' program.

If successful in funding, Council's contribution to the 'Big Housing Build' would be land only, with construction costs fully born by the State Government and the site managed by a community housing agency. There may be implications should Council seek to further improve the land in conjunction with a Big Housing Build development or where replacement car parking is required or there is a desire to retain space on site.

The preferred model proposed by Council would be to retain ownership of the land and provide a long-term lease/licence over the land to facilitate the provision of social housing.

### ***CONCLUSION/RECOMMENDATION***

It is recommended that Council provide in-principle support for the inclusion of the properties identified in this report as suitable sites for re-development under the 'Big Housing Build' program.

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### **RECOMMENDATION**

*That Council:*

1. *Notes and endorse the three potential sites being:
  - a) 1399 – 1401 Centre Road, Clayton;
  - b) 329 - 333 Waverley Road, Mount Waverley; and
  - c) 65A Power Avenue, Chadstonewhich have been identified as possibly being suitable for social housing in Monash in response to the Victorian State Government's landmark 'Big Housing Build' \$5.3 billion investment package into social and affordable housing.*
2. *Provides in-principle support to the three Council owned sites identified within this report and notes that these sites will form the basis for any further discussions with Homes Victoria for the possible provision of social housing within the municipality.*
3. *Advocates to the State Government that they also identify land controlled by VicTrack and Melbourne Water that may be suitable as potential sites amongst their significant land holding in metropolitan Melbourne, such as the site identified at 1A Johnson Street, 1 – 15 Johnson Street & Part Johnson Street, Oakleigh.*
4. *Notes that this stage is a first step in planning for the opportunities to be announced by Homes Victoria when they provide further timelines and direction to local government in 2021, and that officers will brief Council when the next stages are known.*
5. *Notes that the preferred model would be for Council to retain ownership of the land and provide a long-term lease over the land to facilitate the provision of social housing.*

### **INTRODUCTION**

On November 15 2020, the Victorian State Government announced the single biggest investment into social housing in Victoria through the \$5.3 billion 'Big Housing Build.' The 'Big Housing Build' commits to transforming the social housing

system by delivering the largest single increase and largest-ever investment in social and affordable housing in Victoria's history.

The State Government has created a new government agency, Homes Victoria, to deliver on this commitment. Homes Victoria is a public corporation within the Department of Families, Fairness and Housing portfolio and is accountable to the Minister for Housing and its operations are led by a CEO.

The purpose of this report is in the first instance to identify suitable and easily accessible Council-owned sites for potential social housing dwellings within Monash, which Council would submit to the State Government under its 'Big Housing Build' program to develop and create new social housing dwellings in Monash.

### **BACKGROUND**

#### *Definition of social housing*

For the purpose of the report, social housing refers to housing owned either by State Government or by not-for-profit community housing providers that is rented to low-income households at either 25% (public housing) or 30% (community housing) of household income. Social housing does not generally include rooming houses.

#### *Homes Victoria 'Big Housing Build' \$5.3 billion social housing investment*

Homes Victoria states that COVID-19 has created a once-in-a-lifetime opportunity and challenge for Victorians, and that now is the time to stimulate the economy, create jobs and seize the opportunity to make lasting change.

The Homes Victoria 'Big Housing Build' investment includes:

- \$5.3 billion, new and additional investment to build 12,000 new homes across metropolitan and regional Victoria, creating an average of 10,000 new jobs a year over the next 4 years.
- 10% increase in social housing, with the building of 9,300 new social housing dwellings and 2,900 affordable housing dwellings.
- \$1.3 billion delivered through the Social Housing Growth fund over the next 4 years to support up to 4,200 new dwellings.

#### *10 Year Social Housing and Affordable Housing Strategy and Compact with Local Government*

To support the landmark social housing investment, Homes Victoria will be developing a *10 Year Social Housing and Affordable Housing Strategy* and separately, a *Social and Affordable Housing Compact* with local government. The *Social and Affordable Housing Compact [the Compact]* will set a new financial partnership with local government to promote collaboration and increased housing across Victoria. *The Compact* will include identifying suitable sites for new social housing and will provide opportunities for Councils to input into the design of projects.

*Monash Council's Sector Leadership in Homelessness & Social Housing*

Monash Council is in a strong position to capitalise on this investment package and partner with Homes Victoria to, as a first step, identify social housing land opportunities within Monash.

Council has positioned itself as a leader in the local government sector at championing the rights and needs of people with lived experience or at-risk of homelessness, and advocating for a greater supply of social housing across Victoria. This is demonstrated through Council's:

- Leadership of the *Regional Local Government Homelessness & Social Housing Charter Group [Regional Charter Group]* which Monash Council initiated in late 2019 and continues to coordinate to implement its 2020 – 2021 Regional Charter Framework.  
The Regional Charter Group is CEO-endorsed by its 13 Council membership, represents two million residents in the East and South-East of Melbourne and is supported by Municipal Association of Victoria [MAV], Department of Families, Fairness and Housing [DFFH] (formerly Department of Health & Human Services) and Eastern Region Group of Councils [ERG] **[ATTACHMENT ONE]**;
- *Monash Social Housing Framework 2020 – 2025* adopted in December 2020 **[ATTACHMENT TWO]**;
- Providing dedicated homelessness outreach support to those with lived experience of homelessness, or at-risk of homelessness, in Monash
- Co-authoring of a joint submission to the September 2020 *Federal Inquiry into Homelessness*, which details the complex challenges of homelessness and alarming lack of housing options in the East and South-East region of metropolitan Melbourne **[ATTACHMENT THREE]**;
- Preparing the *Draft Monash Affordable Housing Strategy* that is due to be considered by Council in early 2021; and
- Longstanding membership of the Eastern Affordable Housing Alliance and
- Participation in the *Inter Council Affordable Housing Forum (ICAHF)* group of Councils

Monash Council has established a strong relationship with Homes Victoria through its leadership of the *Regional Charter Group* and has held a number of strategic meetings with Homes Victoria about the available opportunities for the region and for Monash.

Monash's sector leadership, advocacy and policy agenda-setting influence in this space provides a platform for Council's planned formal partnership with Homes Victoria.

**DISCUSSION**

Since amalgamations of the mid 1990s, most Councils across Victoria have reduced their land holdings, particularly where that land was deemed surplus to the organisations or communities need.

Whilst the ability to identify suitable sites is constrained due to limited supply, competing demands on Councils land holdings and statutory obligations that apply when disposing of (or using for other purposes) some categories of land, the community net benefit of additional social housing dwellings to the municipality is considered important by Council.

The majority of Councils land holdings are in one or a mix of the following:

- Public open space;
- Roads;
- Civic and community facilities; and
- Car parks.

Within these holdings there are limited opportunities for the “release” of these parcels.

In the case of proposing to dispose or sell public open space there are stringent requirements on Council under the Subdivision Act for its replacement in the Public Open Space network, which aside from availability of land to purchase as replacement comes at a potential significant cost to Council.

*What must Council do with public open space?*

(1) A Council must set aside for public open space any land which is vested in the Council for that purpose.

(2) The Council must use any payment towards public open space it receives under this Act or has received under section 569B (8A) of the Local Government Act 1958 but has not applied under subsection (8C) of that section or the proceeds of any sale of public open space to —

(a) buy land for use for public recreation or public resort, as parklands or for similar purposes; or

(b) improve land already set aside, zoned or reserved (by the Council, the Crown, a planning scheme or otherwise) for use for public recreation or public resort, as parklands or for similar purposes; or

(c) with the approval of the Minister administering the Local Government Act 2020, improve land (whether set aside on a plan or not) used for public recreation or public resort, as parklands or for similar purposes.

(3) Public open space can be used for municipal purposes in accordance with the planning scheme, or sold only if the Council has provided for replacement public open space.

#### *Council land holdings assessment process*

In response to the November 2020 announcement, officers identified a number of potential sites that could be utilised for social housing.

Whilst Council does not have extensive under-utilised or vacant land holdings, a range of Council land holdings across the municipality were initially reviewed by officers. A number of these sites were immediately excluded from the assessment process due to the land being public open space. The current low provision of open space in some areas of Monash and the requirement to replace any public open space land effectively means that Council would incur two financial imposts, firstly the loss of the asset and secondly through the need to replace the value of that asset in the open space network. The three sites provide a suitable base to explore opportunities and the suitability of any of these sites for the provision of affordable housing.

Homes Victoria is seeking available land that can be easily and immediately developed for social housing. Carparks can be physically replaced within the space, however public open space is a much more complex, lengthy and less viable option due to the requirement to replace public open space land and the financial impost.

It should also be noted that Homes Victoria 'Big Housing Build' will not be the only social and affordable housing investment opportunity over coming years, and there are likely to be opportunities in the affordable housing market as well.

#### *State Government Land*

The State Government solely owns other land holdings across Monash that may be excess to requirements. This may include land managed by VicTrack, Melbourne Water or Parks Victoria. In regards to VicTrack there are sites that may become available in the future as a result of planning and design decisions made on the Suburban Rail Loop stations proposed in Clayton and Glen Waverley. Council should encourage the State Government through the 'Big Housing Build' to consider all their land holdings in Monash. Officers have identified one site in Oakleigh that is a potential development site, and the report recommends that Council advocate for the consideration of sites such as this for the provision of social housing.

### *Assessment Criteria*

In undertaking the desktop analysis of land holding sites, Council officers have considered the following criteria:

- Whether the land was Public Open Space\*;
- Use of land and tenure issues, including restrictions on the title;
- Easements on the land;
- Town planning zoning and overlays;
- Constraints to development;
- Proximity to activity centres and essential services;
- The directions and guidance of the Monash Open Space Strategy, 2018

*\*Land that is public open space was removed from the assessment due to the requirement to replace the land or its equivalent value*

Having assessed potential site against the above criteria, Council officers have arrived at the following properties.

### *Potential Council Sites*

The three sites with the greatest merit for consideration by Council are:

#### ***Council sites***

1. 1399-1401 Centre Road (Car park off Centre Road and Thomas Street, Clayton);
2. 329 – 333 Waverley Road, Mount Waverley (former Gem Club and car parking and former Thalessemia Society)
3. 65A Power Avenue, Chadstone;

It is recommended that Council would seek to retain ownership of its landholding, but provide a long-term lease/licence to enable the site to be developed for social housing.

#### ***Other properties - Council (part) and State Government owned***

4. 1A Johnson Street, 1 – 15 Johnson Street & Part Johnson Street, Oakleigh

These sites are detailed on the following pages.



### *Council sites*

#### **1. 1399 – 1401 Centre Road (Carpark off Centre Road and Thomas Street), Clayton**



#### *Benefits*

- Well located to Clayton train station (400m) and backs on to the Clayton Activity Centre.
- Minimal impact on other properties with only one adjacent residential property to the north and to the west the site is located adjacent to a laneway to the rear of commercial properties.
- 0.32 hectare rectangular site that could allow development yield of a minimum of 20 apartments under the current Residential Growth Zone – Schedule 3 zone.
- Council could seek to replace parking and maintain ground level ownership and provide for ongoing commercial rental to partially offset associated costs.

#### *Challenges*

- Loss of approximately 100 car parks. Some parking could be retained through potential building design. However these spaces may be retained through potentially leasing the air-rights if no ground level commercial development were to occur or provided in a basement.

*Other issues*

- There could be an opportunity for Council to explore a joint venture with the social housing provider. For example, this may include Council retaining the use rights to the ground floor of any development for potentially retail, commercial use and/or car parking with the social housing provider developing above ground.
- A construction model would need to be explored with the social housing provider.
- There may be opportunity for Council to obtain a rental income from the retail/commercial space.

## 2. 329-333 Waverley Road, Mount Waverley (former Gem Club and car parking and former Thalessemia Society)

*Benefits*

- Moderate connectivity.
- Located adjacent to a small strip of retail and services.

*Challenges*

- The smallest of the three sites at 0.22 hectares. The development yield would be limited to approximately 15 units under the current General Residential Zone – Schedule 3.
- Residential properties surround the site to the north and west.
- Council has committed to disposing of part of this site to self-fund the Artisan hub at the Central Reserve Grandstand to accommodate the Waverley Woodworkers and Waverley Gem Club.

- A portion of the land will need to be retained to provide car parking for 30 spaces that has been contributed to by local traders through a cash in lieu scheme.
- The site was a former service station and Council has commenced an environmental audit of the land. A further report will be prepared for Council following completion of this process.

### 3. 65A Power Avenue, Chadstone



#### *Benefits*

- Moderate connectivity

#### *Challenges*

- No impact on the direction of the Monash Open Space Strategy. It is currently used predominantly as an accessway/trail.
- Small to medium sized triangular site, which may impact on potential design and may limit the development yield. 0.31 hectares of 0.46 depending on whether the VicTrack land adjacent to the rail line is included
- Adjacent land owned by VicTrack next to railway line
- Potential amenity issues with properties across from Railway Parade
- Part Land Subject to Inundation and Special Building Overlay under the Monash Planning Scheme. These issues can be managed, but may reduce dwelling yield.

#### *Other issues*

- There is a need to retain and improve the the Glen Waverley Rail trail, which currently runs along Railway Parade.
- Council acquired the land from the Housing Commission in 1970. Its legal description is Lot 44 on plan of subdivision 55183. It is not classified as public open space.

#### ***Other Properties (Council and State Government Owned)***

#### 4. 1A Johnson Street, 1 – 15 Johnson Street & Part Johnson Street, Oakleigh

This is a combined Council land (highlighted in red) and VicTrack land in Oakleigh. It comprises land that is road and used as a VicTrack car park.



#### *Benefits*

- Very well located to Oakleigh Town Centre and Train Station
- Minimal impact on surrounding properties
- Significant development yield potential with 0.47 hectares of land available.

#### *Challenges*

- Part of the land is VicTrack land and would need agreement from VicTrack
- Loss of a significant amount of car parking that services the Oakleigh Town Centre and the train station – approximately 75 to 80 spaces. Some public parking could be retained through a future building design.

#### *Other issues*

- Need to make an application to the Land Transfer Office to get a title (not issued since road status removed)
- Building height would be guided by Oakleigh Major Centre Structure Plan and Design and Development Overlay 11, under the Monash Planning Scheme.

#### **POLICY IMPLICATIONS**

The identification of potential land sites in Monash for social housing aligns with a suite of policy commitments Council has made to advocate for an increase in social housing and affordable housing supply in Monash as well as the broader East and South-East region.

These policy commitments are outlined in Council's:

- *Monash Social Housing Framework 2020 – 2025;*
- *Regional Local Government Homelessness & Social Housing Charter 2020;*
- *Draft Monash Affordable Housing Strategy;*
- *Monash Open Space Strategy; and*
- *A Healthy & Resilient Monash: Integrated Health Plan 2017 - 2021*

All of these frameworks and strategies are available on Council's website.

### ***SOCIAL IMPLICATIONS***

The identification of potential land sites for social housing in Monash supports Council's approach to addressing the significant shortfall of social housing in the community and contribute to improving the health, wellbeing and safety of people experiencing homelessness in Monash.

### ***HUMAN RIGHTS CONSIDERATIONS***

Housing is a basic human right. The lack of access to appropriate housing may impinge on many human rights that are protected under several international treaties, including the International Covenant on Civil and Political Rights, the International Covenant on Economic, Social and Cultural Rights, and the Convention on the Rights of the Child. These rights include the right to: an adequate standard of living; privacy; social security; education; freedom from discrimination; to vote; liberty and security.

### ***CONSULTATION***

This report recommends in-principle support by Council for potential sites for social housing in Monash. As such, consultation is not required for this stage.

Once Council is in the position to pursue these sites further as determined by the Homes Victoria funding and partnership opportunities timelines with local government, Council will be in a position to identify the community consultation requirements.

### ***FINANCIAL IMPLICATIONS***

The development and building of new social housing dwellings in Monash as referred to in this report would be subject to successful funding investment by the Victorian State Government's 'Big Housing Build' program.

If successful in funding, Council's contribution to the 'Big Housing Build' would be land only, with construction costs fully born by the State Government and the site managed by a community housing agency.

The preferred model proposed by Council would be to retain ownership of the land and provide a long-term lease/licence over the land to facilitate the provision of social housing.

Depending on the land proposed to be utilised there may be a financial cost to Council either through an adjustment to its overall asset base or a requirement to replace the value of the land "disposed" through allocation to the program.

As part of the Local Government Compact and Big Build program agreement, the State Government is considering providing a rates exemption for social housing developments. This would mean that Council would also forgo, or cover the cost of rates associated with the social housing dwellings.

Other costs incurred would include the replacement of at grade car parking, should Council determine or be required to replace any lost spaces. Further, Council would pay for any construction associated with Council retaining the use rights to the ground floor of any development for potentially retail, commercial use and/or car parking with the social housing provider developing above ground, as identified for the Thomas street site.

### **CONCLUSION**

The Victorian State Government's late November 2020 announcement of the \$5.3 billion 'Big Housing Build' deemed the 'single biggest investment in social housing' in Victoria is a welcome response to a critical need for increased social housing supply across Victoria, Monash and the East & South-East region.

Monash as sector leader in homelessness outreach, social housing and affordable housing advocacy, coordinating the 13-Council Regional Local Government Homelessness & Social Housing Charter Group, partnerships and policy agenda-setting, is in a strong position to capitalise on this investment opportunity, by presenting the preferential land sites to Homes Victoria identified within this report.