**People’s Panel – Affordable Housing March 2024 – summary of recommendations**

**The basic guiding principles:**

**1. All human beings deserve to be housed with dignity**

**2. Affordable housing is essential infrastructure and must be prioritised as such**

**3. Affordable housing provision must be sustainable in the longer term, socially, financially and environmentally**

**4. Policy must be evidence-based.**

**Recommendation 1**

**Penalties and disincentives for not participating in the affordable housing supply**

* The intent of the idea is to **increase access to the supply of currently available housing** in the City of Melbourne. This may have a flow-on effect on both affordable housing supply and overall housing affordability.

**Recommendation 2**

**Innovative alternative funding**

* The council should seek non-traditional/non-historical ways of funding affordable housing. This is to include newways to fund and partner with the private sector which may include developers or financial institutions (such assuperannuation funds and hedge funds). Funding provided through private and public partnership should beconsidered and encouraged.

 As an example: <https://www.socialventures.com.au/sva-quarterly/developing-affordable-housing-affordably/>

**Recommendation 3**
**Simplifying the funding process**

* The process to obtain funding for affordable housing is too complex, too slow and has too many barriers, such asa competitive market and infrequent investment opportunities. It would be prudent to simplify the process andremove barriers.

**Recommendation 4**

**Public awareness campaign and education program**

* To build social acceptance of the concept of affordable housing and education programs to shift public perceptionsand celebrate achievements in affordable housing.In appropriate environments such as schools and workplaces or in public forums. Different forms ofcommunications eg. advertising on trams and public transport stops, articles and talk segments on TV, radio, digitalmedia, print media like newspapers etc. The campaigns must be interactive, engaging and inviting to thecommunity to participate in solving the problem to address points like:

● What is affordable housing?

● Who will need affordable housing? The groups who need it are broader than what the public currently are

thinking. It is not limited to a certain group of people. This is to reduce the stigma, dispel myths and

preconceptions around affordable housing.

● What factors can lead to housing stress and how to manage them in advance?

● What has been achieved to date to support the plan?

● What options are available for people who are in need of affordable housing?

**Recommendation 5**

**Consistent pipeline of funding between all levels of government for affordable housing**

* Rather than rounds of funding which creates inconsistency in the ability to create affordable housing, an

 agreed pipeline creates a baseline to remediate the underfunding in affordable housing projects in Victoria.

**Recommendation 6**

**Compulsory affordable housing for new developments**

* Council to advocate to the State Government and other local councils (e.g M9) for a regulation requiring minimum 30-40% (to allow for negotiation) permanently affordable housing (i.e part of land title) in new developments.To be implemented progressively over 10-15 years, starting at 5%.

**Recommendation 7**

**Planning reform: new permit priorities**

* More new developments that prioritise higher percentages of affordable housing are needed. The panel recommends that new developments must contain 20% affordable housing units as a base. Developments that propose a higher percentage (e.g. 30%) will receive planning priority over those with a lower percentage.

**Recommendation 8**

**City of Melbourne to lobby State and Commonwealth Governments for sustained and consistent long-term funding across affordable housing models**

* For Melbourne City Council to successfully secure consistent and ongoing funding streams from State and Federal government sources in the near and long-term future (i.e. not impacted by the changes in the Government rather being part of the Nation’s long term sustainable development goals). The aim of this is to ensure a stable, ongoing supply of affordable housing to address the pressing concern of affordable housing shortage.

**Recommendation 9**

**Creating sustainable communities**

* Developments of affordable housing should be community-centric. This would mean designing and building

houses that serve to facilitate ease of access to a number of amenities such as schools, supermarkets, medical facilities, and communal spaces. For those whose jobs/lives revolve around such places (teachers, nurses, students, etc), the price of regular housing is too high for their current wages. It’s also important to consider that many who would occupy these houses are vulnerable/ at-risk due to their finances/backgrounds. Providing them with the option to live in affordable houses close to support services that they may need would be a first step in creating a more sustainable, long term community. Because these key workers are essential to the community, they must be part of the community.

- Proximity to schools, supermarkets, medical clinics, spaces for communal gathering, 24hr libraries, transport

- Support services for health and wellbeing, finance, etc

- Sustainable, high quality design of the built environment

- The key workers should be prioritised to be allocated Affordable Housing near their workspaces.

- Cheaper housing for uni students

- more creative spaces / community

- artist studios/community.

**Recommendation 10**

**Incentives for stakeholders to provide affordable housing**

* Federal, state and local governments could develop and offer various policies aimed to incentivise the provision of affordable housing through subsidies and tax concessions.

For example:

1. Introducing a discount on Capital Gains Tax (CGT) for sellers and Stamp Duty exemptions for buyers only for transactions that put housing in the hands of community housing organisations or government public housing portfolios. Review other tax and duties to ascertain whether that revenue can be redirected to affordable housing.

2. Offering low-interest government loans to reduce the holding costs of land percentage of affordable

housing included in the development (in the same way solar or energy efficiency upgrades were subsidised)

3. Offering government land at reduced or no cost for development of affordable housing

4. Direct cash subsidies to developers according to the current policy

5. Negotiating deals to rezone/repurpose land for use in development of affordable housing.

**Recommendation 11**

**Use a data-based approach to support and assess all recommendations**

* It is important that we use data and analytics from a variety of sources (CoM, State, Federal governments,

service providers, current affordable housing projects) to support all actions recommended in this document.

Data can help increase affordable housing by examples, such as:

1. Using data in advocacy to create a compelling case for action for affordable housing.

2. Better data on affordable housing, funding and service providers and stakeholders.

3. Making Information available to all developers on potential sites.

4. Data to ensure disincentives are effective.

And to measure the success of the initiatives, such as:

5. Regularly review data to ensure targets are being met.

6. Mandatory reporting from developers on whether they have achieved affordable housing targets.

It is also important to ensure transparency in the acquisition, use, and analysis of the data in order to prevent

manipulation and misuse.