

DRAFT HOUSING STRATEGY – ENDORSEMENT FOR PUBLIC CONSULTATION

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Ward(s) affected: All Wards

The author(s) of this report and the Responsible Officer consider that the report complies with the overarching governance principles and supporting principles set out in the Local Government Act 2020.

CONFIDENTIALITY

This item is to be considered at a Council meeting that is open to the public.

SUMMARY

Council is preparing a new Housing Strategy to replace the current 2009 Housing Strategy. The new Housing Strategy, once adopted, will guide the location, intensity and design of new residential development in Yarra Ranges for the next 15 years. The Housing Strategy will also articulate Council's policy on affordable, social, and sustainable housing and provide a framework for residential planning controls in the Yarra Ranges Planning Scheme.

The preparation of a new Housing Strategy is timely given the current housing crisis in Australia and urgency for action on housing deficiencies, and recent notable announcements by the Victorian Government. It is noted that the proposed Draft Housing Strategy remains relevant and aligned with the directions and intent of these State announcements.

A Housing Strategy Review Discussion Paper and supporting documents, including a draft Neighbourhood Character Study, were placed on public exhibition for one month from 1 March 2022 to 5 April 2022. A number of community engagement activities were undertaken to enable input.

Based on the feedback received, a draft Housing Strategy has been prepared (Attachment 1) for public consultation in November and December this year.

RECOMMENDATION

That Council

- 1. Endorse the Draft Housing Strategy for public consultation from 30 October 2023 to 11 December 2023.***
- 2. Endorse the proposed approach to community engagement contained in this report.***
- 3. Support proceeding with initial work on a Social and Affordable Housing Policy.***

RELATED COUNCIL DECISIONS

23 July 2019 Council Meeting: Council adopted the Residential Design Guidelines for Villa Unit and Townhouse Developments, which are one input into the new Housing Strategy.

22 February 2022 Council Meeting: Council endorsed the Discussion Paper and Neighbourhood Character Study for public consultation.

DISCUSSION

Purpose

The purpose of this report is to seek Council's endorsement for the draft Housing Strategy to proceed to public consultation. The proposed approach to community engagement is presented as detailed in this report under 'Community Engagement' and a summary is contained in Attachment 2.

Background

Given the current prominence of housing issues nation-wide, and urgency for action on housing deficiencies, the Housing Strategy is a key opportunity for Council to respond in a localised way to Yarra Ranges' housing challenges.

Federal and State Government

At a State and Federal Government level, issues of housing and rental affordability are among Australia's largest contemporary challenges. Key current announcements and initiatives include:

- A new national target from the National Cabinet of 1.2 million new well-located homes over five years, from 1 July 2024, with \$3 billion in performance-based funding for states and territories that exceed their quotas of new housing. This is intended to apply competitive pressure to states and territories to increase supply, including through planning reform.
- The Albanese Government's proposed \$10 billion Housing Australia Future Fund, intended to provide funding in perpetuity for social and affordable housing projects, which has not been passed by the Federal Parliament.
- At a State level, the Big Housing Build, which is a \$5 billion investment in social and affordable housing, intended to provide 12,000 new dwellings and increase total social housing supply by 10 per cent.
- On 20 September 2023 the Victorian Government released *Victoria's Housing Statement: The decade ahead 2024-2024* to address housing supply in Victoria with a target to build 800,000 homes in the next decade on the basis that building more homes will increase affordability. In addition, introduced a mandatory 7.5 per cent tax for short term stays that will fund social and affordable housing.

The policy landscape is rapidly changing. Council's approach must be guided by announcements at State and Federal levels and must be adaptive to evolving circumstances. To date the recommendations and directions of the Draft Housing Strategy remain consistent and aligned with the above announcements, however it is anticipated there will be further announcements particularly at a State level and these will be monitored for their implications to the Strategy.

Local Government

Council's Housing Strategy can provide direction at a local level by:

- Clearly articulating Council's role in housing, and the role of a Housing Strategy.
- Identifying actions to assist in the provision of more housing stock and targeted to emerging housing needs, within available legal and policy frameworks, such as the Yarra Ranges Planning Scheme.
- Identifying design parameters for how emerging housing needs can be accommodated in a way that is sympathetic to Yarra Ranges' distinctive neighbourhoods, landscapes and complements local cultural identity.
- Identifying housing challenges for Yarra Ranges that require advocacy to the State and Federal Governments for progress on issues which are beyond its direct remit.

Yarra Ranges Planning Scheme

The Planning Policy Framework (PPF) which is part of all Victorian planning schemes sets out the context for land planning and decision making. It includes State, regional and local government planning obligations in relation to planning and population growth and managing housing change.

The PPF at Clause 11.02-1s - *Supply of Urban Land* directs Council to:

"Plan to accommodate projected population growth over at least a 15-year period and provide clear direction on locations where growth should occur. Residential land supply will be considered on a municipal basis, rather than a town-by-town basis."

Planning for new housing is typically expressed in a housing strategy which may be accompanied by a neighbourhood character study and other strategic work such as land capability, landscape, environmental and/or heritage studies.

The Housing Strategy is also the appropriate document to plan for the community's future housing needs and addresses other housing matters such as the provision of affordable and social housing.

Council's current Housing Strategy is 14 years old and is out of date. It's time to review and provide an updated framework for Yarra Ranges housing policies for the future.

Housing Strategy Discussions Paper

The review of the Housing Strategy commenced with the preparation and exhibition of the *Housing Strategy Review Discussion Paper, 2022*.

The Discussion Paper was supported by the following studies:

- The *Yarra Ranges Analysis of Housing Supply and Demand*, id Consulting, 2021 that provides a demographic analysis and assessment of current planning scheme provisions. This analysis tested the capacity of the existing planning provisions to accommodate future residential growth.
- The draft *Neighbourhood Character Study* Hansen Partnership, 2021, that reviews the 2002 Neighbourhood Character Study, confirms and defines the neighbourhood character precincts for Yarra Ranges residential areas and makes recommendations for how to align preferred character ambitions with the Housing Strategy. The Study provides the basis for preparing new design and development planning scheme provisions for multi-unit development.

The Discussion Paper was structured around the themes of:

- Land supply
- Sustainability
- Neighbourhood character
- Housing design
- Housing diversity and type
- Affordable and social housing.

In order to support any recommended updates to the planning scheme, Council commissioned a review of its current residential framework, which is the framework governing the residential areas of Yarra Ranges that are identified for high, medium, and low rates of change and growth. The framework is explained in the Yarra Ranges Planning Scheme at Clause 16.01-1L (Housing) and supports the current application of residential zones.

This Review included:

- A review of the existing residential framework structure and content, including identification of gaps and inconsistencies.
- A review of the effectiveness of existing planning scheme controls for residential development, which were implemented into the planning scheme in 2013.

- Discussion of new and emerging issues for housing, including a need for greater policy focus on housing affordability and diversity.
- Recommendations for appropriate planning scheme provisions to address existing and emerging housing issues in accordance with contemporary planning practice.

The findings of this review have been integrated into the draft Housing Strategy.

Need for a Housing Strategy

It is recognised that housing is a fundamental human right and is essential to individuals achieving an adequate standard of living. Having access to housing choices that are well located, affordable, secure and safe enables people to live with dignity, provides access to education and employment choices, and encourages participation in community life.

Yarra Ranges is home to 163,298 residents and this is expected to grow to 185,902 by 2041. The draft Housing Strategy is planning for 10,700 new dwellings over the next 15 years, or approximately 700 homes per year, which is consistent with State Government direction for the provision of housing in Yarra Ranges. This is higher than the current development rate of approximately 528 dwellings per year.

The Kinley Estate will provide for a lot of new housing (around 3000 new dwellings) but our Major Activity Centres, suburbs and Townships play a critical role in providing for different housing choices.

The Housing Strategy aims to guide development to the right locations to best meet the ongoing needs of the community, including to provide suitable housing for all stages of life.

Council in tandem with other levels of Government has a legislative role to plan for future housing. Council's housing strategy can make a number of local changes but is also reliant on other levels of government to make policy and legislative changes to assist with the provision of housing into the future.

Next steps

Should Council resolve to endorse the draft Housing Strategy for public consultation, after the community engagement period submissions will be reviewed with changes made, where appropriate, to present back to Council at a future Council Meeting to consider submissions.

Attachment 3 contains a timeline for progression of the Housing Strategy, and a planning scheme amendment to implement its recommendations.

Key Issues

Housing Strategy Structure

The draft Strategy includes the following chapters:

- A Glossary of Terms and Acronyms
- Chapter 1: Introduction
- Chapter 2: Policy Context Overview
- Chapters 3 and 4: Demographic Analysis
- Chapter 5: Housing Needs
- Chapter 6: Housing Vision
- Chapter 7: Residential Framework
- Chapter 8: Neighbourhood Character
- Chapter 9: Housing Diversity
- Chapter 10: Affordability
- Chapter 11: Sustainability
- Chapter 12: Infrastructure
- Chapter 13: Planning Scheme Provision Revisions and Action Plan.

Chapter 5 – Housing Needs

This chapter uses demographic forecast information to predict the types of housing that will be needed over the next fifteen years. In summary, it finds that there will continue to be demand for large, family sized dwellings. Yarra Ranges' residential areas have traditionally been dominated by this housing type. However, a key finding is that there will be a substantial growth in demand for smaller dwellings, particularly in the urban areas of Lilydale, Chirnside Park, Mooroolbark and Kilsyth. This is likely to be driven by an increase in the proportion of smaller household types, notably parents without children, single-parent families, and lone-person households. The aging population in Yarra Ranges is also likely to drive a need for smaller dwelling options, to enable people to downsize and stay in their local communities as they age.

Based on this information, the draft Housing Strategy provides for this growth and diversification of the dwelling stock to occur within well located parts of the urban area near activity centres. It also provides for opportunities in large townships which serve a hinterland catchment, such as Yarra Glen, Healesville, Yarra Junction, and Mount Evelyn. This is a similar approach that is used in the existing housing

framework, which is currently implemented into zones and overlays in the Yarra Ranges Planning Scheme.

The draft Housing Strategy does not propose to dramatically change the areas now targeted for growth in smaller dwelling types, such as through units, townhouses, and apartment buildings. However, it does propose to change the design characteristics of housing being delivered, and its response to neighbourhood and landscape character.

Chapter 6 - Vision

The draft Housing Strategy at Attachment 1 seeks to respond to the consultation feedback received on the Discussion Paper and housing issues through the key themes of:

Housing Diversity: To encourage the right sizes, types, and mix of housing to meet the population's changing needs.

Neighbourhood Character: To encourage housing that fits with the preferred neighbourhood character of Yarra Ranges' suburban areas.

Sustainability: To increase the energy efficiency of homes to reduce greenhouse gas emissions and promote sustainable living.

Affordable and Social Housing: To increase the supply of social and affordable housing, including how Council can work with other levels of government in pursuit of these goals.

The draft seeks to meet the Vision of:

“Yarra Ranges will have a variety of housing options that are adaptable for the changing needs of its residents and provide effectively for its population. Residential streets will retain their spacious, leafy character, with substantial landscaping in new developments. New housing will be environmentally sustainable and responsive to its surrounding context, with higher density housing located near townships and urban centres in a way that facilitates community participation and active living. There will be higher rates of affordable housing to support Yarra Ranges' most vulnerable residents, reinforcing Yarra Ranges' sense of community spirit and identity.”

The vision was developed from feedback on the Discussion Paper and has been tested with the Housing Strategy Community Reference Group. Further feedback on whether this vision is right or needs to be more focused will be sought as part of the draft Strategy consultation.

Chapter 7 Residential Framework

Opportunities for residential development in Yarra Ranges vary from housing in rural townships to large redevelopment sites with good access to transport and services. The purpose of the residential framework is to set out a plan for how Yarra Ranges can effectively accommodate a variety of new housing over the next 15 years. The framework identifies specific geographic areas for varying levels of change, to respond to the following factors:

- The amount of new housing required to fulfill Yarra Ranges' role in accommodating Melbourne's future population growth.
- The need to plan for future changes in the population of Yarra Ranges over time and changing housing needs.
- Focusing increases in housing density in locations with access to activity centres, so that new housing is prioritised where there is good access to shops, parkland, public transport, employment and services.
- Achieving a more diverse and affordable housing mix, with an increased proportion of smaller dwellings encouraged in targeted locations.
- Ensuring new development responds to valued neighbourhood character and landscape attributes.

The Residential Framework identifies land for the following levels of change:

Substantial Change Areas

- Activity centre commercial areas in Lilydale and Mooroolbark, where there are opportunities for multi-level buildings that can comprise a proportion of residential development alongside ground level retail, commercial, office or other land uses.
- Residential land surrounding these activity centres including Kilsyth. Land in these areas is well provided with physical and community infrastructure, and there is good walking access to shops and services.

Increased Change Areas

These areas allow for smaller and more diverse housing options in the large neighbourhood centres of Mount Evelyn, Yarra Junction, Yarra Glen and Healesville, on land which has good access and proximity to these centres.

These areas provide opportunities for ageing in place and downsizing for residents of these towns and their surrounding areas. Future development will need to respond to neighbourhood and landscape character adequately by providing space around future built form for planting opportunities and minimising bulk of upper levels to protect significant views and landscapes.

Incremental Change Areas

These areas allow for moderate levels of change in parts of Yarra Ranges' main urban residential areas of Lilydale, Chirnside Park, Mooroolbark and Kilsyth that do not have easy walking access to the activity centres. This category also applies to residential land in large townships. While some unit and townhouse development can occur in these areas, it would be less bulky and intensive than in the Substantial and Increased Change categories, and more spacious in nature to allow for stronger protection of neighbourhood and landscape character.

Minimal Change Areas

These areas are located in rural townships far from the urban area and large townships, where future buildings will need to maintain the existing character of low-density residences set within a strong landscape context.

Strategic Redevelopment Sites

These individual sites (shown on Figure 32 and 33 in the draft Housing Strategy page 67) are identified as having an opportunity for significant quantity and scale of new housing. They have excellent proximity to activity centres and infrastructure and could be developed for a range of housing types including detached dwellings, townhouses, and multi-level apartments in some cases.

Planning Scheme Provision Changes

The above housing change areas will be translated into zones and overlays in the Yarra Ranges Planning Scheme to give effect to the desired level of residential change and preferred design outcomes. No changes will occur to current planning controls for Strategic Redevelopment Sites at this point in time.

It is not anticipated that there is a need for any significant changes to the current residential zoning pattern that already applies in the Planning Scheme to reflect the housing change areas as indicated by Table 1 below.

Table 1

Zone	Current (hectares)	Proposed (hectares)
Residential Growth Zone (RGZ)	121 hectares (2.0%)	17 (0.3%)
General Residential Zone (GRZ)	312 hectares (5.1%)	386 (6.4%)
Neighbourhood Residential Zone (NRZ)	2943 hectares (48.7%)	2968 (49.0%)
Low Density Residential Zone (LDRZ)	2518 hectares (41.6%)	2501 (41.3%)
Mixed Use Zone (MUZ)	15 hectares (0.2%)	15 hectares (0.2%)
Comprehensive Development Zone (CDZ)	144 hectares (2.4%)	144 (2.4%)
Activity Centre Zone (ACZ)	0 hectares (0%)	22 (0.4%)
Total	6053 hectares	6053 hectares

Lilydale Structure Plan Recommendations

The area with the most significant change to zoning proposed is Lilydale, where a large area of Residential Growth Zone (RGZ) is proposed for rezoning to part General Residential Zone (GRZ) and part Activity Centre Zone (ACZ).

The changes proposed in Lilydale are recommendations of the adopted Lilydale Structure Plan 2022, that recommends rezoning large areas of Residential Growth Zone (RGZ) surrounding the town centre to the General Residential Zone to accurately reflect the intent of housing change for this area.

The current suite of planning scheme provisions – RGZ and Design and Development Overlay Schedule 7 (DDO7) are contradictory. For instance, building heights allowable under the RGZ are different to those allowable under DDO7. This mismatch occurred when the State Government reformed the residential zones and heights allowable under each zone. This has led to confusion and poor design outcomes.

The Structure Plan includes actions that seek to remove the confusion and to clarify preferred design outcomes through new planning controls. A separate planning scheme amendment to give effect to the Lilydale Structure Plan actions is currently being prepared.

Chapter 8 – Neighbourhood Character

The term neighbourhood character is used to describe the overall characteristics of an area for the purposes of understanding the physical and cultural attributes and values that provide a place with a sense of difference from other places. It relates to numerous features, and how they combine to create a sense of place.

In order to establish a framework for neighbourhood character in Yarra Ranges, Council prepared a draft *Yarra Ranges Neighbourhood Character Study 2021*, that once adopted by Council will accompany the Housing Strategy. As part of this work, a detailed desktop and spatial analysis was carried out to survey character types by area, based on variables such as street layout, built form and landscaping.

The draft Neighbourhood Character Study identifies ten (10) character types for residential land in Yarra Ranges:

- Urban consolidation
- Urban township
- Garden suburban
- Foothills consolidation
- Foothills suburbs
- Township consolidation
- Township suburban

- Township rural-residential
- Master planned estates
- Warburton.

The character precincts are mapped spatially in Chapter 8 which describes each precinct in detail, including an explanation of:

- Existing neighbourhood character – this is the combination of features that create the current sense of character, including elements such as topography, front gardens, fences, architectural eras, building materials, building heights and amount of infill development (units and townhouses).
- A summary of the valued character attributes – this is the aspects of existing character that are important for new development to respond to as neighbourhoods change.
- A statement of preferred neighbourhood character – this is a description of how development can occur in a way that responds adequately to valued character attributes, while allowing sufficient development opportunities.

The proposed development settings contained in Table 10 reflect the preferred neighbourhood character statements of each residential change area.

Council has had a peer review undertaken of the draft Neighbourhood Character Study, to ensure its recommendations do not prevent reasonable opportunities for future development. This will be a critical consideration by the State Government when considering a future planning scheme amendment. The findings of the peer review have been integrated into the draft Housing Strategy.

While the overall pattern of zones proposed in the draft Housing Strategy is similar to the existing residential framework in the planning scheme, the development outcomes being proposed by the draft Housing Strategy are substantially different.

The draft Housing Strategy proposes clearer settings for future development, such as restrictions on height, building setbacks, and site cover, which are summarised in Table 10 which also includes proposed future zone recommendations.

Broadly, the proposed approach for residential neighbourhoods is to lessen the intensity of built form that is allowable under current planning controls, by requiring less building site cover, and greater setbacks of buildings from boundaries, in order to achieve improved design outcomes.

To counterbalance this greater level of neighbourhood character control for residential neighbourhoods, potential for growth is focussed on commercial areas of activity centres such as Lilydale, Chirnside Park and Mooroolbark, consistent with the approved Structure Plans for those centres, as well as Kinley (former Lilydale Quarry). While these areas have not yet seen the development of apartment-type, high density development to date, the structure plans envisage this occurring. The draft Housing Strategy positions these centres to accommodate high-density housing

that can lead to economic revitalisation of these areas, and to provide options for localised living within a walking distance to shops and services, underpinned by strong design requirements and planning frameworks for future development.

Chapter 9 – Housing Diversity

Building on the findings of Chapter 5 (Housing Needs) for smaller housing types in targeted areas, this Chapter seeks to explore in greater detail the characteristics of diversity required to adequately address changing demographics in Yarra Ranges.

It finds there is a need for a detailed analysis of diversity needs, as a further piece of work to the Housing Strategy, which would inform a local policy in the Yarra Ranges Planning Scheme. This would identify the dwelling characteristics required to address projected needs in particular geographic areas, on variables such as:

- Dwelling size and number of bedrooms.
- Amount of parking required per dwelling.
- Amount of open space required per dwelling.
- Quantum and characteristics of dwellings needed to address the needs of people with a disability, and/or with limited mobility.
- Priority locations for multi-generational housing opportunities, and required characteristics of this housing.

Non-Standard Dwelling Models

Chapter 9 also discusses some emerging non-standard-dwelling models and schemes including:

- Tiny houses
- Dependent persons units (granny flats)
- Relocatable and prefabricated buildings
- Secondary dwellings
- Cohousing
- The Future Homes pilot program
- Build to rent schemes.

Yarra Ranges has experienced growing pressure for non-standard dwelling approaches, partly due to declining affordability and availability of traditional housing options.

Tiny houses have been perceived in the community as a potential solution to homelessness and affordability issues and at the time of writing this report are

currently not clearly defined by State provisions in the Yarra Ranges Planning Scheme. This chapter includes an explanation of how tiny houses and other non-standard models are currently governed, identification of issues, and proposed actions.

Chapter 10 - Affordability

This chapter explains the characteristics of decreasing affordability in Yarra Ranges, including:

- Rates of housing stress, including for home-owners and rental tenants.
- Availability of social housing.
- The interaction of short-term rental accommodation with housing affordability.
- Homelessness in Yarra Ranges.
- Factors impacting affordability.
- Council's role in improving housing affordability.

Council has considerable further work to undertake to improve housing affordability. Strategies (further detailed in Section 10.10 (Social and Affordable Housing Actions)) in the draft housing strategy include:

- Preparation of a Social and Affordable Housing Policy that articulates Council's position on social and affordable housing and outlines the principles, roles and pathways that will guide Council's decisions and actions to encourage and support increased local supply.
- An advocacy paper to the State and Federal Governments seeking funding and policy reform on matters beyond Council's direct control.

It is intended that the actions included in the draft Housing Strategy will create a foundation for further work to occur.

Chapter 11 – Sustainability

This chapter explores environmental sustainability issues for Yarra Ranges under the themes of:

- Planning approaches to sustainability
- Planting and biodiversity
- Emergency and disaster housing.

The Chapter considers how urban development and intensification can occur in targeted areas in a way that enhances sustainability in Yarra Ranges rather than undermining it through impacts such as increased hard, impervious surfaces exacerbating the urban heat island effect.

Chapter 12 – Infrastructure

In planning for residential development, a key consideration is the capacity of infrastructure to absorb growth. This includes (but is not limited to) the following infrastructure types:

- Roads and intersections
- Drainage
- Utilities: water, power, sewer
- Parkland and open space, including cycling and walking trails
- Community infrastructure such as community centres, libraries, and cultural facilities
- Public transport
- Educational institutions and services.

Responsibility for the planning and provision of infrastructure does not sit solely with Council. For example, drainage infrastructure is provided on a localised level by Council, feeding into larger drains managed by Melbourne Water.

During consultation on the Housing Strategy Discussion Paper in 2022, there was concern raised by the community that residential density increases should only be allowed in places well equipped with infrastructure to accommodate further development and population. Common infrastructure concerns included:

- Increased traffic on local roads
- Increased on-street parking.

Chapter 12 explores these issues with a focus on the Substantial Change Areas identified in Chapter 7, which are the priority locations for future housing density.

The draft Housing Strategy explores means by which Council's infrastructure planning and delivery can better maintain consistency with its housing framework and identifies options to assist with infrastructure improvements in particular in Substantial Change Areas that will see increased housing density.

Options considered

Option 1 – Exhibit the Draft Housing Strategy, while concurrently initiating work on a Social and Affordable Housing Policy

It is proposed that the Housing Strategy be exhibited for six weeks from 30 October to 11 December 2023.

During this time, initial work to develop a Social and Affordable Housing Policy that articulates Council's position on social and affordable housing, and outlines the

principles, roles and pathways that will guide Council's decisions and actions to encourage, and support increased local supply will also be commenced.

Option 2 - Undertake further work on affordable housing actions to inform the draft Housing Strategy, prior to public engagement occurring

Given the prominence and magnitude of the housing affordability issue, there is considerable further work for Council to improve outcomes in Yarra Ranges. Actions are included in Section 13.2 (Action Plan) Actions 31-55 of the Strategy.

Among the actions are to endorse a Social and Affordable Housing Policy that articulates Council's position on social and affordable housing, and outlines the principles, roles and pathways that will guide Council's decisions and actions to encourage and support increased local supply.

The approach discussed in the draft Housing Strategy is to provide the background analysis to inform future work, and to create a basis for it through the Action Plan.

However, another alternative is to progress this work before the draft Housing Strategy is resolved for public engagement. This would allow for public engagement on the Social and Affordable Housing Policy concurrently with the Housing Strategy.

Whilst important work to be progressed, this will significantly delay the progress of adopting a new Housing Strategy for Yarra Ranges and will delay work on other actions included in the Strategy, including the preparation of an amendment to the Planning Scheme.

Recommended option and justification

Option 1 is recommended. The need for a new Housing Strategy is a Council Plan Action (Action Plan – Action 8) and is required to:

- Provide a framework to guide residential development to meet the needs of the changing Yarra Ranges population over the next 15 years.
- Address the growing housing affordability issue.
- Provide the strategic justification to support the Residential Framework and neighbourhood character provisions and required changes to the Yarra Ranges Planning Scheme.

Option 1 will enable Council to consult with the local community and relevant groups on the future vision and framework of the Housing Strategy and to use this information to finalise the Strategy for Council adoption before commencing a planning scheme amendment process and some of the other actions included in the strategy. This allows for timely progress on initial work on the Social and Affordable Housing Policy to also commence.

FINANCIAL ANALYSIS

The preparation and exhibition of the draft Housing Strategy and planning scheme amendment are funded through Council's recurring operational Strategic Planning budget.

The implementation of the Housing Strategy requires the items listed in the action plan in Chapter 13 to be implemented over time.

APPLICABLE PLANS AND POLICIES

State Planning policy for the development of Melbourne, *Plan Melbourne 2017-2050*, requires Council to have a current housing strategy implemented in its Planning Scheme to meet the next 10-15 years of residential growth in the community.

State planning policy in the Planning Scheme at Clause 11.02-1S – Supply of Urban Land, requires Council to have a plan to accommodate projected population over at least a 15-year period and provide clear direction on the locations where new residential development will occur.

This is typically expressed in a housing strategy which is implemented into the Planning Scheme using residential zones and other planning scheme provisions.

This report contributes to the following strategic objective(s) in the Council Plan:

- Connected and Healthy Communities – by directing future population growth to areas with the best access to services, transport, employment options and with other benefits urban areas can offer.
- Quality Infrastructure and Liveable Places – by aiming to support the role of Yarra Ranges' activity centres as hubs of population growth which support local economic development, while preserving the valued characteristics of suburban areas.
- Protected and Enhanced Natural Environment – by directing population growth away from areas with significant landscapes or ecological significance.

The Council Action Plan lists Action 8 as follows:

- Amend the Planning Scheme by using the outcomes of the reviewed Housing Strategy to ensure housing needs of the community are met, new housing is well designed, provides for housing choice and improve neighbourhood character outcomes in residential areas.
- Overall housing needs of the community are met with appropriate design, plenty of choice and improved neighbourhood character.
- Actively liaise with building and architectural bodies to strongly put forward Council views.

This project has links across multiple Council strategies including but not limited to:

- Connected – the Integrated Transport Plan 2020-2040.
- Health and Wellbeing Plan 2021-2025.
- Healthy and Active Ageing Plan 2019-2023.
- Liveable Climate Plan 2020.
- Economic Development Strategy 2022-2032.
- Guiding Principles on Housing and Homelessness 2020.

RELEVANT LAW

The *Planning and Environment Act 1987* and State policy requires all Victorian councils, through their Planning Scheme, to provide a framework for urban planning and the use and development of land, to plan to accommodate projected population growth over at least a 15-year period and provide clear direction on locations where population growth should occur.

The specific requirements for undertaking a Housing Strategy and considering Neighbourhood Character are set out in the State Government's Planning Practice Note 90 *Planning for Housing, DELWP* (December 2019).

Once complete, the Housing Strategy will be implemented into the Yarra Ranges Planning Scheme, which is informed by the State Government's Planning Practice Note 91 *Using the Residential Zones, DELWP*, (December 2019).

The *Gender Equality Act 2020* – An initial gender impact assessment has been undertaken on the Housing Strategy. It recommended improvements to proposed public engagement to ensure that a broad range of genders, ages and demographic profiles can adequately access available information and participate. How this is to be addressed is further discussed under the Community Engagement section below.

SUSTAINABILITY IMPLICATIONS

The new Housing Strategy when completed will contribute at a strategic level to the following:

Economic Implications

The Housing Strategy will guide new development to locations where infrastructure such as roads and drainage have capacity to support new development, which creates efficiency in the existing system and reduces capital outlay for new infrastructure.

By encouraging new development to be close to services and facilities, car dependency may be reduced which will lower transportation costs for residents.

The development of a new Housing Strategy will include policy and planning provisions to ensure an adequate supply of land is available and support collecting

developer contributions towards infrastructure to support communities. These should have a positive effect on the cost of housing.

Social Implications

New policy to support social housing through partnerships and providing land will assist in increasing the supply of social and affordable housing available in Yarra Ranges.

The design of new housing is being considered by the Housing Strategy to improve accessibility for all residents regardless of age or abilities.

Environmental Implications

At a strategic level, the draft Housing Strategy seeks to improve the response of new residential development to climate change, currently regulated by planning and building controls. Various measures are being reviewed consistent with the State Governments Climate Change Adaption Plan 2017-2020 as follows:

- Areas for new residential development are located away from areas of environmental risk, landslip or fire.
- Council is encouraging the adoption of Environmentally Sustainable Design (ESD) at the earliest stage of development in new residential buildings to address solar orientation, energy consumption materials and the re-use of water.
- Provision is being made for the retention land for trees and landscaping to reduce heat island effect and provide more cooling and greening options.
- Concentration of higher density residential within activity centres and around public transport hubs to reduce fossil fuel dependence and maximise active transport modes.
- Promotion of landscape elements such as canopy trees within developments and protection of high character canopy trees within neighbourhoods.

COMMUNITY ENGAGEMENT

It is intended to commence exhibition on the draft Housing Strategy in late October for a six-week period finishing in early December 2023.

A range of community engagement strategies are proposed as further discussed below and in the draft Engagement Plan at Attachment 2, including:

- A Shaping Yarra Ranges webpage with links to the draft Housing Strategy, a summary brochure (Attachment 4), FAQs, an explanatory video and interactive map, all of which will be accessible for the entire consultation period.
- Promotion including a media release, social media, via Council's e-newsletters, and local newspapers.

- Events including an online information webinar, pop-up information stalls, briefings to stakeholder groups, with young people at a local school and Council advisory committees, and targeted focus group sessions.

Opportunities for the community to engage on the draft Housing Strategy are planned to occur at a range of times of day with both in-person and online opportunities in order to reach a broad range of ages and genders, consistent with the recommendations of the Gender Impact Assessment for the project.

Consultation will target community feedback over key negotiable aspects of the Housing Strategy including:

- How effectively the draft Housing Strategy addresses the need for greater housing diversity.
- The action plan to achieve improved housing affordability and other actions in the Strategy.
- Development settings associated with neighbourhood character precincts (the shape and form of what future development will look like in particular areas).
- The role of large townships in providing for future housing growth and diversification.

Following on from the Housing Strategy consultation process, a further consultation process will occur as part of a planning scheme amendment to implement the land use actions of the Housing Strategy, which will be required to meet the legislated notification requirements of the *Planning and Environment Act 1987*. In summary, this includes notification over a 28-day period through:

- Notification in local newspapers.
- Letters to affected land owners and occupiers and other key stakeholders in the community.
- Information available on Council's website and Council offices.
- Direct notification to relevant government agencies and departments.

Housing Community Reference Group (CRG)

During the consultation process for the Discussion Paper nominations to be a part of an external Community Reference Group were sought. Ten members were appointed to the group and include representatives from housing associations, social housing providers, development industry and the community. The CRG will assist Council in the ongoing development of the Housing Strategy. Three meetings with the CRG have been held to date and a further meeting will take place during the consultation period for the draft strategy.

Advisory Committees

The draft Housing Strategy has been shaped by feedback received in 2022 during consultation on the Housing Strategy Discussion Paper, by the Positive Ageing Reference Group, the Youth Advisory Group, the Indigenous Advisory Committee, the Sustainable Environment Advisory Committee, and the Disability Advisory Committee.

COLLABORATION, INNOVATION AND CONTINUOUS IMPROVEMENT

Collaboration

Internal

The draft Housing Strategy has been prepared in collaboration with internal stakeholders that includes the following teams:

- Community Wellbeing
- Economic Development and Investment
- Environmental Stewardship
- Planning and Building
- Health
- Infrastructure Strategy
- Aged and Disability
- Indigenous Development.

External

A Community Reference Group has been established to assist with the ongoing preparation of the draft Housing Strategy. The membership of this group includes representatives from housing associations, social housing providers, development industry and the community.

Community engagement on the discussion paper was undertaken in March 2022 and a community engagement report included on Council's website.

State Government

The review of the Housing Strategy is undertaken in the context of State Planning requirements which will provide overarching guidance for its development.

Recent improvements to the residential zone provisions will be used to implement the new Housing Strategy into the Planning Scheme.

The Housing Strategy will also include actions to enable further consideration of Social and Affordable Housing in association with relevant State Government programs.

Innovation and Continuous Improvement

The implementation of the new Housing Strategy will use the reformed residential zone provisions. The amended zone provisions facilitate an improved response to housing design to address environmental factors as well as improve neighbourhood amenity.

RISK ASSESSMENT

Council is obligated by the State Government to have a Housing Strategy to provide for the next 15 years of change and growth in its population. The Review of the Housing Strategy is intended to meet Council's legislative obligations.

The greatest risk to the project is potential delays which may be caused by factors such as:

- Further planning reforms implemented by the State Government to give effect to *Victoria's Housing Statement: The decade ahead 2024-2024*.
- Any recommendations from the recent IBAC Operation Sandon Report that will be responded to by the State Government.
- The local government election period in October 2024.
- A risk of needing to re-exhibit the Housing Strategy, if submissions raise issues that require broad and fundamental changes.

CONFLICTS OF INTEREST

No officers and/or delegates acting on behalf of the Council through the Instrument of Delegation and involved in the preparation and/or authorisation of this report have any general or material conflict of interest as defined within the *Local Government Act 2020*.

ATTACHMENTS TO THE REPORT

1. Draft Housing Strategy
2. Draft Community Engagement Plan
3. Housing Strategy Timeline
4. Community Engagement Summary Brochure