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Introduction

The In Our Backyard Action Plan - 2018-19 (the Plan), seeks to provide clarity to the community, Council and officers on the way the strategic commitment Council have made through In Our Backyard (IoYB) is advanced from December 2018 to July 2019. It will be used by officers to ensure that IoYB efforts are well integrated with Council’s other housing related activities, for example, supporting those who are homeless.

This Plan has been developed on the basis that:

- There is significant unmet housing need in the City of Port Phillip and this is unacceptable;
- A fresh approach is required to address this need in a more timely and cost-effective way;
- Social housing is essential community infrastructure, which all communities need to be successful and ensure they reach their full potential;
- Social housing is primarily the role of Federal and State Governments, however Council can and should play a role and its contribution should be relative to the difference in role and availability of funding sources;
- Council is a willing and trusted partner and ready to work with all tiers of Government, developers and stakeholders to address housing need throughout the municipality.

Background

This Plan has been developed following a review of the IoBY Policy (refer high level Action 1 below) by the Council assisted by SGS Economics between July and September 2018.

The SGS review proposed four strategic directions as follows:

- Moving from a project to program focus;
- Opening IoBY to more participants and ensuring that local housing provider capability and capacity is maintained throughout this process;
- Establishing a capacity to aggregate resources from the various IoBY levers;
- Revisiting planning controls.

The SGS review also proposed several actions that have now been incorporated into this Plan, these were:

- Ensuring that Marlborough Street is successfully delivered as a demonstration project;
- Assembling the required collateral material to support a long-term partnership with State Government and other potential co-investors with a view to building IoBY into a (notional) $150 million over ten (10) years fund, and undertaking a program of negotiations to achieve this outcome;
- Designing an appropriate capability within CoPP to work with partners to leverage Council’s consolidated affordable housing asset pool (land and cash) and deploy this in line with IoBY objectives and targets;
- Consolidation of Councils housing and homelessness strategies given the inter-relation between these two activities.

This plan has been developed to respond to these recommendations.
**Plan overview**

Following the SGS review, this Plan proposes six (6) objectives and (11) key actions to achieve these objectives.

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<td>Confirmation of IoBY targets, considering changes to program context and targets relative to housing need</td>
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<td>Confirmation of the service delivery model to be used by Council to accelerate delivery of IOBY using all the policy levers in IOBY (see below)</td>
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The Plan also highlights how each high-level action contributes to the advancement of the IoBY policy levers as outlined below: -

- **Lever 1**: Pipeline of land and cash
- **Lever 2**: Community housing as a component of development on divested Council land
- **Lever 3**: Facilitate public housing renewal and redevelopment
- **Lever 4**: Facilitate Housing First to leverage PPHT assets.
- **Lever 5**: Planning mechanisms
- **Lever 6**: Facilitate delivery of affordable housing by others.
- **Lever 7**: Foster innovative models to achieve a broader spectrum and diversity of housing.
Detailed action plan

This section provides detail on each of these high-level actions, key milestones for each and the link to existing IoBY policy levers. There is also a snapshot of the delivery of these key milestones by month.

1. Review IoBY and develop action plan

The review of IoBY has involved the engagement of SGS Economics who were asked to examine ways that Council could accelerate the delivery of housing outcomes through IoBY. SGS were specifically asked to review the definitions, target, policy levers and options set out in IoBY to achieve Council’s intended outcomes.

Following the completion of this work, officers developed this Plan, which responds to the key findings in the SGS report. It will be used to guide the delivery of IoBY from December 2018 to August 2019.

Milestones:
1. Engage SGS to review IoBY and engage with Councillors and local housing providers as part of this review (July - September 2018) – Completed
2. Develop a draft Plan which responds to the SGS Report (September - October 2018) - Completed
3. Engage with community housing providers and the community for four (4) weeks on the draft Plan (October - November 2018) – Completed
4. Consider feedback and seek Council endorsement of the final Plan (December 2018) - Completed
5. Implement endorsed Plan (December 2018 - July 2019)

2. Review IoBY targets

In 2015 Council approved IoBY. Since this time progress has been made against some parts, however this has not been as quick as would have been anticipated for a range of reasons. SGS Economics were asked to review progress against targets, the achievability of these targets and considered broader housing need in the municipality.

Milestones:
1. Engage SGS to review IoBY targets and housing need (July - September 2018) – Completed
2. Brief Councillors on IoBY targets and housing need (September 2018) – Completed
3. Formal report to Council on IoBY targets and housing need (October 2018) – Completed
4. Utilise information in the SGS report on housing need to inform the development of Program Delivery Guidelines and Advocacy Program (ongoing)
3. Program delivery guidelines

A set of Program Delivery Guidelines (the Guidelines) would clearly articulate the service model for accelerating the delivery of IoBY going forward. The Guidelines would be an action focussed document that would seek to clearly define Council’s housing interventions and the role it plays compared with other tiers of Government. Amongst other things, the Guidelines would outline criteria for when and how Council would be involved in housing activities, the mix of housing Council would seek to achieve through the projects and initiatives it is involved in, funding partnerships, funding mix and the mechanisms used to distribute funds, appropriate governance arrangements and a statement of housing need in the municipality. Guidelines could provide for a range of delivery models for new housing, to respond to a mix of housing needs and enable broad funding and partnership opportunities. They will also include parameters for:

- Deriving benefits offered by local housing organisations, and seeking to build their capability and capacity, through the way the investment portfolio is allocated.
- Any private investment in the delivery of affordable housing projects, including property vehicles, philanthropic foundations and ethical investors.
- Council involvement in optimising housing opportunities on existing housing sites, including leveraging of properties in the PPHT and the renewal of other social housing sites.

The Guidelines will maintain Council’s focus on providing for higher need, lower income groups on its land, whilst ensuring an appropriate tenant mix within developments. The approach of prioritising allocation of new housing to persons with significant links to Port Phillip will also be maintained. Other IoBY policy leavers, including planning controls, can also facilitate other affordable housing products, e.g. affordable ‘Build to Rent’ targeted at moderate income households, which address the broadening housing affordability challenge.

This action would seek to support the delivery of all Policy Levers in IoBY.

**Milestones:**

1. Commence development of the Guidelines by officers, check-in with Councillors for direction (December 2018 – May 2019)
2. Engage on the Guidelines with key stakeholders through the Housing Forum (and Council) (May 2019)
3. Present to Council the Guidelines for adoption and immediate implementation (July 2019)
4. Housing investment portfolio

Currently through IoBY, property (land and / or air-rights) and cash are provided by Council on a project by project basis. This action would see Council repackage IoBY as an investment portfolio and use this to leverage as much private and public-sector contribution as possible to respond to housing need in the municipality. This will consider the capacity, skills and performance of local housing organisations, and seek to build their capability.

To advance this action, Council would need to quantify the size and funding sources of its investment portfolio. Once agreed, Council could then use this to seek major, long term investment from the State Government and the Commonwealth, as well as partnerships with industry, ethical investors, and the philanthropic and not for profit sectors including church organisations.

As part of agreeing the size of the investment portfolio, it would also be appropriate for Council to set criteria for this portfolio and any projects funded through it going forward. For example, Council could resolve to set a contribution cap of up to 20%¹. Council could then seek the remaining 80% of funding for the portfolio or indeed any projects progressed through it from other sources (primarily from the State and Federal Governments), however this investment portfolio could also be used to incentivise private sector investment. Other criteria Council could set includes the requirement that any housing outcomes are kept in perpetuity and a focus on maximising local housing provider capability and capacity. Importantly once agreed by Council, the portfolio approach and contributions would become the centrepiece of Council’s advocacy campaign.

This approach would not preclude CoPP from responding to future project and partnership opportunities as they arise.

Once the scale of the investment portfolio is clarified, the way this portfolio is to be invested also needs to be determined by Council. It is recommended that this is opened to as many participants as possible to obtain the most innovative and cost-effective responses from the market as possible.

This action would seek to address Policy Levers 1, 2, 3 and 6 of IoBY.

Milestones:

1. Develop high level scenarios around the quantum of the investment portfolio that could reasonably be entertained by the Council (December 2018)
2. Provide Council with a detailed assessment of property opportunities and other funding sources to determine the quantum and timing of the program that could be entertained by the Council (June 2019)
3. Seek Council endorsement on investment portfolio (cash / assets) that could be included in this program as well as parameters and the ways it would be deployed (July 2019)
4. Use the outcome of actions 3 and 4 in to advocate for long-term funding partnerships with the State Government and others (ongoing)

¹ A 20% contribution to the investment portfolio / projects is recommended as the role of providing social housing is primarily that of the State and Federal Government. However, given social housing is essential community infrastructure and through IoBY Council are keen to retain social housing levels at 2015 levels, a contribution of up to 20% would help advance this aim (Council’s current IoBY target of 920 units would contribute to 14% of the social housing gap in the municipality).
5. Approved projects and project pipeline

The development of 46-58 Marlborough Street, Balaclava into affordable housing, continues to proceed as intended. This action provides clarity to all involved that this project is continuing and importantly highlighting the key milestones to be progressed. Note: further detail will be provided on key milestones once the outcome of the State Government funding application is known. Through this action, officers will also continue to explore other opportunities that would be worthy of Council consideration and approval on a timely basis.

This action would seek to address Policy Levers 1 and 2 of IoBY.

Milestones:

1. Submit project funding application to State Government (October 2018) – Completed
2. Continue to seek a funding commitment for Marlborough Street from political parties before the election (October / November 2018) – Completed
3. Provide Council with an initial overview of Council land opportunities as part of the advice on the Housing Investment portfolio (December 2018)
4. Pending no further delays, Marlborough Street development (completed 2021)
5. Continue to explore other opportunities that would be worthy of Council consideration following initial assessment of Council land opportunities (ongoing)
6. Planning controls

Through this action, Council would seek to develop a planning response which would look to include both:

- An ‘inclusionary zoning’ approach that requires the delivery of affordable housing as a component of new development / rezoning;
- An incentive based approach that facilitates the take up of voluntary affordable housing contributions, e.g. ‘opt-in’ floor area up-lift controls that increase development yield and financial incentives.

This action would also see Council continue to advocate to State Government, both directly and through regional partnerships (IMAP / Inner Metro Partnership), to progress the delivery of affordable housing through the planning system.

In addition to the above, through this action Council would also seek to review its planning processes with a view to removing any delays that may be experienced by those seeking to progress developments that all or in part respond to housing need in the municipality.

This action would seek to address Policy Lever 5 of IoBY.

**Milestones:**

1. Conduct engagement with the private development sector to identify incentives to increase the take up rate of voluntary affordable housing contributions (February 2019)
2. Incorporate new local policy within the Port Phillip Planning Scheme to support delivery of affordable housing (via Planning Policy Framework Review - 2019) and identify opportunities to establish supporting planning controls in appropriate locations (on-going)
3. Collaborate with IMAP Councils to develop a regional model which incentivises the take-up of voluntary affordable housing agreements (December 2018 – June 2019)
4. Consult with the Fisherman’s Bend Task force, developers and housing providers to assess opportunities for maximising social and affordable housing from Fisherman’s Bend redevelopment (ongoing)
5. Work with the Inner Metro Partnership to advocate for an affordable housing overlay / inclusionary zoning for the inner region (ongoing)
7. Governance mechanisms

The objective of this action would be supporting Council to establish a mechanism that strikes a balance between leveraging the most housing outcomes possible as well as protecting housing in perpetuity, while ensuring appropriate oversight of the use of significant public funds.

Mechanisms that would be explored through this action would include trusts, legal instruments, a proprietary company or a Section 86 Committee which could involve industry leaders and sector representatives from across the housing spectrum.

In addition to this independent governance mechanism, officers would also consider the internal arrangements that would need to be put in place to support external governance arrangements.

This action would also seek to resolve how previous funding provided to PPHT can be leveraged to contribute to IoBY outcomes into the future.

This action would seek to address Policy Levers 1, 2, 4, 6 and 7 of IoBY.

This action will also look at Policy Governance, and in particular policy integration between IoBY and Council’s homelessness and other housing related policies.

Milestones:

1. Present alternative governance options investigated to Council to consider (March 2019)
2. Progress preferred option for alternative governance arrangements (April – June 2019)
3. Resolve how previous funding provided to PPHT can be leveraged to contribute to IoBY outcomes into the future (June 2019)
4. Map the inter-relationship between IoBY and Council’s other housing related strategies and amend polices as necessary to better integrate these activities (June 2019)
5. Implement preferred option for governance arrangement (1 July 2019 onwards)

8. Internal resourcing

Council’s housing need agenda ranges from homelessness to social and affordable housing. Successful execution of this agenda, requires a range of skills including investment and portfolio management, understanding of the affordable / social housing sector and policy settings, as well as liaison with people who are homeless and those who provide support services. The SGS report has indicated that it would be timely to ensure the organisation has the skills, resources and capability it needs to successfully deliver on the Council’s housing need agenda. This will take into consideration the service approach reflected in the Program Delivery Guidelines and the final Investment Portfolio, and supporting Governance arrangements. It will also consider the skills and capabilities of the local housing sector and other Not-for-Profit housing organisations that could complement and augment Council’s in-house capacity.

This action would seek to support the delivery of all IoBY policy levers.

Milestones:

1. Engage with key staff and the sector to understand the current skills, resources and capability available to deliver on Council’s housing need agenda and explore any potential gaps that may exist (December – July 2019)
2. Present a proposal for further discussion and engagement with key staff and stakeholders (August 2019)
3. Implement any agreed changes (August 2019 onwards)
9. Advocacy program

The provision of housing services is predominantly a role for Federal and State Governments, as they have the bulk of levers available to them to fund the provision of this service. The CoPP is a unique local government authority, in that to achieve its vision of inclusion it has a long history of supporting the provision of social and affordable housing. Through the work of SGS Economics, CoPP has a clear picture of housing need across the municipality and is making an admirable effort to contribute to reducing this need. More needs to be done by State and Federal Government to reduce housing need across Victoria and the CoPP is willing and ready to partner with other tiers of Government to address this need. To date, CoPP advocacy efforts have not been as sophisticated as they could be. This action would seek to redress this.

This action would seek to address Policy Levers 3 & 6 of IoBY.

Milestones:
1. Develop an approach for advocating on affordable housing to Federal and State Government (March 2019)
2. Implement Council’s advocacy approach and use the outcome of actions 3 & 4 as part of efforts (ongoing)
3. Engage with DHHS to understand and map current plans for public housing redevelopment and use of other surplus land to increase public housing supply within the city (ongoing)
4. Advocate across Government for increased public housing, community housing and affordable housing within the city (ongoing)

10. Communications and engagement

Through this review process Council has regularly engaged with Housing First, St. Kilda Community Housing and South Port Community Housing Group, and the Community Alliance of Port Phillip (CAPP). It is recommended that regular engagement continues to ensure that Council and the local housing sector and community remain aligned in their objectives and actions.

Going forward it is recommended that a regular housing forum be established. The forum would include representation of housing associations and providers, and members of the community interested in Council’s housing activities.

To ensure that all providers and community members interested in participating have an opportunity to do so it is recommended that terms of reference for this forum be developed and housing organisations and community members are given an opportunity to express their interest in participating.

This action would seek to address Policy Levers 6 and 7.

Milestones:
1. Develop a Terms of Reference and promote this to organisations/community members seeking to participate in the Housing Forum (December-January 2018)
2. Host first meeting with housing associations and providers, and interested community members, and agree to an ongoing meeting schedule (March 2019)
3. Continue to meet with housing associations, providers, and community members (on-going)
11. Program monitoring and reporting

Through the review of IoBY Council received feedback that progress on implementing IoBY has not been clearly defined or reported on regularly.

Through this action officers would develop a clear and transparent framework on the level of social and affordable housing in the city relative to housing need, the contribution Council has made to this as well as regular and transparent reporting of progress to Council and the community.

This action would seek to support the delivery of all IoBY policy levers.

Milestones:

1. Develop a program monitoring and measurement framework to accurately capture the contribution of IoBY levers to social and affordable housing in the city (July 2019)
2. Regularly report on progress towards delivering IoBY through the CEO report (ongoing)
Timeline of milestones

Completed

**Action 1** – Engage SGS to review IoBY and engage with Councillors and local housing providers as part of this review (July – September 2018)

**Action 1** - Develop a draft Plan which responds to the SGS Report (September – October 2018)

**Action 1** - Engage with community housing providers and the community for four (4) weeks on the draft Plan (October – November 2018)

**Action 2** - Engage SGS to review IoBY targets and housing need (July – September 2018)

**Action 2** - Brief Councillors on IoBY targets and housing need in the municipality (September 2018)

**Action 2** - Formal report to Council on IoBY targets and housing need in the municipality (October 2018)

**Action 5** - Submit Marlborough Street funding application to State Government (October 2018)

**Action 5** - Continue to seek a funding commitment for Marlborough Street from political parties before the election (October / November 2018)

**December 2018**

**Action 1** - Consider feedback and seek Council endorsement of the final Plan (December 2018)

**Action 1** - Implement endorsed Plan (December 2018 – July 2019)

**Action 3** - Commence development of the Guidelines by officers, check-in with Councillors for direction (December 2018 – May 2019)

**Action 4** - Develop high level scenarios around the quantum of the investment portfolio that could reasonably be entertained by the Council (December 2018)

**Action 5** - Provide Council with an initial overview of Council land opportunities as part of the advice on the Housing Investment portfolio (December 2018)

**Action 6** – Collaborate with IMAP Councils to develop a regional model which incentivises the take-up of voluntary affordable housing agreements (December 2018 – June 2019)

**Action 8** - Engage with key staff and the sector to understand the current skills, resources and capability available to deliver on Council’s housing need agenda and explore any potential gaps that may exist (December – July 2019)

**Action 10** - Develop terms of reference and promote this to organisations/community members seeking to participate in these meetings (December-January 2018)

**February 2019**

**Action 6** - Conduct engagement with the private development sector to identify incentives to increase the take up rate of voluntary affordable housing contributions (February 2019)
March 2019

Action 7 - Present alternative governance options investigated to Council to consider (March 2019)

Action 9 - Develop an approach for advocating on affordable housing to Federal and State Government (March 2019)

April 2019

Action 7 - Progress preferred option for alternative governance arrangements (April to June 2019)

May 2019

Action 3 - Engage on the Guidelines with key stakeholders through the Housing Forum (and Council) (May 2019)

June 2019

Action 4 - Provide Council with a detailed assessment of property opportunities and other funding sources to determine the quantum and timing of the program that could be entertained by the Council (June 2019)

Action 7 - Resolve how previous funding provided to PPHT can be leveraged to contribute to IoBY outcomes into the future (June 2019)

Action 7 - Map the inter-relationship between IoBY and Council’s other housing related strategies and amend polices as necessary to better integrate these activities (June 2019)

July 2019

Action 3 - Present to Council the Guidelines for adoption and immediate implementation (July 2019)

Action 4 - Seek Council endorsement on investment portfolio (cash / assets) that could be included in this program as well as parameters and the ways it would be deployed (July 2019)

Action 7 - Implement preferred option for governance arrangement (1 July 2019 onwards)

Action 11 - Develop a program monitoring and measurement framework to accurately capture the contribution of IoBY levers to social and affordable housing in the city (July 2019)

August 2019

Action 1 - Review progress of implementation and develop 2019/20 Action Plan (August 2019)

Action 8 - Present a proposal for further discussion and engagement with key staff and stakeholders (August 2019)

Action 8 - Implement any agreed changes (August 2019 onwards)
On-going

**Action 2** - Utilise information in the SGS report on housing need to inform the development of Delivery Guidelines and Advocacy Program (ongoing)

**Action 4** - Use the outcome of actions 3 & 4 in to advocate for long-term funding partnerships with the State Government and others (ongoing)

**Action 5** - Pending no further delays, Marlborough Street development (completed 2021)

**Action 5** - Continue to explore other opportunities that would be worthy of Council consideration following initial assessment of Council land opportunities (ongoing)

**Action 6** - Incorporate new local policy within the Port Phillip Planning Scheme to support delivery of affordable housing (via Planning Policy Framework Review - 2019) and identify opportunities to establish supporting planning controls in appropriate locations (on-going)

**Action 6** - Consult with the Fisherman’s Bend Task force, developers and housing providers to assess opportunities for maximising social and affordable housing from Fisherman’s Bend redevelopment (ongoing)

**Action 6** - Work with the Inner Metro Partnership to advocate for an affordable housing overlay for the inner region (ongoing)

**Action 9** - Implement Council’s advocacy approach and use the outcome of actions 3 and 4 as part of efforts (ongoing)

**Action 9** - Engage with DHHS to understand and map current plans for public housing redevelopment and use of other surplus land to increase public housing supply within the city (ongoing)

**Action 9** - Advocate across Government for increased public housing, community housing and affordable housing within the city (ongoing)

**Action 10** - Continue to meet with housing associations, providers, and community members (on-going)

**Action 11** - Regularly report on progress towards delivering IoBY through the CEO report (ongoing)