



9.1 **IN OUR BACKYARD - REVIEW AND ACTION PLAN**

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1. PURPOSE

- 1.1 To advise Councillors of the outcomes of the SGS review into *In Our Back Yard – Growing Affordable Housing in Port Phillip* (IoBY) and present a draft IoBY Action Plan 2018-2019 (the draft Plan) which responds to the findings and recommendations of the SGS review.
- 1.2 To seek authorisation to release the draft Plan for a two-week consultation period, prior to its finalisation and endorsement in November 2018.

2. EXECUTIVE SUMMARY

- 2.1 In 2015, Council adopted the IoBY strategy for the delivery of affordable housing. Since this time progress has been made against some parts, however has not been as quick as would have been anticipated for a range of reasons.
- 2.2 In July 2018, SGS Economics and Planning (SGS) was engaged by Council to examine ways to accelerate the delivery of housing outcomes through IoBY.
- 2.3 On 20 September 2018, Council was provided with the outcome of the SGS work (Attachment 1) which also included a twelve-month Action Plan.
- 2.4 This Council report provides an officer response to the SGS report in the form of a draft Plan (Attachment 2) for the period 2018-2019. This report also recommends releasing the draft Plan for targeted consultation (over a two-week period), to allow input from housing associations and providers, and other key stakeholders, prior to Council finalising the Plan.

3. RECOMMENDATION

That Council:

- 3.1 Receives and notes the SGS report reviewing IoBY.
- 3.2 Publicly releases for consultation the draft IoBY Action Plan – 2018-19, for a period of two (2) weeks closing Monday 5 November 2018.
- 3.3 Authorises the CEO to make any minor editorial changes to the draft IoBY Action Plan 2018-19, prior to its release for community consultation.
- 3.4 Notes that the outcomes of this consultation will be provided to Council in addition to a final Action Plan for endorsement in November 2018.



4. KEY POINTS/ISSUES

- 4.1 The City of Port Phillip (CoPP) is committed to providing social and affordable housing to support its diverse and growing community.
- 4.2 For over 30 years CoPP has been recognised as a national leader in demonstrating how local government can grow affordable housing. As part of its commitment to providing social and affordable housing Council endorsed a ten-year loBY strategy in 2015.
- 4.3 Since Council endorsed loBY there have been significant changes in the Victorian social and affordable housing sector. These include:
 - 4.3.1 Victorian housing policy - the introduction of the State Government's Homes for Victorians policy, which provides funding to address homelessness, community housing and renewal of public housing.
 - 4.3.2 Financial structures – new and innovative financial structures for leveraging bank finance.
 - 4.3.3 Fishermans Bend - new planning controls that incentivise the delivery of social housing.
 - 4.3.4 Changes to the planning system including amendments to the *Planning and Environment Act 1987* - that:
 - include a definition of Affordable Housing;
 - make facilitation of affordable housing an objective of the Act;
 - provide for the use of section 173 Agreements to facilitate the (voluntary) provision of affordable housing as part of development applications.
 - 4.3.5 The increasing lack of affordable housing and the resulting interest in affordable housing products that target a broader spectrum of housing need, including moderate income households.
- 4.4 Considering these changes, Council recognised a need to review the definitions, targets, policy levers and options set out in loBY to achieve Council's intended outcomes.
- 4.5 In June 2018, SGS Economics and Planning (SGS) was engaged to undertake the above task and to identify ways to accelerate the delivery of housing outcomes. In July, August and September 2018, SGS engaged with Councillors, local housing associations (Housing First, St. Kilda Community Housing and South Port Community Housing Group), Community Alliance of Port Phillip (CAPP) and council officers to receive input into the review.
- 4.6 The key outcomes of the SGS work (Attachment 1) include: -



- 4.6.1 The weight of opinions expressed in Councillor workshops favoured focusing loBY on higher needs groups, that is, lower income households, dependent on Government benefits and the development of permanent housing infrastructure. Note: - this would not preclude consideration of mix-use developments into the future.
- 4.6.2 Under current implementation arrangements, and considering Council's role relative to other tiers of government, achieving 920 additional social housing units by 2025 would be difficult.
- 4.6.3 The 920 target (based on maintaining 7.2% of social housing as a proportion of total housing) represents less than 14% of the total required expansion of social housing in Port Phillip, based on actual need. As a result, there is still a significant shortfall of 5,260 social housing units required by 2025.
- 4.7 The SGS report proposes four (4) strategic directions to improve the effectiveness of loBY in delivering new housing:
 - 4.7.1 Moving from a project to program focus;
 - 4.7.2 Opening loBY to more participants and ensuring that local housing provider capability and capacity is maintained throughout this process;
 - 4.7.3 Establishing a capacity to aggregate resources from the various loBY levers; and
 - 4.7.4 Revisiting planning controls.
- 4.8 The SGS report also proposes a 12-month Action Plan which includes:
 - 4.8.1 Ensuring that Marlborough Street is successfully delivered as a demonstration project;
 - 4.8.2 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; and
 - 4.8.3 Designing an appropriate capability within CoPP to take carriage of Council's consolidated affordable housing asset pool (land and cash) and deploy this in line with IOBY objectives and targets.
- 4.9 In addition, the SGS report identifies other areas for investigation including Council consolidation of its housing and homelessness strategies given the inter-relation between these two activities.
- 4.10 Officers have considered the SGS report and in response have developed a draft Plan for 2018-19 for Council consideration (Attachment 2).
- 4.11 A plan for 2018-19 is recommended as future actions beyond July 2019 will be dependent upon both the findings of the work delivered through this action plan and associated Council decisions made between now and June 2019. A short term, clear and well-articulated plan that can be adapted to best



position the Council to meet its longer-term objectives in IoBY objectives is recommended in this instance.

- 4.12 The purpose of the draft Plan is to provide clarity to the community, Council and officers on the way the strategic commitment Council have made through IoBY is advanced. It will also ensure these efforts can be well integrated with Council’s other housing related activities for example supporting those who are homeless.
- 4.13 This draft Plan has been developed on the basis that: -
- 4.13.1 There is significant unmet housing need in the City of Port Phillip and this is unacceptable;
 - 4.13.2 A fresh approach is required to address this need in a more timely and cost-effective way;
 - 4.13.3 Social housing is essential community infrastructure, which all communities need to be successful and ensure they reach their full potential;
 - 4.13.4 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;
 - 4.13.5 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.
- 4.14 The draft Plan proposes six (6) objectives and eleven (11) key actions. In summary, these actions have been designed to achieve the following objectives: -

Objective	High Level Action
Clarity on IoBY direction, progress and deliverability given changes to program context	1. Review IoBY & Develop Action Plan
Confirmation of IoBY targets, considering changes to program context and targets relative to housing need	2. Review IoBY Targets
Confirmation of the service delivery model to be used by Council to accelerate delivery of IOBY	3. Program Delivery Guidelines
Confirmation of the Council resources that are available to advance IoBY and the governance mechanisms to accelerate delivery	4. Housing Investment Portfolio 5. Approved Projects & Project Pipeline 6. Planning Controls 7. Governance Mechanisms 8. Internal Resourcing
Clarity on the roles, responsibilities and partnerships to accelerate the delivery of IoBY	9. Advocacy Program 10. Communications & Engagement
Clear and transparent measurement of outcomes delivered	11. Program Monitoring & Reporting



- 4.15 The draft Plan provides detail on each of these high-level actions, key milestones for each and clarity on which of the existing loBY policy levers these actions seek to advance. The draft Plan also contains a snapshot of the delivery of these key milestones by month. Once agreed, this will be regularly monitored through the monthly CEO report, amongst other mechanisms.

5. CONSULTATION AND STAKEHOLDERS

- 5.1 On Monday 30 July and Wednesday 26 September 2018, three (3) local housing associations, Housing First, St. Kilda Community Housing and South Port Community Housing Group, and the Community Alliance of Port Phillip (CAPP) meet with SGS to provide their input into the review and (on 26 September) to be briefed on the outcomes of the review.
- 5.2 During the most recent roundtable session (26 September 2018), at which SGS presented their findings and recommendations, officers heard:
- 5.2.1 Progress on delivering loBY was not as fast as we would like however, it was good to see progress being made on projects such as Marlborough Street as well as the thinking and engagement undertaken to date through the SGS process.
 - 5.2.2 It could be possible to increase the target of houses achieved through Lever 4 of loBY - Leveraging Housing Association Assets, because of the planned Housing First pipeline of projects.
 - 5.2.3 Examples of other partnership arrangements were discussed. Attendees wanted to be consulted on the detail of setting up such arrangements to ensure local capacity building remains a key focus.
 - 5.2.4 It would be good for the action plan to be considered by Council on 17 October 2018 to be a draft for targeted engagement to provide attendees with the opportunity to read and digest the SGS report and the draft action plan and provide informed comment, prior to Council adopting the final plan.
 - 5.2.5 It would be good to continue an ongoing dialogue with a group of this nature to advance the implementation of loBY and other related housing strategies.
- 5.3 In response to the above feedback, this report makes the SGS report available as a public document and recommends engagement with all housing associations and providers operating in Port Phillip on the draft Plan. It is proposed that the consultation concludes on 5 November 2018.
- 5.4 Council officers will review submissions and consider what changes to the draft Council Action Plan are required.
- 5.5 On Wednesday 21 November 2018, a report will be presented to Council and will include the consultation outcomes, along with a final loBY Action Plan for consideration.



6. LEGAL AND RISK IMPLICATIONS

- 6.1 The delivery of the loBY housing targets is dependent on third party funding and support and will be difficult to achieve.
- 6.2 Without significant State Government investment, based on projected need there will be a shortfall of 6,540 social housing units in Port Phillip by 2025 (as indicated in the SGS Report).

7. FINANCIAL IMPACT

- 7.1 Funding has been allocated in the 2018-19 budget to progress the implementation of loBY.
- 7.2 Further work will be required as part of the draft Plan to determine the quantum of funds and sources to move towards a portfolio approach, however this will be subject to a further report to Council.

8. ENVIRONMENTAL IMPACT

- 8.1 Not as a result of this report.

9. COMMUNITY IMPACT

- 9.1 Council recognises the importance of maintaining a socially diverse and inclusive community. As stated in the loBY Strategy, *'social inclusion, equity and respect for diversity are at the heart of the cultural fabric of the City of Port Phillip'*.
- 9.2 The CoPP is a recognised local government leader in the advocacy, facilitation and delivery of affordable and social housing.
- 9.3 The draft Plan will bolster Council's efforts towards maintaining a diverse, inclusive and equitable City, especially assisting those who are disadvantaged and marginalised.

10. ALIGNMENT TO COUNCIL PLAN AND COUNCIL POLICY

- 10.1 This initiative aligns with Council Plan Strategic Direction 1: We embrace difference and people belong, specifically Outcome 1.2 'An increase in affordable housing'.

11. IMPLEMENTATION STRATEGY

11.1 TIMELINE

- 11.1.1 Attachment 2 – draft Council Action Plan for loBY provides timeframes for the delivery of each action.
- 11.1.2 Release of the draft Action Plan for loBY at this meeting will be followed by a two-week consultation period with key stakeholders.
- 11.1.3 A report will be presented at the Council meeting on 21 November 2018, to advise of the consultation outcomes, along with a final loBY Action Plan for consideration and adoption.

ORDINARY MEETING OF COUNCIL – 17 OCTOBER 2018



11.2 COMMUNICATION

11.2.1 Key messages:

- Council is committed to the provision and development of social and affordable housing to support a diverse and inclusive community.
- Council is seeking input to a draft Council Action Plan for IoBY, from key stakeholders to support the achievement of its affordable housing targets.
- Council cannot deliver the 6,540 new social housing units needed by 2025 alone. We call on the State Government and our partners to make a commitment in support of Council's effort toward the provision of social and affordable housing, and, in doing so, provide homes for the vulnerable and at-risk members of our community.

12. OFFICER DIRECT OR INDIRECT INTEREST

12.1 No officers involved in the preparation of this report have any direct or indirect interest in the matter.

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ATTACHMENTS

1. 'In Our Backyard' Housing Program Review (September 2018)
2. In Our Backyard - 12 Month Action Plan