



9.2 **IN OUR BACKYARD ACTION PLAN - CONSULTATION OUTCOME**

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1. PURPOSE

1.1 For Council to consider:

- Submissions received during the 4-week community consultation on the draft *In Our Backyard Action Plan 2018-2019*, prepared in response to the findings and recommendations of the SGS IoBY Review.
- Adoption of the *In Our Backyard Action Plan 2018-2019*, updated to respond to feedback received during the community consultation phase.

2. EXECUTIVE SUMMARY

- 2.1 In 2015, Council adopted the In Our Backyard (IoBY) strategy which seeks to grow the supply of affordable housing in Port Phillip.
- 2.2 Since this time there have been significant changes within the affordable housing sector, including new funding opportunities through the State Government's *Homes for Victorians* policy and changes to planning legislation that facilitate the delivery of affordable housing by the private sector. Furthermore, the delivery of new housing projects under IoBY has not progressed as quickly as originally anticipated for a range of reasons.
- 2.3 In July 2018, SGS Economics and Planning (SGS) was engaged by Council to examine ways to accelerate the delivery of housing outcomes through IoBY.
- 2.4 On 20 September 2018, Council was provided with the outcomes of the SGS work (Attachment 1) which included recommendations for an action plan.
- 2.5 On 17 October 2018, Council was provided with a proposed response to the SGS report, in the form of a draft Action Plan 2018-2019 (Attachment 2). The draft Action Plan was endorsed by Council for a four-week period of community consultation.
- 2.6 13 written submissions have been received. Four submissions were made by housing organisations, one by a community group, with the remaining eight submissions received from individual members of the community via the Have Your Say web-page.
- 2.7 The majority of submissions expressed overall support for the intent of the review and the initiatives proposed in the draft Action Plan. Clarification, concerns or changes were primarily sought in relation to three key aspects of the Plan:



- Who Council should partner with to deliver loBY.
 - How projects and the proposed Investment Portfolio should be allocated and delivered.
 - Governance arrangements.
- 2.8 Specific changes to the draft Plan are proposed in this report to respond to the issues raised by submitters. Council needs to determine whether to accept these changes and adopt a final Action Plan for implementation over the remainder of 2018/19.

3. RECOMMENDATION

That Council:

- 3.1 Adopts the In Our Backyard Action Plan 2018-2019, as provided at Attachment 2, inclusive of updates that respond to feedback during consultation.
- 3.2 Writes to thank HousingFirst Ltd, South Port Community Housing Group, St Kilda Community Housing and the Community Alliance of Port Phillip for their contribution during the loBY review process, and to all submitters for their response to the draft Action Plan.
- 3.3 Authorises the Chief Executive Officer to make minor editorial updates to the adopted Plan, if required.

4. KEY POINTS/ISSUES

Background to loBY Review

- 4.1 The City of Port Phillip (CoPP) is committed to providing social and affordable housing to support its diverse and growing community. For over 30 years CoPP has been recognised as a national leader in demonstrating how local government can grow affordable housing.
- 4.2 As part of its commitment to providing social and affordable housing Council endorsed a ten-year strategy loBY strategy in 2015.
- 4.3 Since Council endorsed loBY there have been significant changes in the Victorian social and affordable housing sector. This 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 set a target for affordable housing and incentivise the delivery of social housing.



- 4.3.4 Changes to the planning system including amendments to the *Planning and Environment Act 1987*, to:
- include a definition of Affordable Housing;
 - make facilitation of affordable housing an objective of the Act; and
 - 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 In the context of 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. The key findings of the SGS work (provided at Attachment 1) include:
- 4.5.1 Councillor desire for a continued focus of loBY on providing housing for higher needs groups and the development of permanent housing infrastructure.
- 4.5.2 Achieving the target of 920 additional social housing units by 2025 will be challenging under current arrangements.
- 4.5.3 The 920 unit target (based on maintaining 7.2% social housing) represents only a small portion (14%) of actual need (which requires an increase of 6,540 units by 2015).

loBY Review – Recommendations and draft Action Plan

- 4.6 The SGS report proposes four (4) strategic directions to improve the effectiveness of loBY in delivering new housing:
- 4.6.1 move from a project to program focus;
- 4.6.2 open loBY to more participants and ensuring that local housing provider capability and capacity is maintained throughout this process;
- 4.6.3 establish a capacity to aggregate resources from the various loBY levers; and
- 4.6.4 revisit planning controls.
- 4.7 The SGS report also proposed a 12-month Action Plan to include:
- 4.7.1 ensuring that Marlborough Street is successfully delivered as a demonstration project;
- 4.7.2 assembling the required collateral material and internal resourcing needed 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 Based on the SGS review and recommendations, a draft Action Plan for 2018-19 was prepared for Council consideration.

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- 4.9 A plan for the remainder of 2018-19 was prepared given 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 July 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 loBY objectives was considered the best course of action.
- 4.10 The purpose of the Plan is to provide clarity to the community, Council and officers on the way the strategic commitment Council has made through loBY 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.
- 4.11 The draft Plan was developed on the basis that:
- 4.11.1 there is significant unmet housing need in the City of Port Phillip and this is unacceptable;
 - 4.11.2 a fresh approach is required to address this need in a more timely and cost-effective way;
 - 4.11.3 social housing is essential community infrastructure, which all communities need to be successful and ensure they reach their full potential;
 - 4.11.4 social housing is primarily the role of Federal and State Governments, however Council can and should play a role; and
 - 4.11.5 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.
- 4.12 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 loBY direction, progress and deliverability given changes to program context	1. Review loBY & Develop Action Plan
Confirmation of loBY targets, considering changes to program context and targets relative to housing need	2. Review loBY 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 available to advance loBY 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 loBY	9. Advocacy Program 10. Communications & Engagement
Clear and transparent measurement of outcomes delivered	11. Program Monitoring & Reporting



- 4.13 The draft Plan details each of these high-level actions, key milestones for each and clarifies which of the existing loBY policy levers these actions seek to advance. Once adopted, the Plan will be regularly monitored through the monthly CEO report and other mechanisms.
- 4.14 Section 5 of this report provides details of the consultation process and an overview of the feedback included in the 13 written submissions received. A detail summary of each submission is provided at Attachment 3.
- 4.15 Attachment 4 provides an overview of the issues raised by submissions in relation to each of the 11 actions included in the draft Plan. An officer recommended response and, where appropriate, suggested changes to the draft Action Plan are also detailed in this attachment. Further details are provided in Section 5 below.

Current loBY progress

- 4.16 Momentum on a number of key initiatives has been maintained alongside the review of loBY and development of the draft Action Plan. These initiatives (listed below) directly support the delivery of new affordable housing under loBY and would maintain their relevance and value, regardless of any shift in the implementation focus of the strategy.

Affordable Housing Projects - Delivery and Facilitation:

- Council property pipeline identification – short-listing (Policy Leavers 1&2)
- Discussions with DHHS and assessments of Public Housing Estates with potential for renewal (Policy Leaver 3)
- Marlborough Street project – funding received (\$200k) and Capital funding sought in October 2018 (Policy Leaver 4)
- On-going facilitation / project advisory / planning evaluation of nine (9) community housing projects (during 2018) (Policy Leaver 6)

Housing Need, Delivery Models and Funding:

- Housing Needs Assessment consultancy – completed December 2018 (All Policy Leavers)
- DEWLP Grant application submitted to progress Development Model for affordable rental housing delivered by the private sector – IMAP initiative led by CoPP (Policy Leaver 5)
- Workshop on Affordable Housing Planning Mechanisms – to advise Metropolitan Development Advisory Panel (MDAP) (Policy Leaver 5)
- Brokering philanthropic funding for community housing project - St Kilda location (Policy Leaver 6)
- Draft Community Land Trust Manual (Stage 2) - completion December 2018 (Policy Leaver 7)

5. CONSULTATION AND STAKEHOLDERS

- 5.1 The three (3) local housing organisations, HousingFirst, St. Kilda Community Housing and South Port Community Housing Group, and the Community Alliance of Port Phillip, were involved in the review of loBY and development of the draft Action Plan.



- 5.2 At its meeting on 17 October 2019, Council considered the draft Plan and resolved to undertake a 4-week community consultation process, until 19 November 2018. The SGS IoBY Review was also made available, providing the context and rationale for the draft Plan.
- 5.3 Feedback was invited on the draft Plan through:
- 5.3.1 Direct correspondence to:
- Three local housing organisations (HousingFirst, South Port Community Housing Group, St Kilda Community Housing),
 - Community Alliance of Port Phillip, and
 - Eight other housing organisations operating in or with an interest in the City of Port Phillip as follows: the National Affordable Housing Consortium, five Housing Associations (Victorian Women's Housing Association Ltd, Housing Choices Australia Ltd, Community Housing (Vic) Ltd, Common Equity Housing Ltd and Unison Housing Ltd), one Housing Provider (YMCA Housing), and Sacred Heart Mission.
- 5.3.2 The CoPP web-site, with submissions invited through 'Have Your Say'. 162 visits to the In Our Backyard page on 'Have Your Say' were recorded.
- 5.4 13 written submissions were received (including eight via Have Your Say). Submissions were received from:
- South Port Community Housing Group and St Kilda Community Housing (joint submission)
 - HousingFirst Ltd (formerly Port Phillip Housing Association), trustee of the Port Phillip Housing Trust
 - National Affordable Housing Consortium (NAHC) - a not for profit organisation operating nationally in the social and affordable housing sector
 - Sacred Heart Mission
 - Community Alliance of Port Phillip (CAPP)
 - Eight individual community members.
- 5.5 The key matters raised by each submission have been summarised in Attachment 3.
- 5.6 Overall, the majority of submissions indicated support for the Review of IoBY and the general directions of the draft Action Plan.
- 5.7 Submissions from housing organisations generally expressed support for:
- 5.7.1 Reviewing the implementation approach of IoBY to respond to changes and new opportunities in the affordable housing sector.
- 5.7.2 Pursuing a programmatic approach (rather than project by project).
- 5.7.3 Aggregating Council's resources across the various IoBY leavers to form an 'investment portfolio'.



- 5.7.4 Leveraging Council's investment (property and cash) to increase the State and Commonwealth Government contributions to affordable housing.
- 5.7.5 The continued focus on permanent housing for high needs groups, whilst recognising the importance of a range of initiatives / models to address need across the housing continuum.
- 5.7.6 The need for Governance arrangements to protect (and leverage) Council's interests (noting there was a difference in view on what those arrangements should be).
- 5.7.7 Progressing the Marlborough Street Housing Project.
- 5.8 The submissions did raise issues with, and indicated varied positions with respect to, three key issues:
- 5.8.1 Who Council should partner with to deliver loBY
- NAHC supported broadening and developing strategic partnerships as proposed by the loBY Action Plan.
 - HousingFirst and NAHC recognised the potential role of the private development sector, whilst SKCH / SPCHG indicated opposition to partnerships with private developers given profit must be made which reduces housing outcomes.
 - SKCH / SPCHG stated that delivery of loBY by locally based community housing organisations will deliver greatest benefit – community integration & cohesion, responsive to local needs and local community accountability.
- 5.8.2 How projects / the portfolio could be allocated and delivered
- HousingFirst seeks to work with Council to deliver loBY and to develop a joint Strategy to submit to the Victorian Government to leverage Council's investment.
 - SKCH and SPCHG suggest that Council agree to them undertaking feasibility studies, then delivering demonstration projects on two Council (car park) sites.
 - CAPP questions if the State Government will sign up to a 10-year Investment Portfolio. This is in the context of current State Government funding under *Homes for Victorians* being allocated annually and on a project-by-project basis.
- 5.8.3 Governance arrangements
- NAHC caution against the establishment of a housing 'company', due to resourcing requirements.



- HousingFirst oppose the creation of an “in-house” property development and investment vehicle as this would duplicate the PPHT which has proven growth capacity.
- SKCH / SPCHG suggest protection of Council interest via caveat on Council land (similar to Director of Housing Interest for DHHS sites/funding), as an alternative to a Trust structure.

5.9 Community submissions (via Have Your Say) expressed diverse views, summarised below:

5.9.1 Five of the eight submissions indicated support or qualified support for loBY.

5.9.2 Views expressed within the three objecting submissions included questioning Council’s involvement in affordable housing, expressing concern over crime and ‘anti-social’ behaviour that can accompany social / public housing, and issues with property / tenancy management.

5.9.3 Submissions in support stated loBY is an ‘excellent plan’ and suggested that Council should make the housing ‘crisis’ a priority.

5.9.4 A number of submissions made suggestions on preferred ‘target’ groups for affordable housing which included: families, domestic violence victims, students, aged / disability housing, temporary housing for immigrants and persons experiencing mental health issues.

5.9.5 The importance of appropriate support services for higher needs tenants was also raised.

5.10 Attachment 4 is a summary of comments made by submitters under each of the 11 Actions in the Plan. The following key changes to the draft Action Plan are proposed in response to issues raised:

Action 3 - Program Delivery Guidelines

- Amend text to clarify that the Program Delivery Guidelines will define:
 - The potential for a range of project delivery models.
 - Preference for housing delivered on Council land to target higher needs and lower income groups, and priority allocation to persons with significant links to Port Phillip, noting that a dwelling mix may be required to avoid concentrations of disadvantage.
 - Council’s role in facilitating other private affordable housing models targeting moderate income households under other IOBY policy levers, e.g. affordable ‘Build to Rent’.
 - The benefits offered by local housing organisations and that Council will seek to build their capability and capacity through the way the Investment Portfolio is allocated (responds to comments made under Action 4).
 - The parameters for when Council would facilitate private investment for the delivery of affordable housing projects e.g. property vehicles, philanthropic



foundations, ethical investors (responds to comments made under Action 4).

- The opportunities for leveraging of PPHT properties and renewal of other social housing sites i.e. under Policy Leavers 3 and 4 (responds to comments made under Action 5).

Action 4 - Housing Investment Portfolio

- Amend text to reflect that the capacity, skills and performance of local housing organisations are considered in developing the Investment Portfolio (responds to comments made under Action 1).

5.11 Action 6 – Planning Controls

- Amend text to update the description and timing to reflect current regional initiatives.

5.12 Action 8 - Internal Resourcing

- Amend text to ensure the review of internal resourcing to deliver Council's housing and homelessness agenda focuses on the capacity to provide advice to Councillors, particularly considering the fluidity of the housing environment, and does not seek to replicate the skills and capabilities of the local housing sector and other NFP affordable housing organisations.

5.13 Action 10 - Communications and Engagement

- Amend the draft Plan to propose a single forum, including representatives of housing organisations and interested community members / groups, as proposed by CAPP.

5.14 A number of changes to milestone dates in the draft Action Plan are also proposed. These reflect actions now completed, ensure the appropriate sequencing of actions and make minor adjustments to allow for the longer consultation period. Specific changes are detailed in Attachment 4. Notable milestone changes are:

- Action 7 - Rescheduling the investigation and engagement on governance options to June 2019, with presentation of this work to Council in 2019/20. This change is required based on divergent feedback received through the recent consultation process, and the need to take time and care to assess the various governance options.
- Action 8 - Rescheduling the review of internal resources (for completion August 2019), to follow development of Governance arrangements, the Program Delivery Guidelines and clarification of the Investment Portfolio.

5.15 Attachment 2 reflects the recommended changes to the draft Action Plan 2018-19, as detailed above.



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 this financial year. This allocation will support delivery of initiatives in the Action Plan over the remainder of 2018-19.
- 7.2 Further work associated with developing the Program Delivery Guidelines and Investment Portfolio, will determine the quantum of funds and sources required for the implementation of loBY in 2019/20 and beyond. This will be subject to a further Council consideration.

8. ENVIRONMENTAL IMPACT

- 8.1 None as a direct 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 Action Plan will bolster Council's efforts towards maintaining a diverse, inclusive and equitable City, especially assisting those who are disadvantaged and marginalised, by accelerating the delivery of new affordable housing.

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 The Action Plan provides detailed milestones for the remainder of 2018-19, under each of the eleven actions. These include:
 - Scenarios for Council's investment portfolio - December 2019
 - Detailed assessment of property opportunities - June 2019

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- Establishment of the Housing Forum - February 2019
- Program Delivery Guidelines - July 2019
- Governance arrangements (preferred option) - June 2019
- Further engagement through the Housing Forum during development of: Program Delivery Guidelines and Governance arrangements - December to June 2019.
 - Progression of Marlborough Street project - completion by 2021

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.
- The Action Plan 2018-19 refocuses Council's effort under the seven policy leavers of the loBY Strategy, to accelerate the delivery of new affordable housing in Port Phillip.
- 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.

TRIM FILE NO:

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ATTACHMENTS

1. 'In Our Backyard' Housing Program Review - SGS September 2018
2. Draft In Our Backyard Action Plan 2018-2019 (with recommended changes in response to submissions)
3. Summary of individual written submissions to the draft Action Plan 2018-2019
4. Overview: Feedback and recommended changes to draft Action Plan 2018-2019