



1.1 **CONFIDENTIAL: IN OUR BACKYARD -
UPDATE**

WARD: **WHOLE OF MUNICIPALITY**

GENERAL MANAGER: **CLAIRE FERRES MILES, PLACE STRATEGY &
DEVELOPMENT**

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TRIM FILE NO: **F16/3**

ATTACHMENTS: **1. In Our Backyard - Spectrum of Opportunities
(draft)**

PURPOSE

To provide Council with an update on negotiations on affordable housing opportunities following Council's resolution on 1 February 2017 that Council:

- Receives a report at the next Ordinary Council meeting to be held on 15 February 2017 to advise on progress of this initiative.

1. RECOMMENDATION

That Council:

- 1.1 Notes activation of a short-term taskforce and preliminary strategy for addressing the immediate housing need for singles at greatest risk of homelessness, created by the potential, forthcoming closure of the Gatwick Hotel, and development of a package of opportunities for growth in new affordable housing units in the City of Port Phillip.

2. BACKGROUND

- 2.1 In April 2016 Council adopted the *In Our Backyard* strategy in response to projected forecasts that social housing, as a proportion of total housing, will reduce from 7.2% to 5.9%.
- 2.2 Through the implementation of *In Our Backyard*, 170 new affordable housing units over 10 years are proposed with direct investment of \$30 million by Council in property assets and supporting cash contributions.
- 2.3 The pending sale of two properties has created an immediate need to implement Strategy 1 (Policy 1) of *In Our Backyard* to address loss of the following properties which house singles at greatest risk of homelessness:



- Gatwick Hotel, St Kilda (80 Beds)
 - Tennyson Street, Elwood (15 Beds)
- 2.4 Opportunities exist to develop a co-funded package of initiatives between the State Government, private industry, local community housing organisations, philanthropic foundations and Council. This would offset the loss of beds from the pending private sales.

3. KEY INFORMATION

- 3.1 In response to the pending closure of the two rooming houses, resulting in a loss of 95 beds, the following actions have been implemented as part of the *In Our Backyard* strategy:
- Establishment of a cross-government, cross agency Executive Steering Committee Group co-chaired by Claire Ferres Miles and Vanessa Schernickau that will meet weekly for the next six weeks. The inception was held Thursday 9 February 2017 and membership includes DHHS, Port Phillip Housing Association (PPHA), St Kilda Community Housing (St KCH), South Port Community Housing Group (SPCHG) and Launch Housing.
 - Establishment of a short-term taskforce to identify immediate or near future available properties and to develop a prospectus to secure funding partners. This taskforce of three people has been established with re-prioritisation of two CoPP officers and a four week consulting appointment.
 - Develop a 1- 4 year implementation model with year 1 identifying approximately 50 available net new units resulting in a development/acquisition costs of \$6 million.
 - Commence partnership discussions with governments, local community housing organisations, private and philanthropic sectors to seek project funding.
 - Commence immediate intervention/transition plan protocols (Rooming House Closure Community Coordination Protocols - a sub-plan of the Municipal Emergency Management Plan) between Council and key agencies.
 - Liaise with commercial real-estate agencies and other parties on purchase and lease options.

3.2 Summary of Opportunities

Immediate alternative community housing – Year 1 (2017/18)

The following projects will offer the opportunities to replace the immediate need from loss of units resulting from the sale of the Gatwick for singles at greatest risk of homelessness:

- Acquiring 40 units by purchase, lease and/or pop-up 'relocatable' in the first year, providing a basis for immediate provision of accommodation for the targeted Gatwick long-term residents. This will also create a 'vacancy chain' for redevelopment and renovation projects in the following years.



‘Game changer’ growth in affordable housing units

The following is a preliminary list of projects that will offer opportunities to grow net new community housing units for a range of target groups, including:

Year 2 (2018/19)

- Development of the Marlborough St, Balaclava Council carpark creating a proposed 44 new community housing units (bedsitter, one, two, three and four bedroom units for artists, singles, older persons and families) and 11 private units to cross subsidise the community housing component. This will be outlined in briefing paper on 22 Feb 2017 as a priority project with Port Phillip Housing Association (PPHA).
- Renovation and extension of an existing community housing property will yield an additional 20 new units and 25 renovated units for single persons.

Year 3 (2019/20)

- Propose redevelopment by PPHA of three properties held in the Port Phillip Housing Trust, yielding an additional 120 units in Year 3 for a range of target groups, and 85 renovated units. This includes the sale of the ‘Broxted’ rooming house in East St Kilda to help fund the redevelopment.
- Proposed development of airspace over a replacement Council car park creating 30 one bedroom units for single persons. This is to be allocated under a forthcoming Eol process along with other property contributions.

Year 4 (2020/21)

- Proposal to redevelop public housing ‘walk up’ buildings in St Kilda, subject to agreement with DHHS. This is based on a design and feasibility study by PPHA. Yield of 60 additional units in year 4 and 60 renovated units.
- Renovation / redevelopment of existing community housing stock will yield an additional 10 new units and 20 renovated units.

3.3 A summary table has been prepared (Attachment 1) that outlines the spectrum of opportunities across four years.



FURTHER SUPPORTING INFORMATION

4. ALIGNMENT TO COUNCIL PLAN AND COUNCIL POLICY

- 4.1 Implementation of *In Our Backyard*, is a strategic priority of Council. It is consistent with the Council Plan 2013 - 17 which seeks to create 'A healthy , creative and inclusive city' through:
- Objective 2.1: 'Ensure our city is a welcoming and safe place for all'.
 - Key Action: 'Support the delivery of affordable housing to meet community needs'.
- 4.2 Implementation of the Council Strategy is also the most effective way to support the objectives of Council's *Social Justice Charter*, and its *Health and Wellbeing Plan (2013-17)* which identifies 'housing and homelessness' as a key priority area:
- Social Justice Charter - includes the core values of equality of access, valuing diversity, reducing disadvantage, and enabling residents to stay connected and enjoy the City.
 - Health and Wellbeing Plan - recognises that housing is a basic human right and is cognisant of the impact that housing stress and homelessness can have on a person's life.

5. CONSULTATION AND STAKEHOLDERS

- 5.1 There has been ongoing engagement with PPHA, St KCH and South Port Community Housing Group (SPCHG) during development of the *In Our Backyard* strategy and proposed trust model in 2015 and 2016. Further engagement had occurred with PPHA and St KCH, and will occur with SPCHG, in February 2017 on specific short, medium and long term project opportunities.

6. LEGAL AND RISK IMPLICATIONS

- 6.1 Council officers have engaged legal advisers in the development of a trust model proposed for the implementation of *In Our Backyard*, in particular Strategy 1, Policy 1 relating to the allocation of Council property and cash contributions for the growth of community housing. This will be discussed in the Councillor briefing scheduled for 22 February, 2017. Further advice will be needed as the Model is progressed.

7. SUSTAINABILITY – Triple Bottom Line

7.1 ENVIRONMENTAL IMPLICATIONS

- The Council Strategy will deliver affordable housing in and around activity centres with access to transport, shops and community facilities. This will provide a more sustainable land use for low income persons with low levels of car ownership.
- Community housing organisations are pro-active in incorporating sustainable design features in their projects. This will also be assessed under Council's sustainable design objectives through the development approvals process.



7.2 SOCIAL & CULTURAL IMPLICATIONS

- A Cost Benefit Analysis undertaken in 2014 found that broadening partnerships with local community housing organisations will deliver greatest net community benefit in the following areas:
 - The provision of new community housing.
 - Avoided health, justice and welfare costs.
 - Labour force engagement.
 - Community diversity and strengthening.
- One of the findings of the Cost Benefit Analysis was that the value of Council's investment was enhanced by increasing the provision of community housing that addressed the needs of singles at greater risk of homelessness. This target group will be one of four housing needs groups that Council will prioritise through the EoI process, and ensure will be addressed through an agreement with the Housing Trust.

7.3 ECONOMIC IMPLICATIONS

- Affordable housing including community housing, has a positive economic impact through:
 - Supporting local businesses and street vibrancy where housing is located in and close to activity centres, due to the higher reliance of low income persons on walking to local shops. This helps maintain retail diversity that targets the needs of a broader range of income cohorts.
 - Supporting the viability of community services that target lower income households.
 - Providing opportunities for social enterprises to be co-located with the community housing.

7.4 FINANCIAL IMPLICATIONS

- The proposed cash/property contribution to the Council Strategy approved in April 2016 has the following implications:
 - 7.4.1 A strategic budget implication of \$5 million over the 10 year period of 2015/16 - 2024/25 (\$500,000 per year). This will form a Community Housing Reserve, to be drawn down when allocated to successful local community housing organisations through an Expression of Interest process/s (tied to property contributions / project proposals).
 - 7.4.2 Allocation of \$500,000 has been made in the 2015/16 budget and a further \$500,000 in the 2016/17 year.



- 7.4.3 Future property contributions will realise a social return in place of (or reducing) the direct financial return to Council. The allocation of 'air rights' for the development of community housing, over retained Council facilities / car parks, provides an effective mechanism to deliver best value from Council's property assets.

8. IMPLEMENTATION STRATEGY

8.1 TIMELINE

A draft strategy has been developed for four years (2017 - 2021) based on phasing of three types of project opportunities:

- 2017/18: purchase and lease of properties
- 2018/19: refurbishment of properties
- 2019/20 and 2020/21: construction of new housing.

This will be accompanied by an advocacy process to leverage funding from the State Government, philanthropic foundations, community housing organisations and the private sector to fund these projects.

9. OFFICER DIRECT OR INDIRECT INTEREST

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