

IMAP Implementation Committee**Briefing Paper****Action 5.2 Affordable Housing
Report on World Homeless Day Symposium
'Future of Inner City Social Housing'**

BACKGROUND

1. In June 2015, IMAP approved the expenditure of \$5,000 for a symposium called 'The Future of Inner City Social Housing' to be held on the 9 October at the Fitzroy Town Hall. This budget was envisaged to be spent as follows: \$2,000 for the MC, \$2,000 for the creation of a film and \$1,000 for an event organiser. Given Yarra organised the event using existing resources, the extra \$1,000 was used to offset the costs for the MC, Steve Cannane and the catering which was greater than expected due to high number of registrations (130).

DISCUSSION

2. The event aimed to facilitate a public discussion about the role of Local Government in increasing access to social and affordable housing. It included a discussion about the various mechanisms available to IMAP Councils to augment the supply of social and affordable housing in their municipalities. (Please find attached the draft program)
3. The event aimed to advocate for greater policy clarity and consistency between state and local government. It also aimed to 'sell' the idea of social and affordable housing to developers as an economic asset for an inner-city area and a good investment in the long-term sustainability of Melbourne.
4. There were around 90 people who attended from a cross-section of the community housing sector, state government, local government, and social housing advocacy groups.
5. The headline objective of the event was to explore the ways by which state and local government, as well as the private and non-government sector, can work together to increase the supply of social housing in inner Melbourne, through:
 - Generating discussion about effective mechanisms that could assist the state government and IMAP councils to develop policies and programs that would increase the supply of social housing;
 - Building partnerships between government, developers, social support services and community housing agencies; and
 - Raising the profile of what the community and private housing sector could achieve in improving the delivery of social housing.

6. The forum was opened by Mayor of Yarra, Cr Philip Vlahogiannis. The film, 'The Future of Social Housing in the Inner City', was premiered at the event and set the context for two panel discussions.
7. The first panel considered **“what are the key critical issues for community housing providers in collaborations with local government?”** It had the following speakers:
 - Nicola Foxworthy: Program Director, Common Equity Housing Ltd;
 - Rob Leslie: Chief Executive Officer, Yarra Community Housing (late withdrawal);
 - Henry James: General Manager, Property Development and Asset Management, Housing Choices Australia;
 - Gary Spivak: Housing Development Officer, City of Port Phillip;
 - Megan Davidson: General Manager Strategic Business, Port Phillip Housing Association; and
 - Jocelyn Bignold: Chief Executive Officer, McAuley Community Services for Women
8. This panel made the following points:
 - It is important for Councils to develop targets for perpetually affordable housing and creating a clear definition for 'affordable';
 - Councils need to take risks and invest staff time to develop partnerships with developers;
 - There is wide concern about the service gaps for larger families and older people, especially women;
 - Housing co-operatives are one way to increase community capacity in this area and need to be supported;
 - Housing associations can act as 'honest brokers' that can help councils to get the balance right;
 - Mixed tenure models offer housing associations the capacity to cross-subsidise social housing by offering a percentage of housing to people on medium to higher incomes;
 - There are serious challenges faced by associations to scale up their successes without government subsidy; and
 - Inclusionary zoning was not yet possible apart from on council or state land. If it were more widely introduced, there would be a need to be clear about the proportion to be set aside for social and affordable housing before developer buys the land. This would also need to be part of Council's MSS.
9. The second panel considered **'How can local and state government policies effectively increase the supply of social housing?'** This panel had the following speakers:
 - Fiona Williams, Director, Property & Asset Services, Department of Health and Human Services;
 - Steven Lynch, Manager, Corporate Affairs, Bank Australia;
 - Professor Carolyn Whitzman, Professor in Urban Planning, University of Melbourne;
 - Rob Pradolin, General Manager, New Business, Fraser's Property Australia;

- Matthew Torney, Acting Chief Executive Officer, Urban Communities Limited; and
- Jane Monk, Director, Inner City, Metropolitan Planning Authority

10. This panel made the following points:

- Victoria has 75,000 units of public housing and 10,000 of these are managed by the community housing sector, the rest by government. Only 370 new units have been built this year so the sector is not growing quickly;
- There is a lack of long term, integrated government strategy in this area including targets and policies on how to achieve them;
- It was noted that over the next 40 years, the number of dwellings in Melbourne will need to double to accommodate projected population growth – a rate double that of the preceding 40 years;
- It is important to approach the issues of social housing as one of key public infrastructure and accept that it requires government subsidy for the private sector to deliver;
- Housing for key workers (e.g. nurses, police, fire fighters) was needed in the inner city as they perform life-saving tasks;
- It is worth looking at the US model where the private sector has specialised in delivering social housing by selling tax credits for cash;
- In Australia, the private sector is keen to invest but it needs to make economic sense. Super funds are the most obvious and logical source of capital with property developers the best placed to take on projects and manage risk. Super funds could also take on asset management and renewal;
- There is a need to leverage current sites in prime locations (e.g. near jobs, transport and services) for social housing, and this could involve density bonuses on sites; and, in doing this, broader benefits would need to be evident for the wider community;
- Community housing associations and affordable housing developers (such as Urban Communities) report positive experiences of working with local government as they have proven to be good partners in delivering novel and effective solutions. Such experiences become the case studies that can be scaled up and out in large scale developments undertaken by private and non-profit corporations and commonwealth and state governments;
- Local government also has a critical role in developing the 'liveability' principles to underpin successful developments. Local government can champion the needs of its local community, raise community awareness of the needs of low income households and the value of diversity socially and economically and persuade other levels of government to act;
- The financial risks of social housing projects have been commonly over-estimated, with 6 percent return on investment commonly achieved. Community housing associations have

proven to be competent property managers, with low rates of tenants in arrears and low vacancies rates;

- Councils need to make the most of the opportunity to input into the Plan Melbourne refresh;
- The question of mandated housing targets was raised from the floor and whether these should be set by State or local governments? The second panel advocated for target sets by the state with incentives for those areas for which targets are achieved;
- The use of rental controls in Melbourne (e.g. like San Francisco and elsewhere) was considered impractical due to the lack of low-cost rental accommodation available in the inner city; and
- There is a need to reframe social housing as an ‘us’ problem (i.e. one that the majority can relate to) rather than a ‘them’ problem, in the same way that the acceptability of public transport has been reframed. This “reframing” could also be associated with supporting low-to-middle income families by enabling parents to spend more time with their children by living closer to employment (and less time commuting).

11. IMAP is in a strong position to have input into the Plan Melbourne re-fresh which is giving particular consideration to the matter of affordable and social housing. The Plan Melbourne Discussion Paper was released after this event so the discussion at the symposium did not refer to the specific issues it covers. The Plan Melbourne Refresh Discussion Paper offers a number of options to facilitate the development of social and affordable housing; these are:

- (a) Affirming that the Minister for Planning should be the responsible authority for social planning housing applications recommended by the Director of Housing;
- (b) Introducing expedited planning approval processes for selected housing projects, including modified third-party appeal rights;
- (c) Introducing planning tools that mandate or facilitate or provide incentives to increase social and affordable housing supply;
- (d) Evaluating the pilot affordable housing initiative on land sold by government to determine whether to extend this to other suitable land sold by government; and
- (e) Identifying planning scheme requirements that could be waived or reduced without compromising the amenity of social and affordable housing or neighbouring properties.

12. RECOMMENDATION

That the IMAP Implementation Committee notes this report.