
Request to be heard?: No

Precinct: General

Full Name: Haleh Homaei

Organisation: PORT PHILLIP HOUSING ASSOCIATION

Affected property:

Attachment 1: FishermansBend_

Attachment 2:

Attachment 3:

Comments: Attached PDF

15 December 2017

Department of Environment, Land, Water
and Planning
GPO Box 500
East Melbourne, Victoria 3002.

Dear Sir or Madam

Consultation on Fishermans Bend Framework Submission by Port Phillip Housing Association

Port Phillip Housing Association (**PPHA**) welcomes the opportunity to make a submission on the Draft Fishermans Bend Framework (**the Framework**).

PPHA agrees that affordable housing is essential to Victoria's productivity, liveability and social equality. As a registered housing association and a leading provider of affordable housing in metropolitan Melbourne (including both the City of Port Phillip and the City of Melbourne) PPHA is best placed to take a lead role in the provision of social and affordable housing in Fishermans Bend.

The Vision for Fishermans Bend and its role in alleviating Victoria's housing crisis

Victoria is in the midst of a pressing and worsening shortage of social and affordable housing. We must not miss the opportunity presented by the urban renewal of Fishermans Bend. There are over 35,000 households who have applied for housing under the Victorian Housing Register, a Victorian government initiative to establish a common register for public and community housing. Of those households, over 11,000 are assessed as having a priority need, and this is likely to grow as the waiting lists of community housing organisations are merged with the Register in the coming months. Only 3.5% of housing in Victoria is social housing, the lowest proportion of any state or territory in Australia.ⁱ In the context of public housing stock needing urgent renewal and replacement, planning controls and incentives are much needed to increase the supply of social and affordable housing.

It is clear that doing nothing in the face of this crisis is not an option. Just to keep the amount of social housing at its current level in our growing state would take an additional 1,800 new dwellings to be built each year. To meet the actual need for affordable housing would require 6,000 dwellings a year for the next 15 years, 3,000 of which would need to be social housing targeted at those households most in need.ⁱⁱ

The Victorian government's housing strategy, *Homes for Victorians*, is timely. Inclusionary housing policies, such as those proposed for Fishermans Bend, are an important element of *Homes for Victorians*.

The Framework's affordable housing target needs to be bold and supported by strategies that will deliver it

The Framework sets a target that by 2050, at least 6% of all housing in Fishermans Bend is affordable for low to moderate income households. Given the scale of the housing crisis in

Victoria, PPHA urges government to set a more ambitious target. A 6% target (if met) in this important urban renewal precinct would make only a modest overall contribution to meeting our city's need for affordable housing in areas which are close to services, jobs and transport.

PPHA endorses the recommendation of the City of Port Phillip that Fishermans Bend should achieve a target of 6% social housing (for those households most in need) with an overall 20% affordable housing target. This must be supported by both incentivised (opt-in FAU) and mandatory (inclusionary) planning mechanisms to achieve certainty this target will be met.

The balance between mandatory and opt-in delivery mechanisms needs to be given careful consideration over the life of the urban renewal project to ensure the target is met. These settings in the Framework should allow for the role that other initiatives in *Homes for Victorians* initiatives (e.g. the social housing growth fund) and contributions from housing associations themselves (e.g. debt financing raised from properties transferred) can play in supporting this target.

It is also critical that the Framework gives clarity about the roles and responsibilities of government, the private sector and housing associations in meeting incentivised and mandatory affordable housing requirements. Strategy 3.5.1 of the Framework argues for a partnership approach between developers, government and housing associations. In PPHA's experience however, there is often a misalignment of expectations about how such partnerships work and how the various partners need to contribute to the affordable housing component of a successful project.

Accordingly, when setting affordable housing requirements (both opt-in and mandatory) we think that the Framework should reflect DELWP's own Fishermans Bend Technical Fact Sheet "Delivering affordable housing" which stipulates that:

An affordable housing public benefit is considered to be completed and finished housing units that are gifted at no cost to an affordable housing association in perpetuity.

Without a clear mandatory requirement we think it unlikely that government will achieve even its modest 6% target set for affordable housing in Fishermans Bend.

Being clear about who is intended to benefit from the affordable housing

The Framework suggests that affordable housing will meet a wide range of needs, stating that the proposed affordable housing should include:

...a range of affordable housing models, typologies, and occupancies, from short-term crisis accommodation through to long-term secure housing for people with special needs, the aged and key workers employed in essential services.

(Sustainability goal 3: An inclusive and healthy community)

PPHA agrees that best practice for the urban renewal of Fishermans Bend is for the affordable housing to comprise a mix of:

- social housing (targeted at households most in need);
- affordable rental housing (targeted at low income working households); and
- subsidised home ownership.

All housing should be built to the same or similar standard and be indistinguishable from the exterior to promote a truly integrated community. Affordable housing units should contain a mix of types suitable for singles, couples and families.

However, this approach is contradicted by other government policy that housing owned or managed by housing associations be targeted largely at those considered most in need. In recent months the DHHS has consulted with the community housing industry on a proposed policy known as the community housing allocations framework.ⁱⁱⁱ Under this policy, housing associations such as PPHA will be required to allocate 75% of all vacancies annually in housing which they own or manage to "priority access" applicants from the Victorian Housing Register. These are generally applicants on the lowest (usually Centrelink only) incomes, many of whom will also have support needs.

This policy has consequences for the Framework's vision for affordable housing in Fishermans Bend. Firstly, it may not support the Framework's desired mix of affordable housing typologies. Secondly, housing associations will only be able to make very limited financial contributions to new affordable housing if it is targeted largely at the most disadvantaged households. In PPHA's experience, to remain financially sustainable, the capital cost of housing targeted at the most disadvantaged households needs to be wholly or predominately subsidised by government and/or developer contributions.

Accordingly, we urge DELWP to closely coordinate the Framework with the work that DHHS is doing in social housing on *Homes for Victorians* to ensure that there genuinely is a whole of government approach.

Feedback on Objective 3.5: Deliver affordable housing outcomes through well-established partnership models between government and industry

On the relevant affordable housing objectives in the Framework, PPHA provides the following feedback:

3.5.2 Introduce planning incentives for the delivery of affordable housing via a Floor Area Uplift. Delivery of affordable housing should be the highest priority public benefit sought through the uplift. Affordable housing will be required to be transferred to registered housing providers to secure this affordable housing in perpetuity.

PPHA supports the concept that the bonus from allowing greater density on a site should be accompanied by a public benefit delivered in the form of affordable housing held by registered housing associations.

Consistent with our comments about mandatory targets, this strategy should also stipulate that the housing is to be transferred to registered housing associations *free of charge*. This was stipulated in Amendment C270 to the Melbourne Planning Scheme which set out a similar strategy.

In addition, if affordable housing is to be the highest priority public benefit sought, then the responsible authority needs to ensure that a minimum proportion of uplift applications actually do deliver this. Developers may prefer not to deliver affordable housing if they have the option to deliver open space or other community infrastructure instead. PPHA understands that this indeed has been the early experience under C270.

3.5.3 Pursue mechanisms to incorporate social and affordable housing as a proportion of new development. This could operate in tandem with the proposed FAU incentive scheme

As stated earlier, PPHA is firmly of the view that the view that the most effective mechanism that would work in this context is a mandatory inclusionary housing target for all new developments in Fishermans Bend.

3.5.4 Identify potential current and future government sites that would be suitable for affordable housing

PPHA supports this strategy. This should be accompanied by a recognition by the Victorian Government that instead of receiving full market value for the site, part of the price paid by the developer will be "in-kind" in the form of affordable housing transferred to a registered housing association free of charge.

3.5.5 Explore the option to collect 'cash-in-lieu' contributions instead of the provision of affordable housing on-site. Explore the establishment of a 'Fishermans Bend Affordable Housing Trust' (or similar) which may be required if these are introduced in the future

There is merit to allowing developers to contribute to affordable housing by cash rather than deliver it in each new planning application. Not all new developments, particularly those with expensive shared amenities, will be suitable for long-term social and affordable housing. PPHA believes however that affordable housing should be integrated into mainstream housing as much as possible, and would be opposed to this policy being used to create segregated communities through the concentrations of social and and affordable housing in particular parts of Fishermans Bend.

If developers are able to "cash-out" their contribution, then a housing trust would be an appropriate way of ensuring that these cash contributions are invested in affordable housing in the same area. PPHA is the trustee of the Port Phillip Housing Trust, established by the City of Port Phillip. The terms of the trust ensure that Council's (and the state government's) investment in social housing in the municipality is secured in perpetuity for the benefit of people with significant links to the municipality.

The Port Phillip Housing Trust is a suitable vehicle to hold developer social housing contributions for the City of Port Phillip areas of Fishermans Bend. Such trusts can co-exist with the interest of the Director of Housing (where state funds are also contributed) that is recorded on title and restricts the sale or use of properties without the consent of the Director of Housing.

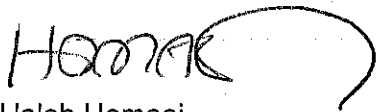
Another benefit of creating a Housing Trust could be the establishment of a preferred vehicle to own a significant proportion of affordable housing in the area. A housing association could be appointed trustee of the Trust to leverage existing capacity. This would allow the application of place-based strategies to manage affordable housing in Fishermans Bend, including:

- tenant and community engagement to develop a shared community vision for the renewed precinct;
- community development programs to foster social inclusion and healthy communities;
- local tenancy and property management of the affordable housing;
- management of site facilities and owners corporation management; and
- management of private rental stock on the site.

The way forward

The urban renewal of Fishermans Bend is an important opportunity to deliver more and better quality social and affordable housing in a city which is adding close to 100,000 new people each year. We would welcome the opportunity to further discuss the themes in this submission.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Haleh Homaei', with a large, sweeping flourish extending to the right.

Haleh Homaei
Chief Executive Officer
Port Phillip Housing Association

About Port Phillip Housing Association

PPHA is one of Victoria's nine registered housing associations. PPHA owns and manages 1146 affordable housing units that are home to 1600 people across metropolitan Melbourne in six different municipalities. As the owner of over \$320 million in housing assets, PPHA is the custodian of significant public investment.

Established in 1986 as the St Kilda Housing Association, PPHA has historically a strong focus on housing in the City of Port Phillip area. In 2001, it became known as Port Phillip Housing Association to reflect its role across the City of Port Phillip. In 2004, the City of Port Phillip established the Port Phillip Housing Trust to take ownership of its community housing assets and appointed PPHA as its trustee. This has provided the foundation for a lasting and unique partnership with the Council to ensure that the Port Phillip community remained inclusive via appropriate, affordable housing for people with significant links to the area.

PPHA has since grown to operate outside of the City of Port Phillip and is now one of Victoria's leading not-for-profit providers of social and affordable housing. What makes PPHA unique is its locally-based approach to housing management with the emphasis on building local communities that are welcoming, socially inclusive and great places to live. PPHA brokers support when tenants need it, and invests in community building activities that tenants and the broader community identify as important to them.

PPHA's approach to growth has been guided by the principle of acquiring a sufficient number of new affordable homes in a geographic area to support a local tenancy and property management service. Today, PPHA provides its housing services and community building initiatives from three office locations (St Kilda, Ashwood, Ascot Vale) near to where properties are located. This philosophy provides a foundation for PPHA to not just manage tenancies and properties, but to build stronger and more cohesive communities and link tenants to services in their local area. This is also reflected in high levels of customer satisfaction, with the most recent survey of all PPHA tenants revealing a satisfaction rate of 88 per cent with PPHA housing services.

ⁱ Taken from 2011 Census data

ⁱⁱ Community Housing Industry Association Victoria, *Quantifying the shortfall of Social and Affordable Housing* (November 2016) found at <https://chiavic.com.au/wp-content/uploads/2017/08/CHFV-Housing-Needs-Estimates.pdf>

ⁱⁱⁱ Found at http://www.dhs.vic.gov.au/__data/assets/pdf_file/0009/990792/2-Consultation-draft-VHR-allocations-framework-final-for-consultation.pdf