

Consultation report

Draft Social and Affordable
Housing Strategy



Public Consultation – draft Social and Affordable Housing Strategy

Summary

Period: 23 July – 23 August 2019

Methods: Targeted stakeholder consultation and broad community consultation, both anchored through a Your Say Yarra page - <https://yoursayyarra.com.au/social-and-affordable-housing>.

- Targeted stakeholder consultation:
 - Direct email invite to known stakeholders including state government, community housing organisations, peak bodies, property developers, community banking, academics, not-for-profit organisations and resident groups.
 - Presentations and feedback at Yarra advisory groups.
- Broad community consultation promoted through:
 - Yarra Life eNews,
 - social media posts, and
 - hard copy outreach (postcards) at the 10 neighbourhood houses, libraries and Council service centres.

Number of responses: Feedback was received through the Your Say Yarra survey, direct submissions to officers, in-person meetings and at advisory group meetings.

- 42 survey responses from the community
 - Representing Yarra residents, ratepayers, business-owners and workers.
 - 26 were broadly supportive of the strategy, 8 were negative and 8 were neutral or mixed.
 - The majority of respondents were home-owners (33).
 - There was a good spread across the municipality. The most well represented suburb was Richmond with 15 respondents, followed by Carlton North – Princes Hill (8) and Fitzroy North (6).
- 12 submissions from organisations
 - Input from the not-for-profit sector, community housing, developers, community banking, peak-body and advocacy organisations.
 - Strong support for overall strategy with specific feedback relating to their industry perspective or interest areas.
- 6 advisory group presentations
 - Aboriginal Advisory Group, YAARTS, Active Ageing Advisory Group, Disability Advisory Committee, Multicultural Advisory Group and Yarra Housing and Homelessness Network.
 - Feedback related to groups represented as well as broader affordability issues.

Questions: The Your Say Yarra survey had five open-ended questions, asking what respondents thought of each of the headline strategic directions and the overarching strategy. An opportunity was also given to submit further comments. Additionally, questions were asked about the respondents' connection to Yarra and if they were affiliated with any particular organisation. Respondents had the option to submit their comments anonymously.

General feedback:

- There is clear and strong support for the overall Strategy expressed throughout the stakeholder, community, peer and committee feedback.
- There was also praise for the practical focus of the Strategy, which is centred on actions that are evidence-based and within Council's control.
- A sense of urgency is apparent through many of the responses that these are important actions that need to be taken now.

- A handful of community respondents did not think that it is within Council's role to engage with this issue and a few expressed their strong opposition to increasing social and affordable housing in the municipality.

Feedback on draft strategies

Overarching Strategy: Ensure a diverse population by increasing the supply of affordable housing suitable to households at various income levels and requirements

Summary of responses

- There was general support for the overarching strategy. For example: 'I applaud the vision. I think it is just and fair and congratulate Council for acknowledging the lack of housing and being prepared to address the issue.' (Resident, Clifton Hill)
- Respondents expressed support for maintaining diversity in Yarra, however individual opinions were articulated that diversity is not the main issue (safe and permanent shelter is); and that diversity needs to be more clearly defined (it is often conflated with ethnic diversity).
- Some community members expressed concerns for impacts on safety and amenity, and a few preferred there to be less social housing in Yarra rather than more.
- Community housing providers and other respondents supported the notion that there is a definite need for more permanent long-term social and affordable housing, and in particular in areas such as Yarra.

Summary of changes to strategy

No changes necessary.

Officer comment: Diversity is explored and defined more in the broader document alongside other aspects of the importance of affordable housing, including human rights and equity. Council's expectations with regard to building quality, standards and safety are expressed in SD1.2 or in more detail through the *Yarra Housing Strategy*.

Strategic Direction 1: Be a leading local government in realising affordable housing outcomes at new developments across Yarra

Summary of responses

- Housing quality came up a number of times in the community feedback, views were expressed that new apartments need to be of a high standard, inclusive of energy-efficient features and that affordable housing should blend in (no 'dog-box' developments).
- There was support for target groups to be housed through this process with particular mention of key workers and low-paid workers. Queries were raised over being able to house tenants who require intense supports through this process.
- Support was expressed for the current 10% ask in the policy guidance note (submission mentioned that it is considered best practice).
- Request that developers should be given flexibility to respond to affordable housing inclusion (in terms of delivery model, built form, housing typologies and potential tenants) in recognition of the differing costs associated with each (1.1.1).
- Would like Council to take in account the number of bedrooms in the dwellings that are negotiated in order to get some outcomes with 2–3 bedrooms that could realistically house families and in particular women with children. Need to be flexible in percentage of

dwellings sought in order to achieve a mix of bedroom numbers, or shift to floor-area model.

- A number of specific models were mentioned to pursue including Nightingale, rent-to-buy etc. It was also proposed that more flexibility should be granted to provide affordable housing through a variety of models.
- A clearer definition is required for 'tenure-blind'.
- Request for clarity of how presence or absence of subsidy will be considered (1.1.2). Ideally certainty with regard to funding outcomes would be available at the pre-approval stage to enable parties to determine a viable and appropriate inclusion.
- Accessible standards for housing should be expressed through Livable Housing Standards (silver, gold or platinum) as opposed to DDA. Feedback was that we should aim above minimum standards for disability as this benefits the broader community, particularly as we age.
- There was support for the continued use of diversity reports but it was considered excessive to provide feasibility studies. Some feasibility can be included in diversity report.
- Further clarity was requested around incentivisation and basis for negotiating what type or amount of stock is requested.
- A particular concern of the community housing sector is around s173s 'in perpetuity' as this significantly limits their capacity to acquire loans, which is a requirement for the viability of many of the projects. They also require some flexibility to sell and reinvest in new stock when a dwelling comes to the end of its useful life-cycle. Preference was for either a limited time-frame (e.g. 15 years) or not to require a S173 agreement in situations where outcomes can be secured without it.
- Different community housing organisations expressed different capacity, interest and requirements in taking on affordable housing at new development sites. Some very positive to taking on a smaller share of housing, others would require greater numbers of dwellings to make it work. Level of discount required also varied.
- Questions were raised around what types of incentives Council will offer to support viable outcomes.
- Questions around eligibility for affordable housing and whether key workers are in addition to affordable housing or part of.
- Suggestion to investigate:
 - Shared equity strategies with Council taking a minority equity stake in properties sold.
 - Council raising a municipal long-term bond with funds used to acquire land for redevelopment into social and affordable housing.
- Support for clearer framework and guidelines including the 'trigger' (whether by number of dwellings, floor-space or dollar value) and that contains specifics around built form, locations, dwelling types etc., and considers Council incentives and outlines a process for negotiation. Recommendation to translate agreed percentage of dwellings to a floor-space equivalent to enable different outcomes (e.g. number of bedrooms, disability standards).
- Support for cash-in-lieu model.

Summary of changes to strategy

- The directions under Strategic Direction 1 have been consolidated, clarified and simplified to illustrate Council's position.
- The 10% 'ask' has been maintained, adding an option for 'an alternative of equal or better benefit, to the satisfaction of Council'.
- The Policy Guidance Note has been updated in accordance with the Social and Affordable Housing Strategy and appended to the final Strategy.

- Yarra’s intention for affordable housing to be of a high and equal standard, inclusive, integrated and accessible is expressed in SD1.2:
 - Universal Housing Standards as expressed through the Livable Housing Guidelines have replaced any reference to DDA compliance. A definition has been added and a small section on Accessible Housing (in Section 3.3).
 - A reference to energy-efficiency has been added.
 - The expectations under ‘tenure-blindness’ have been expanded and are explored in further detail in Section 3.2 of the document.
- Broader standards for building and housing are expressed in the Yarra Housing Strategy.
- Council’s target groups have been amended quite significantly to shift the focus to households in need and implications for housing products as shown in Section 3.3 of the Strategy and expressed through SD1.1.5. Key workers are still included, but will only apply when household income falls within the legislated income brackets.
- Expectations as to what should be included in a Diversity Report have been listed in the updated Policy Guidance Note and referred to in SD1.1.4. Requests for a feasibility report have been removed, however some basic feasibility information should now be included in the Diversity Report.
- Officers note that the issue of S173s have been raised consistently by the sector and acknowledge the unnecessary encumbrance it places on community housing organisations. The Strategy has been updated to address this more clearly, as has the Policy Guidance Note.
- Directions kept to investigate:
 - cash-in-lieu of in-situ affordable housing, and
 - merits of new assessment criteria for affordable housing (e.g. based on residential floor area, dollar value or dwelling yield).

Officer comments: Strategic Direction 1 is built on the lever that Council has to enter in voluntary negotiations for affordable housing at redevelopment sites. Council is aiming to be clear on our expectations for this process allowing for some flexibility in how to achieve this, as such the focus is on the outcomes and not the models to achieve it. Within the guidelines that are proposed, appropriate delivery models will be considered on a site-by-site basis. Crucially, for an outcome to be considered affordable it needs to be no more than 30% of income, appropriate (type, size, tenure etc) and allocated to people who are eligible (as per the legislated Victorian Government income bands).

Council does not have significant powers to influence the allocation process for affordable housing at new developments. This is done by individual housing agencies who have specific requirements and specialised cohorts that they house. The language around target groups has therefore been softened but still included to guide developers, to show Council’s understanding of need, and to illustrate implications for different housing types and products.

IMAP is exploring options for what councils can offer in terms of incentives to offset the costs of an affordable housing contribution. This work sits separate to the Strategy.

Strategic Direction 2: Make effective and prudent direct investments in social and affordable housing

Summary of responses

- This was the most polarising strategic direction based on community feedback as it involves Council resources in a more direct way. Some were concerned whether this was the best use of Council assets, considering all the other community benefits that could be

achieved. Many, however considered this to be the best and most effective of the four strategic directions because it would have direct and clear impact. For example: 'This is a good way to demonstrate the level of Council commitment.' (Resident-ratepayer, Fitzroy)

- There was some mention of specific models that could be employed, including 'tiny houses', and there were suggestions that we need to be creative in our approach.
- Specific ideas were presented around attracting philanthropic and private investment.
- Some community members flagged that Council needs to be strong in the face of opposition in order to achieve something in this space.
- Suggestion that this SD should prioritise public housing specifically as this caters to the most disadvantaged in our society. Proposed that there may be opportunities for joint developments with Council, Public and Community housing, as well as engaging private developers.
- Industry feedback was very positive, in particular amongst community housing providers who are keen to grow their affordable housing stock in a well-located area like Yarra. Any monetary or in-kind support greatly helps them achieve this.

Summary of changes to strategy

No significant changes were made to this direction other than some additions to the introduction.

Officer comments: This direction is a powerful way to show Council's commitment to increasing social and affordable housing in Yarra. Careful consideration will be given to community benefit, and it is probable that additional funding will be required from the state or federal government to deliver housing through Council assets.

Strategic Direction 3: Partner, facilitate and engage with all stakeholders to increase affordable housing in Yarra

Summary of responses

- This direction was considered a bit weaker in terms of its impact however many also identified the value of facilitating good relationships and collaboration across sectors.
- Some concern was expressed in terms of impact, clarity of direction and accountability in terms of outcomes.
- A number of additional stakeholders were suggested to be added or considered, including: the build-to-rent sector, residents and ratepayers, young people, NDIS, VAHS, homeless and social housing tenants, service providers, Department of Treasury and Finance etc.
- Suggestion that Council could have a role in matching Specialist Disability Accommodation (SDA) funding with developers.
- Recommendation to include development industry in any future advisory committee.
- Community education was suggested as an addition.
- Support for fast-tracking planning application from registered housing agencies:
 - The Moreland Design Scorecard was referenced as a good example of fast-tracking delegated planning decisions.
 - Another example in Footscray was mentioned as effective.
- Consider incentives (fast-tracking and exemptions) for private developments that provide affordable housing as well, as suggested for registered housing agencies.
- Community housing organisations suggested that Council could provide additional support through rate-exemptions or discounts. It was noted that South Australian councils offer a 75% rebate on council rates to community housing providers.

Summary of changes to strategy

- The directions under SD3 have been consolidated.
- SD3.3 has been added to 'engage and educate the Yarra community' and SD3.2.4 has been added to signal Council's openness to new partnerships.

Officer comments: Strategic direction 3 is a softer measure which will yield impact in the medium to long term. Council is in an optimal position to facilitate relationships between key players as well as collaborate with others to achieve more significant outcomes.

From 2004-2011, rates on properties owned by accredited housing associations were waived. In late 2011, this rate waiver superseded by a rate rebate of \$130 per property (equivalent to the pensioner rebate). In 2013, the rate rebate was replaced by the Yarra Affordable Housing Fund (YAHF) within the broader Council Community Grants Program, with \$50,000 provided annually to support local affordable housing initiatives. This fund continues to this day.

Strategic Direction 4: Continue to pursue evidence-based, strategic advocacy to other levels of government for improved housing outcomes

Summary of responses

- There was general support for this strategic direction with some community members considering it more within Council's role than the other directions. As one resident-ratepayer noted: 'Vital yes, this is my preferred option than direct investment'.
- Support for advocacy to other levels of government to:
 - improve safety for current social housing residents,
 - ensure a high quality of social housing,
 - 'close the funding gap', and
 - adopt inclusionary zoning.
- One industry submission expressed concern about inclusionary zoning as this may limit flexibility in developer agreements.
- Suggestion to consider successes and shortcomings of previous public housing renewals as a reference point for how to model current and upcoming renewals, e.g. Kensington v Carlton estates.
- There was a request for examples of previous work in this space.
- Suggestion that Council could use our advocacy role to encourage an increase in public housing specifically, as this tends to house the most vulnerable in our society. Concerns were expressed over increasing the proportion of social housing that is community housing more than it currently is, as they don't always house the people with the highest disadvantage, and don't have the same level of tenant rights. Specifically it was suggested that the current public to community housing ratio (2/3 and 1/3 respectively) is to be maintained.
- Mention of social housing support services program that was developed specifically for Aboriginal tenants – 'More than a Landlord'.
- Particular groups were mentioned in terms of their specific vulnerabilities that Council could address through advocacy. This included asylum-seekers (who have very few rights to public supports, including no Centrelink and ineligible for VHR), Forgotten Australians (children who grew up in out-of-home care). Mention was also made of people on the VHR who are not on the priority list, and therefore are unlikely to be allocated social housing, falling between the cracks of the system.
- The following groups were also explicitly mentioned as having a need for housing by respondents: key workers, working poor, homeless people, Aboriginal people, households

with a sudden loss of income or change in circumstances, Newstart recipients, older single women and single mothers.

Summary of changes to strategy

- SD4.2 added to advocate specifically for more public housing.
- SD4.1.4 added to investigate different affordable housing models as needed.
- SD4.4.5 added to consider outcomes of past public housing renewals in forming a position on the PHRP and other renewal processes.

Officer comments: Vulnerable groups and others in need of affordable housing have been reconsidered in Section 3.3. Officers have carefully considered the merits of including and grouping different demographics and situations and believe the new format is more effective in illustrating a range of needs and the implications of these needs on housing products, types and supportive services.

Although the concerns of current social housing residents are addressed through SD4.3 and SD4.4 the main focus of this Strategy is on increasing supply, therefore specific strategies around safety for current tenants have been considered out of scope, other than as they pertain to tenant services more generally.

Other comments and feedback

Summary of responses

- Residents and ratepayers who were opposed to the whole Strategy expressed the following sentiments:
 - Council's focus should be on providing for rate-payers/Council should stick to 3 R's/this is a state and federal issue.
 - People should live where they can afford to/it is cheaper to provide subsidised housing further out.
 - Concern over safety if there is an increase in social housing/perception that social housing brings crime and drugs.
 - Yarra is already pulling its weight when it comes to social housing/the municipality is diverse enough.
- More than half of the community respondents who were very critical of the Strategy live in Richmond (5 of 8). Particular concerns about the Richmond Estate and safety were apparent contributors to these views.
- Quality of housing was a concern of many community members, opinions were that new affordable housing needs to be of a high standard in terms of quality, amenity and energy-efficiency, and that private and subsidised housing should be integrated to avoid 'ghettoization'.
- A number of specific models were mentioned, including:
 - co-housing for seniors,
 - Nightingale,
 - tiny-houses,
 - pop-up shelters, and
 - Permanent Rental Affordability Development Solution (PRADS).
- Specific feedback about accessible housing and people with disabilities included:
 - To distinguish between accessible housing (a product that had broad public value) and the affordable housing needs of people with a disability (vulnerable group).
 - Accessible housing is for the whole community, not just people with a disability – Universal standards support the whole population, including ageing.

- People receiving funding under NDIS with complex disability support needs may be eligible for additional SDA funding – expected to increase demand and investment in accessible housing.
- Focus should be on allowing people with disabilities to live independently.
- Feedback for Council to consider affordability more broadly, including changing parking requirements to facilitate lower cost housing and decreasing transport costs to facilitate lowered overall household costs.
- A suggestion was made to prioritise/rank the four strategic directions to enable more effective implementation, it was suggested that the first two directions would be more likely to yield tangible outcomes and therefore should be a priority for Council.
- Concerns that this is contributing to population increase or might impact heritage precincts.
- Some notable comments from the community in support of providing more social and affordable housing were:

We own a home in Yarra. We are bringing up two small children in Yarra and one of the reasons we wanted to buy a home and raise our children here is because of the diversity that comes with public housing. I wholeheartedly support more public housing in Yarra and applaud the council for developing this strategy.

(Resident-ratepayer, Fitzroy North)

Yes. It is time as a wealthy, civilised and democratic country we really came to grips with this issue which should have meaningful, practical solutions to guarantee a humble roof over the heads of our most disadvantaged. Decades have been lost to inaction.

(Resident-ratepayer, Carlton North)

It fits with the ethos of our Yarra community. It is pleasing to see the Council's commitment to being inclusive and caring of everyone. (Resident, Fitzroy North)

Summary of changes to strategy

- Section 1.2 addressing scope has been added to the strategy to provide clarity on what is in or out of scope. Specific models are generally considered out of scope for the strategy, however, a direction had been added to investigate new models as relevant and needed (SD4.1.4).
- Section 1.4 of the Strategy has been expanded to highlight the value of providing more social and affordable housing in well-located areas like Yarra (as opposed to further out where land/property is cheaper).
- Section 3.3 expands on the housing situations and needs of people with disabilities, and includes a new sub-section on the broader value of accessible housing.

Officer comments: The four Strategic Directions are based on the roles identified for Council in this space – as such they are not considered beyond Council's role. The Strategy has purposefully taken a practical focus, based on achievable outcomes and approaches for increasing the supply of affordable housing in Yarra. It is worth noting that new social and affordable housing is unlikely to take the shape of large high-rise estates as this is no longer a preferred approach to delivering public housing. Specific concerns about safety in and around the Richmond Estate is dealt with by state government and other parts of the organisation.