

8. CONSIDERATION OF REPORTS

8.1 PROPOSED LEASE OF 52-60 TOWNHALL AVENUE, PRESTON FOR AFFORDABLE HOUSING

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PURPOSE

This report informs Council of the outcome of the statutory and community engagement processes relating to the proposed lease of Council land at 52-60 Townhall Avenue, Preston, for the purpose of affordable housing.

It recommends that Council enter into a lease with a tenant (being a registered housing association or other charitable organisation capable of delivering and managing affordable housing on the site) to be identified through an Expression of Interest process.

EXECUTIVE SUMMARY

Council has long held strong aspirations to help address the affordable housing crisis and has been exploring the use of Council-owned land for affordable housing, in line with adopted policies, including *the Darebin Housing Strategy 2013, Responding to Housing Stress - a Local Action Plan 2013-2017* and *The Darebin Council Plan 2017-2020*.

As required under the *Local Government Act 1989* ("the Act"), notice of Council's proposal to lease 52-60 Townhall Avenue, Preston (the site) was given and submissions were invited from 25 June to 26 July 2018.

A total of 309 submissions were received. The submissions highlight strong sentiment in relation to the proposed development, with 39 per cent of submissions supporting and 61 per cent not supporting the overall proposal.

The opinions expressed in submissions are similar to those raised in response to other development proposals in Darebin, and also reflect the findings from consultation from other affordable housing developments in Australia¹. Common themes raised in the submissions include car parking, height and built form outcomes, the perceived impact of the development on property values, and concerns over increased rates of crime and the kinds of residents that submitters perceived would live in affordable housing. Officers have undertaken research and analysis of the issues raised, and have found that some have a stronger evidence base than others.

This report outlines findings of analysis in regards to these themes and the extent to which work in progress is expected to address them, or if research supports that no action is necessary. In response to two common issues raised by the submissions, officers have recommended that Council require specific measures to address these in any future development.

¹ Davison, G., Legacy, C., Liu, E., Han, H., Phibbs, P., Nouwelant, R., Darcy, M. and Piracha, A. (2013) Understanding and addressing community opposition to affordable housing development, AHURI Final Report No. 211, Australian Housing and Urban Research Institute Limited, Melbourne, <https://www.ahuri.edu.au/research/final-reports/211>.

Council has a number of options to consider at this point. The first is to proceed with leasing the site and with identifying a preferred tenant. The second is to undertake further investigation and community and stakeholder engagement. The third is to halt the proposal.

It is recommended that Council proceed with leasing the site, and commence an EOI process to identify a tenant capable of developing the site for the purpose of affordable housing (being a registered housing association or other charitable organisation).

Recommendation

That Council:

- (1) Having complied with Section 190 and Section 223 of the *Local Government Act 1989*, and having considered all submissions received, resolves to enter into a lease (at a nominal rental) in relation to land at 52-60 Townhall Avenue, for the purpose of affordable housing, with a tenant identified through an Expression of Interest process, in accordance with the terms and conditions detailed in the statutory advertisement;
- (2) Commences an Expression of Interest process to identify a suitable tenant for the site, such tenant to be a registered housing association or a charitable organisation capable of delivering affordable housing on the site;
- (3) In response to particular issues raised in submissions, commits to the following:
Retaining public car parking on site;
 - a. Retaining access through the site to the adjacent site and rear laneway;
 - b. Ensuring that car parking demand for the precinct is investigated and parking management measures are introduced, as appropriate, before any future construction commences;
 - c. Minimising overlooking from the building to adjoining properties;
 - d. Ensuring a high quality, environmentally sustainable design comprising a diversity of dwellings, that is integrated with and responds to its surroundings, and fosters a sense of community both within the development and the broader community;
- (4) Writes to all submitters and inform them of Council's decision, with the reasons for the decision, in accordance with Section 223(d)(ii) of the *Local Government Act 1989*, the reasons being as follows:
 - a. Council is committed to increasing the supply of affordable housing in Darebin and acknowledges that there are more than 80,000 people waiting for social housing in Victoria, 20,000 of whom are children;
 - b. The site is currently under-utilised and has been identified as a suitable location for affordable housing; and
 - c. Council has considered all submissions and is of the view that, on balance, the benefit created by an affordable housing development on the site outweighs the cost and impact of such a development.

BACKGROUND / KEY INFORMATION

Project Background

Council has been actively exploring opportunities to use its land holdings for affordable housing over many years. In 2016, Council endorsed the *Darebin Social and Affordable Housing Program on Council Owned Land – Pilot Project*, which identified three sites to further explore the possibility to facilitate affordable housing. Those sites were:

- 52-60 Townhall Avenue, Preston;
- Robinson Road, Reservoir; and
- Northcote Plaza car park, Northcote.

The pilot project did not progress at the time, primarily due to the absence of State Government funding for social housing.

Should Council decide to lease the land, its next steps would be to identify a registered housing association through an EOI process. Even with the land being available at a nominal rental, as this report recommends, a housing association would need to secure funds to develop and subsidise the affordable housing development. To trial innovative affordable housing models, the Lord Mayor's Charitable Foundation (LMCF) has made a grant of \$1 million available, and can help facilitate access to a \$2 million low interest loan for an affordable housing provider, should this project progress and the tenant's proposal also meet the LMCF's criteria.

Affordable housing – terminology and forms

The terms "Affordable Housing", "Public Housing", "Community Housing" and "Social Housing" are overlapping and are often confused, both within the sector and the broader community. Council's intention is that the site would be used for community housing, if the proposal proceeds. The broader term of affordable housing has been used in communications as it has a particular definition within legislation, and incorporates community housing. The definitions are included below.

- **Affordable housing:** housing that is offered for sale or for rent at a below market rate to those on lower incomes. This term has a particular definition under the *Planning and Environment Act 1987* as being housing that is appropriate for those on very low to moderate incomes.
- **Social housing:** an umbrella term incorporating both community housing and public housing
- **Public housing:** housing that is owned and managed by the State government. Eligibility is income based and priority is given based on need (those escaping family violence, those with a disability or health requirements, those escaping homelessness).
- **Community housing:** housing that is owned and/or managed by not-for-profit housing providers regulated by the Housing Registrar. Eligibility is the same as for public housing.

Previous Council Resolution

On 20 August 2018, a Hearing of Submissions was held to provide those who had made a submission under Section 223 of the Act with an opportunity to speak in support of their submission. The Hearing of Submissions committee resolved to:

- (1) *Receives the written and verbal submissions.*
- (2) *Thanks all submitters and presenters for addressing the Committee in support of their written responses.*
- (3) *Provides a report to the Council Meeting to be held later in 2018 as part of Council's deliberations in considering whether to lease the land for the purpose of Affordable Housing, prepared by Officers on its behalf and which includes a summary of the submissions received and heard.*

This report responds to points (1) and (2) of Council's resolution on 12 June 2018, when Council resolved to:

- (1) *Commence the statutory procedures under sections 190 and 223 of the Local Government Act 1989 ("the Act") to lease (at a nominal cost) the land at 52-60 Townhall Avenue, Preston (any lease would contain conditions requiring public car parking to be retained on site);*
- (2) *In addition to, and concurrently with, the statutory procedures, undertake community consultation to investigate the disposal of the land; and*
- (3) *Commence an Expression of Interest process to identify a suitable tenant for the site (subject to the outcome of the statutory process), such tenant to be a registered housing association or a charitable organisation capable of delivering affordable housing on the site.*
- (4) *Continue its advocacy to State Government to increase the number of public and social housing dwellings in Darebin, including through potential partnerships.*
- (5) *Authorise the Chief Executive Officer or delegate, on Council's behalf, to negotiate, finalise and enter into a Memorandum of Understanding with the Lord Mayor's Charitable Foundation, which outlines (among other things):*
 - a) *LMCF's agreement to contribute \$1 million to a tenant identified by Council to assist in the development of an affordable housing project on the land, subject to meeting LMCF's criteria and to their final approval.*
 - b) *That the MOU does not pre-determine Council's decision in regards to lease of its land.*
- (6) *Officers report back on the three other social housing projects at the August Council meeting.*

COMMUNICATIONS AND ENGAGEMENT

Consultation

A key purpose of this report is to provide an analysis and summary of the consultation outcomes. A summary of the consultation findings can be found in the discussion section of this report and a detailed overview of the communications and engagement activities undertaken is included in **Appendix A**.

Consultation process

The consultation process took place from 25 June to 26 July 2018. A summary of consultation activities is included in **Appendix A**. The proposal generated significant community interest throughout this process, and two media articles were published in both local and metropolitan outlets (refer **Appendix C**). A flyer was circulated in opposition to the development, and was placed on street trees and car bonnets in the streets surrounding the site.

A total of three hundred and nine submissions were received through the consultation process. Of the submissions received, 39 per cent of submissions supported Council's proposal, while 61 per cent did not. Detailed analysis of the submissions is included in **Appendix A**, and investigation into and advice on the common themes is included in the Discussion section below. **Appendix B** sets out all submissions and includes a proposed response to each submission. Personal and identifying information has been removed from submissions.

A Hearing of Submissions was held on 20 August 2018. Forty-six people nominated to be heard at the hearing. Fifteen people spoke on the night.

Councillors have received full copies of all submissions.

Use of terminology

As noted above, the terms "Affordable Housing", "Public Housing", "Community Housing" and "Social Housing" are overlapping and are often confused, both within the sector and the broader community. The consultation process highlighted this. Officers have sought to address misunderstanding regarding these terms; however, there are lessons for Council in clearly communicating the differences between these housing forms.

Internal and expert consultation

The following internal units have been consulted in preparing this briefing paper:

- Transport Strategy
- Transport Engineering
- Public Places
- Community Wellbeing
- Equity and diversity
- Strategic Property Management
- Statutory Planning

Communications

A communication and engagement plan was developed to support the notification and community engagement process. An overview of activities and key messages is included in **Appendix A**.

Those who made a submission were advised of the date that Council would consider the matter. It is noted that some submitters did not provide contact information, and therefore could not be informed of Council's consideration of the matter.

ANALYSIS

Alignment to Council Plan / Council policy

Goal 3 - A liveable city

Within Goal 3 is the action to collaborate with the Victorian Government to plan high-quality public housing and examine opportunities for social housing to be provided on Council owned land.

The project is also aligned to *Responding to Housing Stress a Local Action Plan 2013-2017* and the 2018/19 Council Action Plan.

Environmental Sustainability Considerations

High standards of Environmentally Sustainable Design would be required through any future EOI process. This provides an environmental benefit as well and reducing the utility bills for low income households within any development.

Equity, Inclusion and Wellbeing Considerations

Access to safe, secure housing is a significant consideration in equity and inclusion. Currently, only 1.9 per cent of rental housing is affordable to those on Centrelink payments. There is significant demand for affordable housing in Darebin. Allowing Council-owned land to be used for affordable housing can help address this need, and can improve the wellbeing of people in low income households.

It is important that community engagement outcomes are also considered through the lens of equity, inclusion and wellbeing. There was limited engagement in the process by those who would be the most likely beneficiaries of such a proposal. The findings in **Appendix A** indicate that certain groups were over and under-represented in the consultation process.

It is important that those groups not represented in the consultation outcomes are considered in decision making. **Appendix A** provides further commentary regarding this.

Cultural Considerations

Any development of affordable housing on Council-owned land should have regard to the cultural diversity and cultural needs of the Darebin community.

Economic Development Considerations

The use of Council-owned land can enable low income workers to live close to where they work. This reduces the time and cost of travel to work and means they have more funds available for economic participation in the local community.

Financial and Resource Implications

Progressing this project is being managed by Council officers and has been provided for in the 2018-19 operating budget.

Legal and Risk Implications

Potential contamination

A Phase 1 Environmental Site Assessment has been undertaken for the site in 2018 and indicates that there is low risk of contamination. There is no evidence that has been found to date that indicates the site has accommodated potentially contaminating uses. A copy of the assessment will be provided to a prospective tenant and Council will seek to negotiate an appropriate allocation of responsibility for contamination in any lease.

Statutory obligations

The decision making process is prescribed in the *Local Government Act 1989*, which includes a number of particular steps including hearing submissions. Council is required to consider the submissions in its decision about whether to lease the land.

The fact that Council has been working with LMCF to ensure there would be funding should Council decide to progress with a lease of the land does not suggest in any way that Council has already made a decision. Council has communicated clearly that it is unable to confirm whether or not it will decide to lease the land.

Financial viability of the proposed development

As affordable housing is subsidised, the amount of profit that is generated from developments is reduced, or in most cases, non-existent. Affordable housing developments generally require both funding and financing to be viable. Even with the potential contribution of Council's land and \$1 million in funding (from the LMCF), any proposed development is likely to need other sources of funding and financing.

Funding available for affordable housing is limited, and has been for many years. The State Government has initiated a Social Housing Growth Fund, from which potential affordable housing developers could apply for funds.

As, at this stage, there is no confirmed funding source, the financial viability of the development cannot be guaranteed.

DISCUSSION

Consideration of Submissions

The statutory notification and submission process for considering whether to lease the land at 52-60 Townhall Avenue is complete and the submissions are now presented to Council for consideration. Council must consider submissions in making its decision on whether to lease the land, in accordance with Section 223 of the Act.

The consultation process generated significant community interest, and 309 submissions were received by Council. The high volume of submissions generally reflects a high level of interest and strong sentiment. Of the submissions received, 39 per cent supported Council's proposal, while 61 per cent did not. The proportion of submissions that supported this proposal is much higher than similar proposals: in analysis of nine community housing proposals across Melbourne, only two received a small number of supportive submissions².

² Based on analysis of information in Press, M 2009, Community Engagement and Community Housing: Lessons and practical strategies for Local Government for responding to contested community housing proposals, report prepared for the City of Port Phillip

Some groups are over and under-represented in the consultation outcomes. The groups who were over-represented owned their home outright and were aged above 35. Private rental tenants, social housing tenants, and those aged under 34 were found to be under-represented. Further exploration of this is included in **Appendix A**.

Officers have analysed the most prominent issues raised in submissions. The submissions, in general, raise issues that are fairly typical of development in general, and affordable housing in particular³. Car parking is consistently raised as an issue within objections to planning permit applications, as are concerns relating to visual bulk, neighbourhood character and amenity.

- **Support for affordable housing**

Of the submissions received, 39 per cent were supportive of the proposal. These submissions highlighted the need for affordable housing, the rising house and rental prices in Darebin, and the importance of diversity and inclusion in the municipality. Others highlighted that the site is currently under-utilised, and was an appropriate location for affordable housing. A number of submissions emphasised the importance of high quality design and environmental sustainability in any future development.

Approximately 5 per cent of respondents that did not support this proposal were supportive of affordable housing in general. In addition, the most common issue that was identified in the written responses (that is, in responses to the question “Can you please explain your answer?”) was support for affordable housing. This highlights that there is a diversity of opinion toward affordable housing among those that were not supportive of this proposal.

As noted above, the level of support for this proposal is higher than for other community housing proposals in Melbourne⁴.

- **Car parking**

A frequent issue raised in submissions was the impact that the proposal would have on car parking in the area. Submitters highlighted that existing car parking provision was not adequate, that it is difficult to find car parks in proximity to their homes, or in some cases to access their houses due to tight parking in the street, and that the development would exacerbate this problem.

Council Officer Response

Council is aware that there are existing parking pressures within the Preston precinct and surrounding area. There is high demand for on-street car parking during weekdays, generated by a wide range of uses. This includes people visiting Council owned facilities, shopping at Preston Market, and local workers parking in Townhall Avenue. Council acknowledges that the opening of Preston High School in 2019 will necessitate improvements to management of car parking in the precinct.

A core element of the proposal is to retain public car parking on the site. Any development of the site would need to provide car parking for new residents as required by the planning scheme. Council would assess this in due course when the tenant applies for a planning permit application. In addition, it is a requirement of the Darebin Planning Scheme that an Integrated Transport Plan be submitted with a planning permit application at this site.

³ Davison, G., Legacy, C., Liu, E., Han, H., Phibbs, P., Nouwelant, R., Darcy, M. and Piracha, A. (2013) Understanding and addressing community opposition to affordable housing development, AHURI Final Report No. 211, Australian Housing and Urban Research Institute Limited, Melbourne, <https://www.ahuri.edu.au/research/final-reports/211>.

⁴ Press, M 2009, Community Engagement and Community Housing: Lessons and practical strategies for Local Government for responding to contested community housing proposals, report prepared for the City of Port Phillip

Council has, in issuing permits for other community housing developments, granted car parking reductions based on empirical evidence of resident car ownership and transport behaviours in the vicinity. Residents of this development would not be eligible for on-street residential parking permits and therefore would not be able to park in any restricted areas.

Officers undertook a survey of off-street car parking occupancy over one week in September 2018. The survey found that the occupancy rates of the off street car parks on Townhall Avenue and Kelvin Grove ranged between 95 and 100 per cent. Best practice in transport and car parking management indicates that an occupancy rate of 85 per cent is ideal⁵. The high occupancy rate at Townhall Avenue, community feedback and data collected suggests that changes to parking management in the area are warranted.

Council has started work to understand how to best manage demand and supply of car parking across Darebin, including this precinct. Following consultation and precinct-wide planning for the best outcome and approach, parking management changes are expected to be introduced in Preston and this would be before any construction at this site.

Work in progress to help better manage parking includes:

- Monitoring and recording parking availability (and lack of availability) for on-street and off-street car parking throughout high-demand areas of the city. Data for the Preston precinct will be collected before the end of 2018.
- Development of a Parking Strategy, which will establish guidance for management of car parking throughout the municipality, including in areas surrounding activity centres. The Parking Strategy will be informed by the occupancy data, best practice and extensive community engagement
- Review of residential parking permit policy.

Measures that may be included in future parking management for the precinct are likely to be based on several key principles that Council has utilised in previous precinct parking studies, namely:

- Shorter restrictions (1hr or less) should be used for core shopping areas, with longer restrictions (2-3hrs) in surrounding streets. Shorter restrictions create more parking turnover, resulting in greater parking availability for those wanting to access shops and services. Those spending longer in the area will need to park further away if choosing to bring their car.
- Parking spaces within at least a five minute walk from the core shopping area should have time-based parking restrictions, to best use our valuable community resource.
- Local community access, the viability of local businesses, and amenity for local residents need to be balanced when managing parking.

Recommendation: Ensure that car parking demand for the precinct is investigated and parking management measures are introduced, as appropriate, before any future construction commences.

- **Development character**

A number of submissions raised issues relating to the built form of any future development. These included concerns regarding scale, form, height and amenity impacts. Concerns were raised regarding the impact of a high density development on the existing low-scale area.

⁵ de Vos, D. and van Ommeren, J., 2018. Parking occupancy and external walking costs in residential parking areas. *Journal of Transport Economics and Policy (JTEP)*, 52(3), pp.221-238.

Council Officer response

This part of Preston is a commercial area where both State and local planning policies seek to encourage population growth. To ensure that people have access to public transport, services, jobs and can participate in community life, there is clear evidence that population growth is best located in established activity centres, like Preston. Increasing population within the city also can reduce pressure on biodiversity and agricultural land at the city fringes.

The current planning controls for the site were introduced in 2010 and these controls were informed by the *Preston Central Structure Plan 2006*. The controls establish, amongst other things, a preferred height limit of five storeys at the site. The development of the *Preston Central Structure Plan 2006* and the planning scheme amendment that introduced these controls underwent community consultation, and the merits of the controls and the development potential of the site were considered at that time. No changes to the planning scheme or planning controls are being considered as part of this proposal, and are not considered necessary.

While details of any future development and its design are not known, Council would anticipate a building of five storeys, which is what the planning scheme currently prefers at this site, and many others nearby.

Council would want to ensure that any development of the site would be of a high quality, responsive to the site context and constraints, and provide a high standard of amenity for both existing and future residents. Council would seek a high standard of environmental performance for any proposed building. Council would also seek to ensure that any development responds to any overlooking and security issues with regard to the adjoining Police Station.

Recommendation: ensure that any proposed development provides a high quality, environmentally sustainable design that is integrated with and responds to its surroundings, and fosters a sense of community both within the development and the broader community.

- **Devaluation of property surrounding the site**

Concern over the potential impact of an affordable housing development on existing property values was common. This was the third most common theme within non-supportive submissions. This is a commonly raised issue in objections to affordable housing in Australia⁶.

Council Officer response

There is little evidence to suggest that affordable housing developments impact negatively on the values of surrounding properties. A 2013 study⁷ undertook modelling of property values surrounding affordable housing developments. In the first model, the development was found to have a positive impact on property values; in the second, it was found to have a negative impact. In both cases, the impact was minimal, and the research concludes that the impact of affordable housing developments are likely to be outweighed by other factors. These findings reflect those of similar studies undertaken both in Australia and overseas⁸.

⁶ Davison, G., Legacy, C., Liu, E., Han, H., Phibbs, P., Nouwelant, R., Darcy, M. and Piracha, A. (2013) Understanding and addressing community opposition to affordable housing development, AHURI Final Report No. 211, Australian Housing and Urban Research Institute Limited, Melbourne, <https://www.ahuri.edu.au/research/final-reports/211>.

⁷ Ibid.

⁸ Ibid.

Recommendation: no action is recommended in response to this issue.

- **Crime and safety**

Many submitters raised concerns regarding the potential increase in crime and decrease in safety that could result from the proposed use of the land for affordable housing. Submitters feared that their level of safety would diminish, and that future residents of any affordable housing development would contribute to increased crime in the area.

Council Officer response

There is little evidence to support the concern that a new affordable housing development impacts on rates of crime in a particular area. Evidence from the USA suggests that affordable housing reduces crime rates in low income neighbourhoods⁹, and has no impact on rates of crime in high and middle income neighbourhoods¹⁰. In some cases, such developments provided for increases in safety¹¹.

There has, historically, been evidence of increased crime rates in areas with a high concentration of public housing¹². However, that is a substantially different case and context to the current proposal, and, as noted above, there is little evidence to support the concern that new affordable housing developments cause an increase in crime.

In addition, in Australia, housing associations have obligations under the *Residential Tenancies Act* to ensure that the privacy, peace and quiet enjoyment of neighbouring residents are not affected by tenants and their visitors¹³. Post occupancy surveys of residents neighbouring affordable housing developments in Australia indicate that the majority of residents notice little or no impact from the development¹⁴.

Finally, Council is committed to ensuring that Darebin is an inclusive and accepting municipality. As has been noted above, residents of public housing and other forms of affordable housing suffer both material disadvantage and stigmatisation¹⁵. Council actively supports residents of public and community housing, and works to ensure that people from all backgrounds are welcomed and supported by our community. Were the development to proceed, the future residents would be valued members of the Darebin community, as all residents are.

Recommendation: no action is recommended in response to this issue.

- **Alternative use/development of the site proposed**

A number of submissions suggested alternative uses for the site, including open space, car parking, commercial spaces or community facilities.

⁹ Albright, L., Derickson, E. S., & Massey, D. S. (2013). Do Affordable Housing Projects Harm Suburban Communities? Crime, Property Values, and Taxes in Mount Laurel, NJ. *City & Community*, (2), 89.

¹⁰ Diamond, R., & McQuade, T. (2016). Who wants affordable housing in their backyard? An equilibrium analysis of low income property development. Stanford GSB, available at https://web.stanford.edu/~diamondr/LIHTC_spillovers.pdf

¹¹ Keri-Nicole Dillman, Keren Mertens Horn & Ann Verrilli (2017) The What, Where, and When of Place-Based Housing Policy's Neighborhood Effects, *Housing Policy Debate*, 27:2, 282-305, p.289

¹² Weatherburn, D., Lind, B., Ku, S. (1999), "Hotbeds of Crime?" *Crime and Public Housing in Urban Sydney*, *Crime and Delinquency*, vol. 45, issue 2, pp. 256-271

¹³ Press, M 2009, Community Engagement and Community Housing: Lessons and practical strategies for Local Government for responding to contested community housing proposals, report prepared for the City of Port Phillip

¹⁴ Ibid. And Davidson et al 2013

¹⁵ Palmer, A, Ziersch, A, Arthurson, K and Baum, F 2004, Challenging the stigma of public housing: preliminary findings from a qualitative study in South Australia, *Urban Policy and Research*, Volume 22, Issue 4, pp. 411-426

Council officer response

The site has been identified as suitable for residential development through the *Preston Central Structure Plan 2006*. The merits of the use of the site for residential purposes were considered at that time. It is not considered necessary, or within the scope of this proposal, to review whether the site is an appropriate location for residential development.

With regard to the particular uses that were suggested for the site, officers note the following:

- Council is preparing a new Open Space Strategy that will consider open space needs across the municipality.
- Car parking is proposed to be retained on the site.
- Additional commercial space is being considered through the review of the Preston Market planning controls and through work to update the *Preston Central Structure Plan*.

Recommendation: no action is recommended in response to this issue.

- **Access via the site to the right of way (laneway)**

A number of submitters raised concerns regarding the access to the right of way between Roseberry Avenue and Townhall Avenue. Currently, residents access this via the site, or an entryway on the eastern end of the block. There was concern that the western access point would be closed or restricted by any proposed development.

Council Officer Response

The car park site is affected by a carriageway easement, which is in favour of the Secretary to the Department of Sustainability and Environment and provides access to the adjoining site. It does not appear that residents of Townhall Avenue and Roseberry Avenue accessing the right of way are beneficiaries of this easement.

An analysis of the street and surrounding area indicates the following:

- Of the 27 properties fronting Townhall Avenue, 10 properties have sole access from the right of way. Of the 25 properties fronting Roseberry Avenue, five properties have sole access from the right of way. A total of 15 properties have sole access via the right of way.
- There are four bays along the laneway that allow for vehicles to pass one another.
- The right of way between Roseberry Avenue and Murray Road, and Townhall Avenue and Gower Street (to the north and south of Townhall Avenue) both have two points of access.

Generally, it is Council's preference that access to new developments be provided from a rear laneway and that any existing crossovers to the street frontage be reinstated to kerb and channel.

As the land is affected by an easement, any future development would need to ensure access through the site is unimpeded. It is recommended that access to the right of way through the site be retained, to facilitate vehicle movement and the orderly development of the area.

Recommendation: retain access to the right of way through the subject site.

- **Disrespectful language**

Some submissions (around 10 per cent) used language or raised issues that have been considered defamatory or disrespectful, and Council wishes to address this. Some submissions labelled particular people or groups as 'undesirable' or 'the wrong kind of people'. Labelling people and groups in this way is degrading and not respectful of their human dignity.

Residents of public housing, and other forms of affordable housing, not only suffer material disadvantage, but also the stigmatisation and stereotyping of their experiences by others in the community¹⁶. There are more than 2,400 social housing households in Darebin. Each of these is valued, respected, and has their own story. Council has a duty to uphold the right of everyone to be protected from inhuman or degrading treatment, and actively opposes the labelling of such groups and individuals in a way that is disrespectful or defamatory.

Overall comment on submissions and the proposal

As has been demonstrated above, some of the issues raised in submissions are not expected to occur in practice. There is little evidence to support concerns that affordable housing developments impact negatively upon property values or rates of crime.

For those issues where evidence confirms they are likely to impact the community, it is recommended Council take action to address these, through this proposal or through other work. Council acknowledges the problems associated with car parking in the precinct, and will seek to address this. It is recommended that a high quality building design that responds to its context be required.

Officers note that concerns about the expected height and scale of the development, at around five stories, and the use of the land for housing, were considered at the time the current planning controls were established in 2010 and it is not proposed to revisit this.

Notwithstanding the fact that officers recommend Council commit to addressing the issues raised in submissions where there is evidence to do so, it is important that the overall impact of the proposal is considered against the benefit it would create. This is discussed further below.

This proposal, if realised, would provide secure and affordable housing for those on low incomes. Home ownership is a critical element of the social and economic functioning of Australian society, and is increasingly difficult to attain. In Melbourne, rates of home ownership have fallen at twice the national average over the past 25 years¹⁷. The median house price in Darebin reached \$1 million in 2018¹⁸. Low income households are disproportionately impacted by rising house prices.

As house prices rise, increasing numbers of people, particularly those on low and very low incomes, are unable to enter the property market, and rely on private rental housing. In Darebin, 1.9 per cent of private rental stock is affordable to very low income earners¹⁹. Submitters who were private or social renters were overwhelmingly supportive of Council's proposal (see **Appendix A**).

¹⁶ Palmer, A, Ziersch, A, Arthurson, K and Baum, F 2004, Challenging the stigma of public housing: preliminary findings from a qualitative study in South Australia, Urban Policy and Research, Volume 22, Issue 4, pp. 411-426

¹⁷ Mares, P 2018, *No Place Like Home: Repairing Australia's Housing Crisis*, The Text Publishing Company, Melbourne

¹⁸ Valuer-General Victoria 2018, A Guide to Property Values: annual data and analysis from Valuer-General Victoria 2017, Victorian State Government, Melbourne, available at https://www.propertyandlandtitles.vic.gov.au/_data/assets/pdf_file/0012/54210/AGuidetoPropertyValues2017.pdf

¹⁹ Department of Health and Human Services 2018, Rental Report, available at <https://www.dhhs.vic.gov.au/publications/rental-report>

Demand for affordable rental housing adds to demand for government-subsidised housing. There are more than 80,000 people, including 20,000 children, on the waiting list for social housing in Victoria²⁰. In Darebin, this figure is close to 6,000²¹. There are approximately 972 people that are homeless in Darebin²².

Many commentators, and Council, believe housing in Australia is at a crisis point²³. All levels of government must take action to address declining housing affordability and the severe undersupply of affordable housing.

The scale of the housing problem is far beyond the scale of this proposal. However, it is a small step toward ensuring that there is more affordable housing in Darebin. The benefits the proposal would create, specifically its contribution to secure and affordable housing for low income earners, are considered to outweigh its negative impacts.

Recommendation: resolve to enter into a lease with a tenant (being either a registered housing association or other charitable organisation capable of delivering and managing affordable housing on the site) to be identified through an EOI process.

OPTIONS FOR CONSIDERATION

There are three main options to progress this matter, as outlined below.

Option 1: Proceed with leasing of the land and identifying a suitable tenant (recommended)

- Council would then conduct an Expression of Interest (EOI) campaign to identify a suitably qualified tenant to develop and manage the site, as discussed above.
- The EOI process would test what the market is able to deliver, within the constraints of the site, and in terms of affordability, ESD, open space, design quality and innovation.

No further consultation is proposed under this option (except for writing to submitters after the Council decision). The next opportunity for adjoining residents to be involved in the process is when (and if) a planning permit application is notified. Under the current zoning, there are no third party appeal rights if the development is in accordance with the requirements of the zone schedule and Incorporated Plan. This means that, while Council must consider the issues raised in any objections, those objectors do not have the right to appeal Council's decision.

The following timeframes are expected if this option is progressed:

- November 2018 – mid-2019: Undertake EOI process
- Mid-2019: Council decision on preferred tenant
- From mid-2019: negotiation of lease terms and details of development

²⁰ Parliament of Victoria Legal and Social Issues Committee 2018, Inquiry into the Public Housing Renewal Program, available at https://www.parliament.vic.gov.au/images/stories/committees/_/SCLSI/Public_Housing_Renewal_Program/LSIC_58-11_PHRP_Text_WEB.pdf

²¹ Based on demand for approximately 3000 dwellings.

²² Australian Bureau of Statistics 2016, Census of Population and Housing, Catalogue 2049.0, available at <http://www.abs.gov.au/AUSSTATS/abs@.nsf/mf/2049.0>

²³ Mares, P 2018, *No Place Like Home: Repairing Australia's Housing Crisis*, The Text Publishing Company, Melbourne

Option 2: Undertake further investigation and community engagement

Council may wish to undertake further investigation of the issues raised and further consultation. This would provide an opportunity to further investigate issues emerging through the consultation, and to also engage with groups that were under-represented through the consultation process (as documented in **Appendix A**).

Council may wish to undertake further investigation of car parking and traffic congestion in the area, and may use a further community engagement process to establish built form principles for the site (noting that the planning scheme controls establish preferred heights and other requirements). However, the scope of such an exercise may not be sufficient to address the concerns raised in some submissions (e.g. those that called for reduced heights, alternative uses etc.).

If this were to take place, it is recommended that a consultant be engaged to conduct any face-to-face sessions with community members. This creates a degree of independence and separation, and has proved to be an effective approach to consultation on other projects. Budget for this work has not been allocated for this financial year.

The following timeframes are expected if this option is progressed:

- November – December 2018: further investigation of issues and community consultation (noting that consulting in mid-late December is not advisable)
- February/March 2019: subsequent Council decision
- March – September 2019: EOI process
- Late 2019: Council decision on preferred tenant

Option 3: Abandon the proposal

Council may choose to not proceed with offering the land on a lease.

Council could, in future, explore the use of the site for this or other purposes. Alternatively, Council may choose to explore alternative sites for an affordable housing development.

IMPLEMENTATION STRATEGY**Details**

- Should Council decide to proceed with offering the land for lease, Council officers will engage a consultant to assist in the development of the EOI and the management of the EOI process.
- The EOI document would be signed off by the Executive Management Team.
- The decision regarding the selection of the tenant would be made by Council.

Communication

- Write to all submitters advising them of Council's decision, and the reasons for Council's decision, in accordance with Section 223(d)(ii) of the Act.
- Issue a media release of Council's decision.
- Commence an EOI process and invite submissions from selected organisations.
- Provide submitters with updates on the proposal process.

Timeline

Timelines for each option are outlined above.

RELATED DOCUMENTS

- Darebin Housing Strategy 2013- 2033
- Responding to Housing Stress A Local Action Plan 2013-2017

Attachments

- Copies of all submissions and proposed responses (**Appendix A**)
- Media coverage of the proposal (**Appendix B**)
- Consultation Outcomes Report (**Appendix C**)
- Confidential information (**Appendix D**) Confidential - enclosed under separate cover

DISCLOSURE OF INTEREST

Section 80C of the *Local Government Act 1989* requires members of Council staff and persons engaged under contract to provide advice to Council to disclose any direct or indirect interest in a matter to which the advice relates.

The Officer reviewing this report, having made enquiries with relevant members of staff, reports that no disclosable interests have been raised in relation to this report.

The following people made submissions in relation to this item and were thanked by the Chairperson, Mayor Le Cerf:

- Demi Tsipras
- Anne Laver
- Robert Douglas
- Peter Speranza (submission read out by the Mayor)

8. CONSIDERATION OF REPORTS

8.1 PROPOSED LEASE OF 52-60 TOWNHALL AVENUE, PRESTON FOR AFFORDABLE HOUSING

Author: Strategic Planner

Reviewed By: General Manager City Sustainability and Strategy

EXECUTIVE SUMMARY

Council has long held strong aspirations to help address the affordable housing crisis and has been exploring the use of Council-owned land for affordable housing, in line with adopted policies, including *the Darebin Housing Strategy 2013, Responding to Housing Stress - a Local Action Plan 2013-2017* and *The Darebin Council Plan 2017-2020*.

As required under the *Local Government Act 1989* ("the Act"), notice of Council's proposal to lease 52-60 Townhall Avenue, Preston (the site) was given and submissions were invited from 25 June to 26 July 2018.

A total of 309 submissions were received. The submissions highlight strong sentiment in relation to the proposed development, with 39 per cent of submissions supporting and 61 per cent not supporting the overall proposal.

The opinions expressed in submissions are similar to those raised in response to other development proposals in Darebin, and also reflect the findings from consultation from other affordable housing developments in Australia¹. Common themes raised in the submissions include car parking, height and built form outcomes, the perceived impact of the development on property values, and concerns over increased rates of crime and the kinds of residents that submitters perceived would live in affordable housing. Officers have undertaken research and analysis of the issues raised, and have found that some have a stronger evidence base than others.

This report outlines findings of analysis in regards to these themes and the extent to which work in progress is expected to address them, or if research supports that no action is necessary. In response to two common issues raised by the submissions, officers have recommended that Council require specific measures to address these in any future development.

¹ Davison, G., Legacy, C., Liu, E., Han, H., Phibbs, P., Nouwelant, R., Darcy, M. and Piracha, A. (2013) Understanding and addressing community opposition to affordable housing development, AHURI Final Report No. 211, Australian Housing and Urban Research Institute Limited, Melbourne, <https://www.ahuri.edu.au/research/final-reports/211>.

Council has a number of options to consider at this point. The first is to proceed with leasing the site and with identifying a preferred tenant. The second is to undertake further investigation and community and stakeholder engagement. The third is to halt the proposal.

It is recommended that Council proceed with leasing the site, and commence an EOI process to identify a tenant capable of developing the site for the purpose of affordable housing (being a registered housing association or other charitable organisation).

Recommendation

That Council:

- (1) Having complied with Section 190 and Section 223 of the *Local Government Act 1989*, and having considered all submissions received, resolves to enter into a lease (at a nominal rental) in relation to land at 52-60 Townhall Avenue, for the purpose of affordable housing, with a tenant identified through an Expression of Interest process, in accordance with the terms and conditions detailed in the statutory advertisement;
- (2) Commences an Expression of Interest process to identify a suitable tenant for the site, such tenant to be a registered housing association or a charitable organisation capable of delivering affordable housing on the site;
- (3) In response to particular issues raised in submissions, commits to the following:
 - a. Retaining public car parking on site;
 - b. Retaining access through the site to the adjacent site and rear laneway;
 - c. Ensuring that car parking demand for the precinct is investigated and parking management measures are introduced, as appropriate, before any future construction commences;
 - d. Minimising overlooking from the building to adjoining properties;
 - e. Ensuring a high quality, environmentally sustainable design comprising a diversity of dwellings, that is integrated with and responds to its surroundings, and fosters a sense of community both within the development and the broader community;
- (4) Writes to all submitters and inform them of Council's decision, with the reasons for the decision, in accordance with Section 223(d)(ii) of the *Local Government Act 1989*, the reasons being as follows:
 - a. Council is committed to increasing the supply of affordable housing in Darebin and acknowledges that there are more than 80,000 people waiting for social housing in Victoria, 20,000 of whom are children;
 - b. The site is currently under-utilised and has been identified as a suitable location for affordable housing; and
 - c. Council has considered all submissions and is of the view that, on balance, the benefit created by an affordable housing development on the site outweighs the cost and impact of such a development.

Motion

MOVED: Cr. S Amir
SECONDED: Cr. S Rennie

That Council:

- (1) Having complied with Section 190 and Section 223 of the *Local Government Act 1989*, and having considered all submissions received, resolves to enter into a lease (at a nominal rental) in relation to land at 52-60 Townhall Avenue, for the purpose of affordable housing, with a tenant identified through an Expression of Interest process, in accordance with the terms and conditions detailed in the statutory advertisement;
- (2) Commences an Expression of Interest process to identify a suitable tenant for the site, such tenant to be a registered housing association or a charitable organisation capable of delivering affordable housing on the site;
- (3) In response to particular issues raised in submissions, commits to the following:
 - a. Retaining public car parking on site;
 - b. Retaining access through the site to the adjacent site and rear laneway;
 - c. Ensuring that car parking demand for the precinct is investigated and parking management measures are introduced, as appropriate, before any future construction commences;
 - d. Minimising overlooking from the building to adjoining properties;
 - e. Ensuring a high quality, environmentally sustainable design comprising a diversity of dwellings, that is integrated with and responds to its surroundings, and fosters a sense of community both within the development and the broader community;
- (4) Writes to all submitters and inform them of Council's decision, with the reasons for the decision, in accordance with Section 223(d)(ii) of the *Local Government Act 1989*, the reasons being as follows:
 - a. Council is committed to increasing the supply of affordable housing in Darebin and acknowledges that there are more than 80,000 people waiting for social housing in Victoria, 20,000 of whom are children;
 - b. The site is currently under-utilised and has been identified as a suitable location for affordable housing; and
 - c. Council has considered all submissions and is of the view that, on balance, the benefit created by an affordable housing development on the site outweighs the cost and impact of such a development.

Cr. Greco proposed to the mover and seconder changes to points 2 and 3a be amended as follows:

- (2) Commences an Expression of Interest process to identify a suitable tenant for the site, such tenant to be a registered housing association or a charitable organisation capable of delivering social housing on the site;
- (3) In response to particular issues raised in submissions, commits to the following:
 - a. Retaining public car parking on site and consider underground parking to increase public parking on site;

This was accepted by the mover (Cr. Amir) and seconder (Cr. Rennie).

THE AMENDED MOTION THEN READ AS FOLLOWS:

Amended Motion

MOVED: Cr. S Amir
SECONDED: Cr. S Rennie

That Council:

- (1) Having complied with Section 190 and Section 223 of the *Local Government Act 1989*, and having considered all submissions received, resolves to enter into a lease (at a nominal rental) in relation to land at 52-60 Townhall Avenue, for the purpose of affordable housing, with a tenant identified through an Expression of Interest process, in accordance with the terms and conditions detailed in the statutory advertisement;
- (2) Commences an Expression of Interest process to identify a suitable tenant for the site, such tenant to be a registered housing association or a charitable organisation capable of delivering social housing on the site;
- (3) In response to particular issues raised in submissions, commits to the following:
 - a. Retaining public car parking on site and consider underground park to increase public car parking on site;
 - b. Retaining access through the site to the adjacent site and rear laneway;
 - c. Ensuring that car parking demand for the precinct is investigated and parking management measures are introduced, as appropriate, before any future construction commences;
 - d. Minimising overlooking from the building to adjoining properties;
 - e. Ensuring a high quality, environmentally sustainable design comprising a diversity of dwellings, that is integrated with and responds to its surroundings, and fosters a sense of community both within the development and the broader community;
- (4) Writes to all submitters and inform them of Council's decision, with the reasons for the decision, in accordance with Section 223(d)(ii) of the *Local Government Act 1989*, the reasons being as follows:
 - a. Council is committed to increasing the supply of affordable housing in Darebin and acknowledges that there are more than 80,000 people waiting for social housing in Victoria, 20,000 of whom are children;
 - b. The site is currently under-utilised and has been identified as a suitable location for affordable housing; and
 - c. Council has considered all submissions and is of the view that, on balance, the benefit created by an affordable housing development on the site outweighs the cost and impact of such a development.

THE AMENDED MOTION WAS PUT AND CARRIED AND BECAME THE COUNCIL RESOLUTION AS FOLLOWS:

Council Resolution

MINUTE NO. 18-302

MOVED: Cr. S Amir
SECONDED: Cr. S Rennie

That Council:

- (1) Having complied with Section 190 and Section 223 of the *Local Government Act 1989*, and having considered all submissions received, resolves to enter into a lease (at a nominal rental) in relation to land at 52-60 Townhall Avenue, for the purpose of affordable housing, with a tenant identified through an Expression of Interest process, in accordance with the terms and conditions detailed in the statutory advertisement;
- (2) Commences an Expression of Interest process to identify a suitable tenant for the site, such tenant to be a registered housing association or a charitable organisation capable of delivering social housing on the site;
- (3) In response to particular issues raised in submissions, commits to the following:
 - a. Retaining public car parking on site and consider underground park to increase public car parking on site;
 - b. Retaining access through the site to the adjacent site and rear laneway;
 - c. Ensuring that car parking demand for the precinct is investigated and parking management measures are introduced, as appropriate, before any future construction commences;
 - d. Minimising overlooking from the building to adjoining properties;
 - e. Ensuring a high quality, environmentally sustainable design comprising a diversity of dwellings, that is integrated with and responds to its surroundings, and fosters a sense of community both within the development and the broader community;
- (4) Writes to all submitters and inform them of Council's decision, with the reasons for the decision, in accordance with Section 223(d)(ii) of the *Local Government Act 1989*, the reasons being as follows:
 - a. Council is committed to increasing the supply of affordable housing in Darebin and acknowledges that there are more than 80,000 people waiting for social housing in Victoria, 20,000 of whom are children;
 - b. The site is currently under-utilised and has been identified as a suitable location for affordable housing; and
 - c. Council has considered all submissions and is of the view that, on balance, the benefit created by an affordable housing development on the site outweighs the cost and impact of such a development

CARRIED

Cr. Williams voted in opposition to the motion.

Cr. Williams temporarily left the meeting during discussion of the above item at 6.42pm and returned at 6.46pm.

Cathy Henderson, General Manager Community, temporarily left the meeting during discussion of the above item at 6.43pm and returned at 6.53pm.

The following people made submissions in relation to this item and were thanked by the Chairperson, Mayor Le Cerf:

- *Michael Brennan*
- *Terry Mason*
- *Serena O'Meley*
- *Paul Zamarian*
- *David Sealy*

8.2 REIMAGINING RUTHVEN MASTER PLAN UPDATE

Author: Urban Designer

Reviewed By: General Manager City Sustainability and Strategy

PURPOSE

The purpose of this report is for Council to consider its next steps in regards to planning for the long term future of the old Ruthven primary school in Reservoir.

EXECUTIVE SUMMARY

Council purchased the old Ruthven Primary School site in 2016 to provide a park for the community and Council has been engaging with the community to help shape the vision and to understand community aspirations, needs and ideas to help develop a master plan for this site into the future.

The scope of Council's work towards developing a master plan has included exploring development of a Children's hub at the site. Community feedback has shown that a significant proportion of the community do not want a building at the site and Council's technical investigations have also confirmed that there is not an immediate need for a Children's hub in this area, nor is this the only site in this community that could provide for facilities at a future point in time when additional services are expected to be needed.

Based on the findings of the community engagement work and technical work to date, Officers recommend adjusting the scope of the master planning and now focusing on planning for this site to be a local park with natural character for the long term, in line with community aspirations.

Officers also recommend undertaking some immediate upgrades in this financial year to include some new bins and introducing recycling at the park, seats, tree planting and a drinking fountain to make the site more accessible and usable straight away.

Working with the CRG, Officers would prepare the draft master plan focussing on creating a natural character local park over time and for the long term, and would also engage with the broad community including diverse groups. Officers would explore opportunities to enhance biodiversity and to support community involvement in the park, for example by getting the community involved in naming of the park and by exploring opportunities for community planting days.

There has been wide-ranging community participation in consultation and this included a Family Fun Day event attended by 350 people and the involvement of community members
