



ST KILDA COMMUNITY HOUSING SUBMISSION

SCH supports the governments Public Housing Renewal Program, which forms part of the Victorian Government's housing affordability strategy, *Homes for Victorian's*. However, SCH would like to submit an alternative proposal that clearly places the people at the heart of the Program.

SCH believes there is a dire need to address decades of underinvestment in social housing, especially in the walk-up estates.

SCH proposes that the government's renewal program include a number of options to deliver a mix of social housing units, affordable housing, public housing and units to be sold under a Community Land Trust model. SCH believes the 10% increase to public housing is too low and this should be increased to a target of 30%.

About St Kilda Community Housing:

SCH is a community housing provider registered in Victoria and has been providing community-managed rooming house accommodation across St Kilda for more than 30 years. SCH now manages 20 rooming houses with 332 residents at capacity. SCH also has considerable development experience over the past ten years.

Since 2011, SCH has also managed a social enterprise which undertakes all the maintenance for the properties as well as for a number of other community housing agencies and other external bodies. A primary aim of the social enterprise is to provide employment for SCH residents, the vast majority of who have come to us from homelessness and who are living on benefits.

SCH houses single people mostly on statutory incomes, who are homeless or at risk of homelessness. Our residents have limited long term affordable housing options, as waiting lists for public housing are long and many are not able to afford private rental.

Victoria's housing crisis:

Victoria is facing a growing affordable housing crisis. Over many years and successive governments there has been a serious decline in the investment in public housing resulting in record waiting lists and poorly maintained housing stock. Public Housing is now only available to those who can demonstrate urgent priority, leaving many others without affordable housing options. There are currently over 42,000 households on the public housing waiting list (now the Victorian Housing Register) and actual public housing stock figures have decreased by 200 units between 2012 and 2016, even though Victoria's population increased and the waiting list grew. In addition, home ownership is increasingly out of reach for those people on low to moderate incomes.



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Furthermore, the private rental market here in St Kilda is out of reach of most moderate income earners. For example, a two-bedroom flat in St Kilda commands rent of between \$420 and \$475 a week. For a worker on \$60,000 per annum, with take home pay of \$918 per week, this amounts to almost 50% of their income, which pushes them into housing stress.

It is in this context that SCH has been developing a Melbourne Community Land Trust (MCLT). SCH recognises that a Community Land Trust (CLT) is only one option in community programs to relieve the housing affordability crisis in Australia. It has features in common with shared equity schemes and also co-operative housing models.

The CLT model of homeownership is growing steadily in overseas countries such as the United States, Canada and the U.K but has not so far been evident in Australia. The MCLT plans to be the first in this country to provide permanently affordable homeownership balanced with the public interest in preserving public resources. Similarly, MCLT's will address the needs of renters by ensuring permanent affordability of rental housing units.

SCH long term goal to establish a CLT in Melbourne has made steady progress this year and in the longer term the Melbourne CLT will become an independent non-profit organisation created to provide affordable housing for low income families while, retaining the land in community ownership.

The MCLT would undertake development of a proportion of units on a public housing estate and make these available for home ownership to public tenant households. In future stages it would establish a progressive plan for urban and community renewal on the estate. The MCLT may also lease land to affordable rental housing agencies including disability housing providers and restrict the rents they charge through a ground lease.

The MCLT will demonstrate a model which can be replicated on communities across metropolitan Melbourne and potentially in regional Victoria. A successful pilot program that can be scaled up across the public housing sector in Victoria represents a unique opportunity to address a policy impasse in public housing over recent years.

The advantage of this approach is that it is targeted to lower middle income families such as key workers in inner city areas or working families in public housing. It tackles housing affordability for key workers such as cleaners or health assistants who need to live in the inner city and the estimated six thousand working families in public housing.

SCH have made progress towards this model working through legal and financial issues needed to help establish a CLT. Some key legal documents have been completed such as a draft Ground Lease and Mortgage documents. SCH have opened discussions with the banking sector and two banks are supportive for mortgagee financing. A financial feasibility study, a major piece of work has been completed for us by PPB Advisory. A Communications Plan has been a priority for 2017 and SCH have commenced development of stakeholders groups to measure support among Unions, consumers and the community.



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The MCLT represents a new approach to urban and community renewal. It does this by establishing a community based management for the estate under the auspice of the Melbourne CLT which will work with local groups of residents, neighbourhood houses, schools, local and state government agencies to maximise connectedness through CLT governance and community participation structures. It will aim for co-location of key services, such as employment and neighbourhood house and learning centres. The Melbourne CLT will offer amenities that are designed to bring the residents together through shared open space and activities as well as retail and cultural facilities.

This is a completely new approach to community renewal in Australia and also represents a first for public housing tenants. It is an alternative model to that of selling social housing estates to developers in exchange for urban renewal resulting in a net loss of open space and public housing units.