

Key Worker Accommodation and Affordable Housing Project

Frequently Asked Questions

What is the project?

The project is to lease Council owned land at Harrington Road for a period of up to 25 years to a Community Housing Agency (Council has selected [Haven Home Safe](#) as the preferred agency and their consortium partners, Form Flow, Urbis and Sawmill Designs through an EOI process) to build 50 key worker accommodation and affordable homes using modern modular construction technology.

Why 25 years?

To access some of the funding from the Federal Government's Housing Australia's Future Fund (HAFF) and some State Government Funding for housing projects, 25 is the minimum period that the project has to be in operation. The period of 25 years is also linked to financial feasibility of developing housing projects.

Why did the project change from 15 to 25 years?

The project timeline was amended from 15 years to 25 years to align with the Housing Australia Future Fund regarding 25 years as the minimum period of agreement for Government funding and also to ensure financial feasibility for the project. There will be considerable infrastructure investments made as part of the project and securing such infrastructure funding is dependent on the lifecycle of the project.

Why is council considering being involved in Key Worker Accommodation and Affordable Housing?

Council is keenly aware that the current housing crisis is greatly impacting the Warrnambool community. In analysing the kinds of investments that are being allocated by the Federal and State Government for housing in Warrnambool, key worker accommodation and affordable housing were found to be distinct gap areas. The lack of key worker housing is impacting on both the social and economic fabric of our community.

Many councils are looking to facilitate housing developments, the Housing Australia Future Fund (HAFF) specifically mentions that projects that have council involvement have a higher chance of being funded. Councils have been encouraged to consider unlocking local government owned land for social and affordable housing. Local governments can enable access to well-located sites through the sale, transfer, or leasing of land to charitable entities eligible for funding, such as CHA's and organisations with the primary purpose of improving housing outcomes.

A number of Local governments have been involved in key worker accommodation and affordable housing. There is increasing evidence from Federal and State funding sources that projects where Local Governments are actively involved have a higher chances of getting funded.

Warrnambool community is a resilient community that has bonded together to take care of each other. The current project aims to add to those values in creating this unique innovative solution that will provide much needed rental housing to key workers and low and moderate income earners, who are also key workers for different industries in Warrnambool.

What is the importance of having a Community Housing Agency (CHA) involved?

Community Housing Agencies are:

- Not-for-profit registered charities that report annually to the Australian Tax Office and Australian Charities and Not-for-profits commission
- Mission driven to provide safe, secure, and affordable homes for renters who are priced out of the private market
- Highly regulated and required to report annually on their performance standards to ensure high-quality rental housing services and the best outcomes for renters and prospective renters.
- Community Housing Agencies are the only organisations that can manage affordable housing.
- Federal and State Government funding mechanisms most-often only provide funding for those projects that has a CHA involved.

Community Housing Agencies have a proven track record and are experienced in property management, tenancy management, and community development. They are deeply committed to the communities in which they work.

What was the selection criteria for the housing agency?

The Community Housing Agency was selected based on the following criteria and through a rigorous due diligence process:

- Background of Community Housing Agency and capacity to develop and manage projects in Warrnambool and South West Victoria, including reference to prior or existing housing stock in Warrnambool
- Demonstrated ability to develop affordable housing
- Prerequisites required and intention of Community Housing Agency to establish a local presence in Warrnambool within 24 months
- Technical response to Council's proposal for the concept at Harrington Road
- Management model proposed for the concept at Harrington Road
- Estimated project delivery time frame
- Social and local procurement

Why is council leasing the land?

Council is considering leasing the land to a Community Housing Agency for a term of up to 25 years to enable a project of this size to be achieved. Warrnambool City Council does not own large tracts of lands in the municipality. Whatever land that Council owns is a community asset. The current project has been conceptualised because of the desperate need for immediate housing solutions. Council wants to retain this community asset in the future for other considerations and thus is pursuing the option of leasing the land for up to 25 years. The current land being considered for the project is part of the Masterplan for the former saleyards and has identified this land for future residential development. The project will allow for some infrastructure to be built to support the rollout of the Masterplan.

What is the criteria for "affordable housing" and "key worker housing"?

Eligibility for affordable housing is based on regional Victoria gross income thresholds for singles, couples, and families as stipulated by [Homes Victoria](#). Rental prices are capped at 75% of the market rate for affordable housing residents. For this project, the term affordable housing wholly excludes social housing. While more social housing is needed for the municipality, the development of social housing requires a different model. The current model being applied for the project is best suited for key worker accommodation and affordable housing.

Key Worker Housing is designed to help alleviate the shortage of key workers in a number of core industries and sectors in Warrnambool. This will be achieved through consultation with employers and organisations in the municipality. A scope will be developed to only include those industries and their workers that are most affected by the current housing crisis. This definition will be periodically reviewed based on emerging needs. The period of occupancy for key workers will be developed in consultation with the industries included. Key Workers will be offered housing by employers who will lease housing on their behalf to enable them to accept positions and fill chronic staff shortages. They will pay full market rent for their home.

What is the breakdown in home sizes i.e. how many one, two and three-bedroom homes?

Overall 50 homes will be built. The spread will be as follows and the exact numbers will be determined based on market demand and financial feasibility:

- One Bedroom around 15-20 homes
- Two Bedroom around 15-20 homes
- Three Bedroom 12-15 homes

How was the mix of home sizes determined?

The mix of the home sizes have been determined in consultation with organisations in Warrnambool, engagement with real estate agencies, discussion with housing agencies and the kinds of demands that we are witnessing. The development will include a mix of 1-, 2- and 3-bedroom homes, responding to the changing need of households in Warrnambool. The final mix of households will be determined by financial feasibility but will be basically close to the model proposed in the concept.

Is there a plan for more than 50 homes?

The current project intends to construct 50 homes within the outlined project site.

What will the development look like?

You can view the development concepts and the animation video [here](#). The development will be a sophisticated residential estate using modern modular construction. All homes will have 6-7 star natHERS energy rating and meet Gold and Silver Standards for Liveable Housing Australia guidelines.

How do you propose to fit a minimum of 50 homes into this parcel of land while ensuring adequate off-street parking and space for privacy etc.?

All proposed homes and the overall project meet the guidelines included in the Victorian Government Urban Residential Growth Planning Scheme in terms of density. All homes will have multiple parking spaces allocated. The project proposes 50 homes within a 15,000 square metres land area which is medium-density.

What building materials will be used in the manufacture of these dwellings to ensure they fit in with the current brick homes within the area?

All materials that will be used in the construction of this project are approved by the national building codes of Australia. All homes will have 6-7 star natHERS energy rating and achieve Gold and Silver Standards based on the Liveable Housing Australia performance guidelines.

Will some of the homes evolve into social housing over the life of the project?

There are no provisions for social housing in the project.

What other sites were considered for the project?

Several land parcels were considered when conceptualising this project – some owned by State, some owned by private developers and some Council owned. After the decision on the closure of the saleyards in October 2022, the buffer land for the

former saleyards also got in the mix. This land was considered the most suitable based on the scale and size of the project. Existing infrastructure, location of services, potential to activate further growth, were some of the criteria used in the site selection.

What evidence of other similar projects are there of this nature to show this type of project will work?

Affordable housing investment and involvement of council is nothing new. There are several such projects across Australia: affordable housing in Surf Coast Shire; key worker housing in Moyne; affordable housing in Whittlesea; Cardinia Shire Council won the Community & Integrated Planning Award at the LGPro Annual Conference for its Social and Affordable Housing Strategy 2018-25; City of Melbourne and City of Port Philip have multiple land lease agreements with Community Housing Agencies for social and affordable housing; Darebin City Council has contributed council land for social and affordable housing, to name a few.

The idea of Council facilitating affordable housing solutions to address demographic issues and lack of housing is not new to Warrnambool. Commencing in May 2013, the North Dennington Housing Affordability Program accessed a \$2.95 million Federal Government grant (Building Better Regional Cities Program) towards construction of Coghlan's Road and delivery of a housing affordability grants scheme (up to \$20,000 per applicant) in the North Dennington Growth Area to low and moderate income families. The program concluded in 2017 with 50 grants disbursed to low and moderate income families, all of whom met strict eligibility requirements. This has been a successful project that has provided growth opportunities for North Dennington.

Why are these homes not being dispersed across Warrnambool?

The proposed location along Harrington Road was selected for the following reasons:

- Council owned land currently located in a buffer zone without any immediate usage, this proposal will not negatively impact the future masterplan.
- Timeframes for delivery can be achieved
- Drainage and utility assets already exist
- Close proximity to built-up area, schools, markets, services, and transport
- Concepts of modular construction can blend with existing neighbourhood character

Key Worker Accommodation and Affordable Housing do not need to be dispersed in a salt-and-pepper approach like social or public housing. There is a lack of adequate parcels of land across the municipality that can be activated in a short period for a project of this scale and size, to achieve any positive impact on housing stock

availability, a medium-density development is required. The cost involved in activating a dispersed set of land would also impact on financial feasibility.

Once the "skill shortage" and "housing shortage" have eased and these properties are no longer needed what is the plan to remove and restore the area?

The current housing crisis that Australia is facing is expected to be intergenerational. The backlog of current housing is unlikely to be addressed in the medium term and the need for this project spans the next 25 years. If the project ceases earlier than expected, the land parcel will be developed as per the Masterplan for the former saleyards site. All existing construction will be removed and repatriated based on how it is intended in the lease agreement. Any infrastructure that is put in will be beneficial in the long term to the whole of the area.

Will there be a cultural heritage assessment made?

Council has already been in contact with Eastern Maar Aboriginal Corporation for guidance on cultural heritage management, which will be completed before the project is initiated.

Has Council researched the impact on existing property prices?

Property prices are determined by the market based on demand and supply. Council does not believe that the project which is intended to activate rental housing for key workers and affordable housing will have a detrimental impact on the purchase and sales of private homes. A UNSW publication highlights that neighbour's fears about affordable housing are worse than any impacts. The research report is [here](#).

Will people's homes be devalued because of the project?

Valuation of the homes is dependent on demand and supply and there is very little evidence that the establishment of affordable homes and key workers have detrimental impact on the value of homes in an area.

What kinds of positive or negative social impacts will be created by this housing development?

There is no evidence to suggest any residential development leads to an increase in negative social impact. The current proposed development is no different to any other medium-density development that occurs anywhere in any municipality. The UNSW research report referenced above indicates that affordable housing has very little negative impact in the community. Any negative impact is similar to any development that occurs anywhere, in any model, or any scale. The positive impacts of this project is expected to contribute significantly to the social and economic fabric of Warrnambool and South West Victoria.

Is Harrington Road wide enough?

The width of Harrington Road (8 metres) is consistent with other residential developments across the municipality, which have higher density than what is in the area in North Dennington currently. Harrington Road is wide enough for this development to occur. All homes in the proposed project will be accessible via an 8 metre wide internal road with two way access and off street parking.

The allocated infrastructure for the internal road is as big as Harrington Road and 2 metres larger than all internal streets in the area, including Cole Close, Rongoa Drive, Nina Street, Lucy Court, Mugavin Drive, Armytage Avenue, Pappas Drive, Dennington Rise and Joleda Court.

Will the homes have an impact on Harrington Road?

The homes are not expected to have any major impact on Harrington Road. Homes will be accessible via an 8-metre-wide internal road with two-way access and off-street parking. The infrastructure investments that this project will enable and the additional green open space will be allocated to benefit the entire community.

What strategies/changes will be implemented for traffic management in the area including Darwinia St, Rooney's Rd, Harrington Rd, Drummond St (including access to Hwy), Dennington Rise, Coghlan's Rd, Rongoa Drive? Including safe crossing areas for school children and speed limiting provisions?

While the overall traffic impact is expected to be minimal, issues of traffic management in the whole of the area will be studied as part of project finalisation and will be built into the project development scope. This will also be addressed as part of the implementation of the Masterplan for the former saleyards.

How will emergency vehicles and waste management trucks access the development?

Emergency and waste management vehicles will be able to access all homes within the development via an 8 metre internal road which is the same width as Harrington Road and 2 metres wider than neighbouring internal streets in the area, including Cole Close, Nina Street, Lucy Court, Mugavin Drive, Armytage Avenue, Pappas Drive, Dennington Rise, and Joleda Court.

What is the proposed plan for Public Transport access/options for this development?

Council will discuss with PTV. With additional residents coming to the area, there is a better chance of getting higher numbers of public transport options for the area.

Who will maintain the properties?

Haven Home Safe will maintain the properties based on provisions of the Residential Tenancy Act and their established model of managing and maintaining affordable housing properties and tenancies.

How much more consultation will there be?

A project information session was held with the Dennington Residents Association in November 2023. A second community information forum was held at the Lighthouse theatre on 20 May 2024 with additional focus group sessions listed below.

Registrations to attend a focus group session can be done via our [online survey](#).

- Wednesday 29th May, between 3.00pm - 5.00pm, Dennington Recreation Reserve Pavilion
- Wednesday 29th May, between 5.00pm - 7.00pm, Dennington Recreation Reserve Pavilion
- Tuesday 4th June, between 10.00am - 12.00pm, Mack Oval Social Room
- Tuesday 4th June, between 12.00pm - 2.00pm, Mack Oval Social Room
- Wednesday 5th June, between 5.00pm - 7.00pm, Lane Pavilion, Friendlies Reserve
- Thursday 6th June, between 12.00pm - 2.00pm, Reid Oval, Cramer Street
- Thursday 6th June, between 2.00pm - 4.00pm, Reid Oval, Cramer Street

An online survey is open for the community until 12 June 2024. The survey can be accessed [here](#).

The Telstra 5G tower is nearby, is that a health hazard?

There are no established short term or long term health effects to people or the environment from radio waves at the power levels used for 5G. For more information visit arpansa.gov.au

What are the next steps?

Post completion of the community consultation, Council will decide on 1 July 2024 on whether to proceed with the project or not.

If Council decides to proceed with the project, then Council in partnership with the Haven Home Safe consortium will proceed through the planning process and accessing funding to build the project. A lease agreement between Council and Haven Home Safe will be signed before the project begins.