COMMUNITY SERVICES COMMITTEE REPORT

Agenda Item 5.1

12 February 2008

HOMELESSNESS RESEARCH PROJECT - STAGE TWO

Division  Community and Culture

Presenter  Colleen Lazenby, Manager Community Safety and Wellbeing

Purpose
1. To provide the Community Services Committee with the results of the Homelessness Research Project, Stage Two.

Recommendations from Management
2. That the Community Services Committee:
   2.1. receive Stage Two of the Homelessness Research Project (Executive Summary Attachment 1) and refer its recommendations for consideration as part of the 2008/09 budget process;
   2.2. formalise a strategic partnership with the State Government and other relevant partners to implement the Supportive Housing Model in Melbourne; and
   2.3. note that Stage Three of the Homelessness Research Project will commence in February 2008, to refine a preferred methodology and to undertake the first ever street count of homeless people in City of Melbourne, to be completed prior to 30 June 2008.

Key Issues
3. Stage One of the Homelessness Research project identified that the story of homelessness in the City of Melbourne is one of compounded disadvantage, complexity of people’s issues and a diversity of experiences.

4. Stage Two of the Homelessness Research Project (“HRP”) concludes that creating sustainable pathways out of homelessness requires a paradigm shift in addressing homelessness. This involves a significant change of focus from managing homelessness to ending homelessness.

5. The significant research undertaken in the these two stages confirms that whilst many people who become homeless move through this period within six months, a significant group of people become trapped in a cycle of homelessness and for various reasons are not able to establish and sustain permanent housing.

6. Further, the evidence from this research and others (Johnston and Chamberlain 2007) confirms that the longer people remain homeless, a greater level of personal, social and economic debilitation occurs.
7. Research undertaken with people who have been homeless for more than six months indicates that a continuous cycle of homelessness creates a complexity of health, social and economic issues which further entraps people, causing social disconnection and isolation from the mainstream of society.

8. The City of Melbourne Homelessness Research Project Stage Two was completed in early December 2007 and it has a focus on assessing various Housing First/Supportive Housing models. It identifies key elements of a preferred model and the potential roles for Council in implementing this model.

9. Key findings of the Homelessness Research project Stage Two include the following.

**The Costs of Not Addressing Homelessness**

10. The argument for investing in high quality, cost effective interventions to end homelessness, rather than just continuing to manage it, has been made successfully from various international studies. From a cost recovery model, to support evidence that providing supportive housing results in a net saving of 30 per cent, there are a wide range of evaluations demonstrating both the economic and social benefits of providing long term solutions to people’s housing needs.

11. The benefits appear to be greatest for those who are chronically homeless, most typically living in poverty and dealing with mental health and/or substance abuse issues. There is also a strong case for providing long term solutions to people who are homeless for human rights reasons and also to prevent people slipping into a spiral of chronic homelessness over time.

**Housing First/Supportive Housing in Melbourne – Key Principles of the Model**

12. Housing is not contingent on acceptance of support.

13. Housing First/Supportive Housing is targeted at individuals with complex and multiple needs who have been homeless for over twelve months.

14. Housing First/Supportive Housing provides long term, safe, self-contained, affordable accommodation.

15. Housing First/Supportive Housing provides long term housing and support, in recognition that people require time, stability and support to address personal issues.

16. Housing First/Supportive Housing includes on-site supports and access to a broader range of support services.

17. Housing First/Supportive Housing requires 24 hour staffing in medium-high density properties.

18. The critical elements for a Housing First/Supportive Housing model in Melbourne are:

   18.1. on-site support using assertive engagement;
   18.2. quality, affordable, long term housing;
   18.3. security;
   18.4. community connectedness;
   18.5. employment;
18.6. high level leadership in Victoria is required to ensure that the Housing First/Supportive Housing approach is given the profile and support it needs to become an effective approach in reducing homelessness in Melbourne; and

18.7. supportive Housing in the Melbourne Context – Indicative Costs.

19. There are three key types of costs likely to be associated with any supportive housing project:

19.1. building costs - capital costs for the purchase and/or redevelopment of housing units and recurrent costs for tenancy and property management functions;

19.2. establishment costs - for the development of a new premises/service; and

19.3. support costs - recurrent annual costs for the provision of management and support services.

20. The City of Melbourne is committed to addressing homelessness as articulated in the City of Melbourne Homelessness Framework and Action Plan 2007-2009. The City of Melbourne’s work on supportive housing should align with its commitments in the Action Plan and should be set in the broader context of addressing homelessness in Melbourne, including State and Federal Government policy agendas.

21. Supportive housing is a ground breaking new strategy to end homelessness. It should be complemented by a range of other strategies to effectively tackle homelessness in Melbourne including those listed below.

22. Strategies to end homelessness in Melbourne should include:

22.1. supportive housing within a Housing First framework targeted at people experiencing chronic homelessness;

22.2. strong prevention measures to address the causes of homelessness and prevent people from becoming homeless;

22.3. increase in the number of assertive outreach workers across the City area using a Housing First approach;

22.4. strengthening the existing service system through adequate resourcing and improved service co ordination; and

22.5. improved data collection and measurement of homelessness in Melbourne, including primary homelessness to establish a benchmark and collect ongoing evidence of service system outcomes.

23. The City of Melbourne has a critical role in working with the State Government and the service sector to advocate for and implement the above strategies to end homelessness in Melbourne.

24. The City of Melbourne will utilise Stage Three of the Homelessness Research Project to develop and implement a street count for the City of Melbourne in 2008 to establish a benchmark of the number of people sleeping rough in the City area. The 2008 street count will be developed in conjunction with critical stakeholders to ensure strong geographic coverage and to draw on the knowledge of those working with people sleeping rough. The methodology used for the 2008 street count can be used to conduct annual or twice yearly street counts to continue to measure the effectiveness of programs to address chronic homelessness such as supportive housing and related strategies.
City of Melbourne Homelessness Research

25. Funds were allocated from the 2006/2007 budget to complete Stage One of the Homelessness research project by June 2007.

26. Community Safety and Wellbeing Branch has funds to complete Stages Two and Three of the Homelessness Research project within the 2007/2008 budget year.

Objectives of Stage One of the HRP

27. The specific local homelessness profile for Melbourne, identifying the needs and aspirations of people who are homeless in Melbourne and an analysis of service system capacity and gaps.

Objectives of Stage Two of the HRP

28. Development and costs (operational and capital) of alternative service models to meet identified needs.

29. Cost estimates for clients and the community in not providing improved models; the exercise illustrates the differences between managing homelessness and solving homelessness with the Housing First model.

30. Support system (tenancy, health, drug/alcohol, mental health, employment etc.) analysis and requirements.

Objectives Stage Three of the HRP

31. Review and assess the most effective models and approaches for monitoring the level of homelessness within the City of Melbourne.

32. Refine and establish the preferred methodology to undertake the first street count.

33. Organise and undertake the first ever street count in Melbourne, to be completed by June 2008.

34. Determine the anticipated local homelessness profile over the next five years.

Time Frame

35. Stage One of the HRP was completed in the 2006/2007 budget year. Funds have been allocated in the 2007/08 budget year for Stages Two and Three of the research project.

36. The findings of Stage One and Stage Two of the Homelessness Research Project provide robust evidence for development of focussed responses and alternative approaches to create sustainable pathways out of homelessness.

37. The City of Melbourne Homelessness Research project has been undertaken at a critical time in the life cycle of Melbourne as a city and a social period when models to address homelessness appear to be achieving success elsewhere. The CommonGround/Housing First/Supported Housing model of supported accommodation originated in New York with Roseanne Haggerty and has recently been taken up by the City of Adelaide in partnership with the South Australian Government.

38. The Victorian Government has also embarked on an evaluation of the Supported Housing model for implementation in inner Melbourne. They have selected Home Ground to develop the supported services model and are actively considering appropriate sites in the inner urban area. City of Melbourne executives and officers continue to meet with Department of Human Services Office of Housing staff to ensure that all opportunities for positive outcomes and potential partnerships are discussed.
Relation to Council Policy

Homelessness Framework 2007-2009


40. Council’s vision as articulated in the Homelessness Framework 2007 -2009 states:

‘Melbourne City Council has an active role in responding to the needs of people experiencing homelessness or at risk of homelessness. We are committed to building sustainable pathways out of homelessness by supporting individuals, developing robust collaborative partnerships and building strong inclusive communities.’

41. Key principles of the Framework are Council’s role and responsibilities, Melbourne’s role as a capital city, ensuring a human rights based approach and responding to diversity.

42. City of Melbourne Council Plan 2005 - 2009 establishes the Council vision for an Inclusive and Engaging City and identifies management of the City’s local neighbourhoods to improve liveability and diversity. The plan states An Inclusive City welcomes and enables all people to participate fully in City Life. A diverse population, mixed housing, support services, social inclusion and liveability are important elements of this theme. Strategic direction 3.2.04 states:

“Work with government and other relevant agencies to reduce and manage complex social issues in an equitable and humane manner, specifically targeting those who are marginalised and disadvantaged.”

Social and Affordable Housing Framework 2006 -2009

43. The Homelessness Framework 2007 - 2009 has been developed as a companion document to the Social and Affordable Housing Framework 2006 - 2009 which was endorsed by Council in November 2006. It provides the basis and direction for strategies and initiatives to increase the availability of social and affordable housing in Melbourne. In addition, Council’s link to Melbourne Affordable Housing, a registered housing association, provides a significant opportunity to achieve an increase in affordable housing within the City of Melbourne over the next three years.

Inner Regional Housing Statement

44. The Inner Regional Housing Statement (IRHS) 2005, developed as a response to Melbourne 2030, sets out a strategic planning framework to ensure sustainable housing growth across Melbourne. The Inner Regional Housing Working Group comprises Councillor and Officer Representatives from the Cities of Melbourne, Stonnington, Yarra and Port Phillip. The Inner Regional Housing Statement was endorsed by the City of Melbourne in February 2006. An implementation plan has been developed which includes a number of actions related to social and affordable housing.

Melbourne Affordable Housing

45. Melbourne Affordable Housing (“MAH”) is a not for profit registered housing association, developer, owner and manager of affordable, long term rental housing. MAH was established in 2004 following a merger between the Inner City Social Housing Trust and Ecumenical Housing. The City of Melbourne contributed $1 million to develop the Inner City Social Housing Trust in 2001 which operates as a trust fund under MAH. MAH currently manages over 270 units (approx) with several new proposals ready for development. The City of Melbourne is represented by the Chair of the Community Services Committee on the MAH board. This support influences a variety of programs designed to assist individuals and build pathways out of homelessness.
Consultation

46. As part of the Homelessness Research Project Stage Two consultations, discussions and individual interviews were undertaken with a number of key strategic partners and service support agencies.

47. In addition Council’s consultants had access to the draft business case and implementation plans of HomeGround, the service provider selected by the Department of Human Services to develop the supported housing model for delivery in Melbourne.

Government Relations

48. Department of Human Services, Office of Housing Staff from North and West Regional Office, the Housing Support Services Branch and the Service System Development group participated with City of Melbourne staff to monitor and review aspects of the research project along with the Chief Executive Officer of the Council to Homeless Persons. The City of Melbourne greatly values and acknowledges their involvement.

49. The state government is the primary driver for implementation of a Supported Housing model in Melbourne and Victoria, with a significant budget in 2007-2008 which could be the source of funding for capital and other costs. Meetings have taken place between Department of Human Services, Office of Housing staff and Community Safety and Wellbeing branch staff as the system has been discussed and developed. A formal partnership arrangement would be required to set out the nature and extent of a financial partnership.

50. City of Melbourne cooperated with DHS Office of Housing and Minister Wynne’s office to co-host and co-fund a visit by Roseanne Haggerty in November 2007. Ms Haggerty briefed state government sector managers, Councillors and City of Melbourne Executives and Officers, as well as service sectors organisations on the Supported Housing model.

Finance

51. An amount of $50,000 for Stage One of the Homelessness Research project was expended in the 2006/2007 budget year. Funding of $50,000 for each of Stage Two and Three of the research has been allocated in the 2007/08 budget.

Legal

52. The recommendations made in this report are within the power and functions of Council.

Sustainability

53. The Homelessness Framework 2007 - 2009, including the vision, principles and proposed strategies will make a significant contribution to the social and economic sustainability of the City. The development of initiatives to address the issue of homelessness contributes directly to achieving social equity, builds sustainable communities and has an indirect impact on ensuring economic prosperity in the city. The Homelessness Research Project Stage One and Two provides a sound basis for development of initiatives and activities to address the issue of creating sustainable pathways out of homelessness.

Comments

54. Stage Two of the Homeless Research Project (HRP) addresses the issues of service system model development, analysis of support system requirements, costing of alternative approaches and potential roles for Council in supporting implementation of the Housing First/ Supportive Housing Model.
55. The Stage Two findings of the HRP include recommendations for potential Council roles in the development and implementation of Supportive Housing in Melbourne. Council can choose to add value to the development and implementation of a Supportive Housing Model in Melbourne by adopting either one of the following positions:

55.1. Leadership Role; or

55.2. Contributor Role.

56. The choice of role for Council will depend on:

56.1. resources contributed to Supportive Housing projects from all sources;

56.2. the amount of time staff required; and

56.3. judgement by Council about participation in a partnership for the implementation of the Supportive Housing model as one means of reducing homelessness in the City of Melbourne.

Background

57. The Homelessness Framework 2007 - 2009 was endorsed by the Community Services Committee in February 2007. The Committee resolution endorsing the Homelessness Framework included the following request for immediate research to be undertaken:

“Council allocate $50,000 from the Budget to resource the “Homelessness Framework 2007-2009" for the months of February to June 2007, specifically for the engagement of a Research Officer, and that funding for the Homelessness Framework for the Budget year 2007/2008 be a priority in Budget discussions; a report on the specific local homelessness profile for Melbourne, both now and as projected over the next five years; an analysis of gaps in service, and recommendations for development of models to meet the needs, to be presented to the Community Services Committee in September.”

58. The request for research to be undertaken immediately has proved valuable as it has aligned with the broader interests of State Government and other groups interested in developing improved approaches to better address the needs of people who are homeless, and developing sustainable pathways out of homelessness.
Homelessness

Research Project

Stage 2 Final Report
Executive Summary

City of Melbourne

December 2007
Executive Summary
The capital city of Melbourne acts as a magnet drawing people from all walks of life from all over Melbourne, Victoria and interstate. This includes attracting people with a range of complex needs, often after running out of options in their local community. Therefore the concentration and demographic profile of people with complex needs with a long history of homelessness in the inner city requires a specialised approach to policy and service provision in the inner city.

The experience of homelessness in the City of Melbourne is diverse and varied as demonstrated in the Homelessness Research Project (HRP) Stage 1 research. Addressing this variety of need and experience is one of the greatest challenges in creating sustainable pathways out of homelessness, particularly within a capital city environment. This calls for an individualised approach that addresses the immediate and long term housing and support needs of people who have been homeless for long periods of time.

There has been a strong national interest and momentum towards developing Housing First/Supportive Housing models in Australia, commenced by the South Australian Government through Common Ground Adelaide. This momentum together with the findings from HRP 1 have led City of Melbourne to research these models further to assess how City of Melbourne can most effectively contribute to its implementation in Melbourne. The key aims of this research (Stage 2 of the HRP) as stated in the City of Melbourne consultancy brief are to:

- identify trends in the homeless population and likely projections in City of Melbourne to 2012;
- identify key elements and costs for successful implementation of the CommonGround/Housing First/Supportive Housing model and recommend a preferred model/s including operational and capital requirements and costings; and
- identify the key role, strategic partners and indicative costs of Council participation in implementing the CommonGround/Housing First/Supportive Housing model in Melbourne to create sustainable pathways out of homelessness.

This report presents the findings of the HRP 2 and includes:

- an explanation of the Housing First and Supportive Housing concepts and a brief discussion of the difference between the two concepts;
- an overview of some examples of Housing First models and Supportive housing models to assist with explaining the variety of models available including their difference and similarities;
- a review of literature on the costs of homelessness with a review of various Australian and international studies on this topic. This section also presents four case studies from HRP 1 in an effort to examine the potential comparative costs to the service system in providing or not providing a Housing First/Supportive housing model for these cases;
- the issues around implementing a Housing First/Supportive Housing approach in the Melbourne context including an examination of the future trends in homelessness in the City of Melbourne to 2012 and discussion of concerns raised in the consultations about this model in the local context;
- the principles and elements of a Supportive Housing Model in the local context as well as an examination of the partnerships required to implement such an approach in Melbourne;
- conclusions and reflections on the HRP research process to date and for Stage 3 of the HRP; and
• the recommended role for Council in supporting the implementation of a Supportive Housing approach in the City of Melbourne.

**Housing First**

‘Housing First’ is an approach to addressing chronic homelessness for individuals and families that encompasses a range of sustainable responses. The key principle of ‘Housing First’ is the provision of long term stable housing as a first step, complemented by the coordinated provision of services needed by each individual/family to sustain that housing and manage their often complex needs. Importantly the housing is not contingent on people accepting or complying with support services or being drug free. Compliance with residential tenancy laws are the only requirement.

The Housing First approach is different to the major homelessness responses in Victoria which typically use a ‘pathways’ approach, starting with a crisis response (with or without accommodation) through to transitional responses and then long term housing. While support services are theoretically linked to these various housing options, in reality support is often not provided due to various constraints (including limited funding to meet the overwhelming demand). However where support is offered, housing is often contingent on the client’s acceptance of support services as part of a case management approach.

With a Housing First approach, access to long term housing is made as simple as possible with minimal barriers in recognition of the complex needs of this target group. Supports are provided based on individual needs and may be long term if required. Residents take up supports as they are engaged through assertive engagement processes and when they are ready. The permanent housing gives them the stability to address other issues which contribute and exacerbate their homelessness. While the upfront costs of providing access to permanent housing may be greater, the Housing First approach has been shown to reduce the personal and financial costs associated with long term homelessness and repeat episodes of homelessness.

**Supportive Housing**

Supportive Housing provides stable and affordable housing with access to flexible and individualised support services which may be provided. There are a number of different supportive housing models which vary according to target group and location. It is important to note that while the Housing First philosophy underpins many supportive housing ventures, not all supportive housing follows a Housing First model, and not all Housing First approaches use supportive housing.

Some supportive housing may be contingent on acceptance of support services or certain conditions such as drug and alcohol free housing or psychiatric disability housing. Supportive housing may be provided to particular target groups such as people with mental illness, those with HIV/AIDS or older people. Supports may be provided through on-site services, outreach to supportive housing, or traditional support service models.

**Housing First and Supporting Housing Case Studies**

In preparing this report, the Research Team reviewed a range of notable (and lesser known) projects based on the Housing First approach, and using different variations of the supportive housing model. Four case studies are from North America and eight are from Australia. The case studies examined are:

The common elements across the case studies were:

- residents had been chronically homeless or facing a range of ongoing problems
- the target group is generally single people, accommodated with multi-unit facilities not suitable for family groups
- supported residents are generally unable to maintain housing without support services
- partnerships involving a range of different organisations
- focus on maximising independence and providing stable housing as a pathway out of homelessness
- assistance to address barriers to specialist and generalist services
- types of support services generally consistent across housing types.

Variations included:

- size of properties, from small residential scale buildings to large high-rise
- tenant mix, with some providing a 50/50 mix of previously homeless and other tenants while others were 100% focused on supported client group
- target group varies across projects
- the scale and scope of on-site support varies considerably

This demonstrates that there is a wide range of housing first and supportive housing models to learn from, providing a multitude of options for any new developments in Melbourne to consider in establishing new models and facilities.

**The Costs of Not Addressing Homelessness**

The argument for investing in high quality, cost effective interventions to end homelessness – rather than just continuing to manage it – has been made successfully from various international studies. From a cost recovery model, to providing evidence that providing supportive housing results in a net saving of 30 per cent, there are a wide range of evaluations demonstrating both the economic and social benefit of providing long term solutions to people’s housing needs. The benefits appear to be greatest for those who are chronically homeless, most typically living in poverty and dealing with mental health and/or substance abuse issues. However there is still a strong case for providing long term solutions to those who are homeless for other reasons and ensuring that they don’t spiral into chronic homelessness over time.

**Supportive Housing in the Melbourne Context - Demand**

An examination of the data available on homelessness for the City of Melbourne and anticipated trends in related areas such as housing affordability underpin the following projections of homelessness in the City of Melbourne by category of homelessness.
The estimated current demand for supportive housing in the City of Melbourne for each category of homelessness is as follows:

<table>
<thead>
<tr>
<th>Category of Homelessness</th>
<th>Required Supportive Housing Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 – Sleeping rough</td>
<td>150</td>
</tr>
<tr>
<td>2 – Staying with family/friends</td>
<td>50</td>
</tr>
<tr>
<td>3 – Rooming/boarding houses</td>
<td>300-400</td>
</tr>
<tr>
<td>4 – In SAAP/THM accomm.</td>
<td>50</td>
</tr>
</tbody>
</table>

**Supportive Housing in the Melbourne Context - Concerns**

A number of concerns were raised during the consultation process for HRP Stage 2. These are summarised as:

- Understanding of the model – lack of common understanding of the concepts of housing first and supportive housing and the principles underpinning these concepts
- Appropriateness of the models for the Melbourne context
- Consumer Consultation – gaining input from consumers into the development of supportive housing models for Melbourne
- Community Consultation – gaining input from the community and service sector into the development of supportive housing models for Melbourne
- Tenant mix – questioned mixing of high needs tenants and low income tenants
- Availability of support services – the necessity of including support for the model to be effective
- Limited resources – where will resources come from in an environment which is already too stretched to cope with demand?
- Constraints on service innovation resulting from funding and service models.

**Supportive Housing in the Melbourne Context – Principles and Elements**

**Housing First/Supportive Housing in Melbourne – Principles**

1. Housing is not contingent on acceptance of support. Minimal barriers to housing and support services is a requirement to ensuring the people with the most complex and long term needs who cannot access other services and housing access Housing First.
2. **Housing First/Supportive Housing** is targeted at individuals with complex and multiple needs who have been homeless for over 12 months. This is a key gap in the existing homelessness service system which particularly affects the City of Melbourne.

3. **Housing First/Supportive Housing** provides long term safe self-contained affordable accommodation, preferably set at 30% of income not including food and utilities.

4. **Housing First/Supportive Housing** is long term housing and support in recognition that people require time, personal space and support to address their personal issues and become self-sufficient. Some people may require a lifelong Housing First program.

5. **Housing First/Supportive Housing** includes on-site supports for residents and provides access to a broader range of support services in the community for those willing and ready to use them. Housing First workers (both on-site and outreach) will use an assertive engagement model to build rapport with the target group.

6. 24 hour staffing of **Housing First/Supportive Housing** medium-high density properties is required. This may be in the form of on-site support staff or security/concierge staffing.

The critical elements for a Housing First/Supportive Housing in Melbourne are:

- On-site support using assertive engagement
- Quality, affordable, long term housing
- Security
- Community connectedness
- Employment

High level leadership in Victoria is required to ensure that the Housing First/Supportive Housing approach is given the profile and support it needs to become an effective approach in reducing homelessness in Melbourne.

**Supportive Housing in the Melbourne Context – Indicative Costs**

There are three key types of costs likely to be associated with any supportive housing project:

- Building costs - capital costs for the purchase and/or redevelopment of housing units and recurrent costs for tenancy and property management functions;
- Support costs - recurrent costs for the provision of management and support services;
- Establishment costs - for the development of a new premises/service.

The scale of costs clearly depends on a range of factors including:

- the size of the development (number of units and number of non-residential spaces required);
- the location of the development (the closer to the CBD generally the greater the cost);
• the quality of the fixtures and fittings used (supportive housing units are likely be of similar or higher quality than contemporary public housing dwellings);
• the level of support services and amenities offered on-site;
• the mix of tenants (this will affect the operating costs and the amount of rental income generated, with a higher proportion of high-need tenants increasing the support services required and reducing the amount of rental income);

**Conclusion**

The City of Melbourne is already committed to addressing homelessness as articulated in the *City of Melbourne Homelessness Framework and Action Plan 2007-2009*. The City of Melbourne’s work on supportive housing should align with its commitments in the Action Plan and should be set in the broader context of addressing homelessness in Melbourne, including State and Federal Government policy agendas. Supportive housing is one strategy to end homelessness and must be complemented by a range of other strategies to effectively tackle homelessness in Melbourne including those listed below.

### Strategies to End Homelessness in Melbourne

1. Supportive housing within a Housing First framework targeted at people experiencing chronic homelessness
2. Strong prevention measures to address the causes of homelessness and prevent people from becoming homeless initially
3. Increase the number of assertive outreach workers across the City area using a Housing First approach
4. Strengthen the existing service system through adequate resourcing and improved service coordination
5. Improved data collection and measurement of homelessness in Melbourne, including primary homelessness to firstly establish a benchmark and then to collect evidence of service system outcomes.

The City of Melbourne has a critical role in working with the State Government and the service sector to advocate for and implement the above strategies to end homelessness in Melbourne.

Supportive Housing within a Housing First framework appears to provide highly effective outcomes for people experiencing homelessness, particularly those who have been chronically (or long term) homeless. The Research Team recommend that any supportive housing model developed in the Melbourne context should use a Housing First approach to ensure access for those people with the complex needs who are currently falling through the cracks of the existing service system. An ideal model of Housing First in Melbourne would provide high quality, stable, safe and affordable long term accommodation for people who have experienced chronic homelessness together with a broad range of on and off-site support services to support tenants to maintain their housing and address other personal issues. Any supportive housing model supported by Council should incorporate the principles and elements described in this report.

The stability offered by safe, long term affordable housing provides a solid base from which to address other personal issues and to achieve their life goals and aspirations. This together
with the cost effectiveness of such models in the longer term points to the logical involvement of the City in Melbourne by taking either a leadership or a contributor role in supporting the development and implementation of supportive housing in the City in Melbourne.

The City of Melbourne can utilise Stage 3 of the Homelessness Research Project to develop and implement a street count for the City of Melbourne in 2008 to establish a benchmark of the number of people sleeping rough in the City area. The 2008 street count will be developed in conjunction with critical stakeholders to ensure strong geographic coverage and to draw on the knowledge of those working with people sleeping rough. The methodology used for the 2008 street count should be used to conduct annual or twice yearly street counts to continue to measure the effectiveness of programs to address chronic homelessness such as supportive housing and related strategies.

Recommendations for Council

The Council’s involvement in Housing First/Supportive Housing should focus on adding value to such projects in the City of Melbourne (and in neighbouring LGAs) to maximise the effectiveness of such projects in meeting the needs of people experiencing chronic homelessness in the City of Melbourne. This report makes a number of recommendations regarding key Council’s roles in the development and implementation of supportive housing in Melbourne. Council can choose to add value to the development and implementation of a Supportive Housing Model in Melbourne by adopting either one of the following positions:

1. Leadership Role
2. Contributor Role

The choice of role for Council will depend on:
- resources contributed to Supportive Housing projects;
- the amount of time staff can contribute; and
- the level of commitment and interest by Council in using the Supportive Housing model as one means of reducing homelessness in the City of Melbourne.

Any Supportive Housing model based in the City of Melbourne would benefit greatly from Council’s involvement. The more resources, staff time and political commitment given to Supportive Housing projects, the greater Council’s role will be. The recommended roles outlined below will differ in emphasis depending on whether Council sees itself as leader or contributor in the development and implementation of supportive housing in Melbourne. All of the recommended roles can be provided as either a leader or contributor. The recommended roles have been selected based on how the City of Melbourne can have the greatest impact for its contribution to Supportive Housing. Again this will depend on whether Council sees itself as a leader or contributor to Supportive Housing and the level of resources contributed.

Recommendation 1
That Council contract one full time staff position for two years to manage Council’s role in the implementation of supportive housing in the City of Melbourne.

Estimated Cost: $80,000 per annum including on-costs

Recommendation 2:
That the Supportive Housing staff position take responsibility for the implementation of the recommendations of this report.
Recommendation 3:
That Council contribute financially to the capital costs of a supportive housing demonstration project in the City of Melbourne that adheres to the principles and elements of supportive housing as described in this report.

As a Leader the City of Melbourne would contribute 10-20% of the capital costs of the supportive housing demonstration project.

*Estimated cost: Based on $20 million estimated total capital costs –
10% = $2 million
20% = $4 million*

As a Contributor the City of Melbourne would contribute 5-10% of capital costs of a supportive housing demonstration project.

*Estimated cost: Based on $20 million estimated total capital costs –
5% = $1 million
10% = $2 million*

Recommendation 4:
That Council support and commence implementation of planning mechanisms to promote affordable housing with an emphasis on applying these tools to foster the development of supportive housing in the City of Melbourne.

*Estimated cost: nil*

*(There will be nil additional cost to Council’s existing commitments to the Inner Region Affordable Housing Initiative)*

Recommendation 5:
That Council publish and distribute an edited version of this report for education and information purposes to Council staff and Councillors, homelessness and related service staff and managers, potential financial contributors and the general public.

*Estimated cost: $5,000*

Recommendation 6:
That Council work with key partners to develop and implement a community relations strategy for supportive housing in the City of Melbourne.

*Estimated cost: $50,000 (for materials)*

Recommendation 7:
That Council participate in State Government advisory committees on supportive housing in Melbourne.

*Estimated cost: nil additional cost (staff time involved)*

Recommendation 8:
That Council fund one full time EFT for case management in the supportive housing demonstration project with a view to extending this funding contribution to other supportive housing projects in the City of Melbourne as they are established.

*Estimated cost: $80,000 per annum (cost per 1 full time EFT per project)*

Recommendation 9:
That Council hold two public events aimed at promoting supportive housing to potential contributors in business and philanthropy.

*Estimated cost: $6,000*

Recommendation 10:
That Council conduct periodical site searches for potential supportive housing sites in the City of Melbourne on behalf of the supportive housing partnership.

*Estimated cost: nil (staff time involved)*
Recommendation 11: That Council develop a Supportive Housing Evaluation Framework, based on the core principles and elements in this report to be used in all supportive housing projects in the City of Melbourne.

Estimated cost: $20,000

Recommendation 12: That Council establish mechanisms and pursue funding sources for a minimum of one homeless street count per year, based on the planned HRP 3 street count for 2008.

Estimated cost: nil (staff time involved)

Recommendation 13: That Council develop proposals to government and non-government bodies for adequate funding for regular street homelessness counts in Melbourne and for qualitative research to complement the information gathered in the street counts.

Estimated cost: nil (staff time involved)

Recommendation 14: That Council develop a funding model for social enterprises that meet the needs of people experiencing homelessness in partnership with the Melbourne business and philanthropic community (including the Lord Mayor’s Charitable Fund) to meet the needs of people experiencing chronic homelessness including supportive housing residents.

Estimated cost: nil (staff time required)

Recommendation 15: That Council explore existing social enterprise models and examine how they may be extended or adapted to residents in supportive housing, specifically, and to people experiencing chronic homelessness in the city of Melbourne more generally.

Estimated cost: $20,000

(for Homelessness Social Enterprise research project)
Funding of $50,000 for each of Stage Two and Three of the research has been allocated in the 2007/08 budget.

The recommendation to include Stage Two of the Homelessness Research Project, included in the Executive Summary of Attachment 1, to the 2008/09 budget process would require Council to consider including an additional 2 new full time positions estimated at $160,000 plus on-costs, additional capital expenditure of up to $4 million and recurrent operating costs of $101,000.

The proposed expenditure is not included in Council’s 4 year financial plan and would require additional revenue to fund such a commitment.

Joe Groher
Manager Financial Services
LEGAL ATTACHMENT

THE HOMELESSNESS RESEARCH PROJECT – STAGE TWO

No direct legal issues arise from this report.

Section 3C(1) of the Local Government Act 1989 ("the Act") provides that:

“The primary objective of a Council is to endeavour to achieve the best outcomes for the local community having regard to the long term and cumulative effects of decisions.”

Further, section 3C(2) of the Act sets out that in seeking to achieve its primary objective, the Council must have regard to facilitating objectives which include:

“(c) to improve the overall quality of life of people in the local community;”

The subject matter of the report and the recommendation are within the functions of the Council.

Kim Wood
Manager Legal Services