

The Community Can Make Key Worker Housing Affordable.

Who can forget that moment in *Jaws* when the police chief staggers backwards saying, “we’re going to need a bigger boat”?

It felt a bit like that during last month’s second online Lorne community meeting to discuss affordable housing solutions. At the first meeting in June, we heard from the Lorne Business and Traders Association about seasonal worker accommodation. We heard about an affordable housing project in Aireys Inlet. Then Louise Crabtree-Hayes, from Western Sydney University explained about Community Lands Trusts (CLTs). They can make houses affordable for rent or purchase. CLTs can be established as charities or not. Non charity CLTs can be set up so that eligible families can afford to buy in and make a capital gain when they leave. The recent Committee for Lorne (CfL) report on *Accommodating Lorne’s Future* recommended that we have a CLT here. The trouble was, Louise’s advice was that no one had tried it in Australia yet. That is, until a real estate agent and property developer in Qld, Andrew Paul started his work 5 years ago. He was our guest speaker.

He faced hurdles. Back in 2018 his local council did not want to donate land. Neither did the state, because Australian evidence of proof-of-concept was lacking. Local landlords who were renting out properties illegally (without meeting council standards) trolled the idea because they did not want competition. On top of that he was a newcomer, and as we learned, community support is make-or-break when it comes to fundraising for a CLT.

Andrew ended up having his first home built using private financing from committed people. This is not what he would recommend. But it would be wrong to think it was “5 years work for just one house”. Because now Andrew has the financial, legal, and social infrastructure in place for scale-up and to diversify his own funding. Andrew has set up a charity to support affordable housing for a low-income group. He’s also established a different type of entity (also a not-for-profit) which will allow him to expand his focus to higher income groups for whom nonetheless, local homes may be unaffordable.

So, what have we learned?

It turns out that we are not talking about trusts, the way the word is used in Australia. And housing entities can be structured in different ways. But let’s not get diverted, right now, by what they are called.

Fifty percent of key and essential workers on the surf coast are in the state government defined income bracket that makes them eligible for affordable housing support. That means that local housing projects can be designed that would be eligible for financing via state and federal grants. That is what they are doing at Aireys Inlet, using council donated land. In Lorne, Peter Spring advised us that some scouting around for possible land parcels has started, with the idea being that the sale of one land parcel could, for example, raise the funds to pay for the building costs on a second local/state government owned land parcel. If Lorne targeted that income bracket, we could apply for public funding.

But fifty percent of key and essential workers on the surf coast have higher incomes. They would not be eligible to live in developments funded by social and affording housing grants. And besides, in Lorne, the median house price is \$2m. Where does leave us? Andrew's answer to this question was first to look for public land that can be donated. Yes, we are doing that. But he also spoke to means of "community support" that maybe none of us had been thinking about up until now.

You see, "community support" is not just a bunch of nice people saying how important housing is. We can donate to the CLT and get a tax deduction (if it has a certain tax status and serving a low income group). If it is set up to target the higher income people who are nonetheless locked out of the housing market, people in Lorne could invest in it and expect a return. Something like this would more likely be a whole-of-surf-coast thing so as to have enough turnover to generate regular income. In other words, we realised that the good people of Lorne could be of practical help. It was eye opening.

But is it pie-in-the-sky? Andrew had difficulty, in a small place as a newcomer, to get people to put their hands in their pockets. But look around Lorne, we are fortunate to have community-spirited people everywhere. They could make it happen, with stewardship and leadership. As it turns out, overseas where CLTs are more common, community investment is the key to success.

In high-priced inner-city Sydney, a not-for-profit enterprise called *Hope Housing* co-invests with key and essential workers in their property, significantly reducing the cost of funding for them. Together they share the investment and the profits. It creates affordability for workers and profitability for all parties. With *Hope Housing* there are no designated "affordable" houses. It is just a financing system. Houses or flats on the open market are chosen by the (eligible) worker to suit their needs.

These things are doable. Lucky for us in Lorne too we not only have architects, developers, and property owners to work on solutions (the usual way to solve housing problems). We have financiers, bankers, and lawyers. And networkers, communicators, and creators (looking at you Anna Mac!). We already give up our time for the hospital, the sporting teams, arts events, Lorne Care, the school, the Op Shop, the Historical Society, the Visitors Centre etc. Why would affordable housing for our workers be any less important?

Finally, we learned that a CLT does not have to rely on building new homes. They could buy existing ones. This makes things faster, and of course it saves trees and prevents loss of Lorne's precious landscape.

Cause for optimism

Councillors and council staff are already engaged. So, we don't get the sense that we will be left out in the cold like Andrew Paul was. Andrew himself is setting up a website to share nitty gritty details that will help other communities choose the best path for themselves.

We have put the video of both online meetings on the affordable housing page of the Friends of Lorne website, www.friendsoflorne.org.au along with an FAQ. The Cfl

encourages wide community conversation because different options and trade-offs require deliberation, and we need different solutions for different needs. Use the comments section to tell us your ideas. Help make beautiful Lorne liveable for all of us.

Penny Hawe,

Friends of Lorne

Friends of Lorne is an incorporated association of members (volunteers) working on planning and environment issues in Lorne in since 1966. We are an organisational member of the CfL.