

*Community Alliance Port Phillip and unChain Inc*

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**Re: New Residential Zones**

**Introduction**

In our previous submissions on the new residential zoning, CAPP and unChain have raised concerns about what constitutes a 'policy-neutral' translation of the existing housing policy and what impact the proposed zoning could have on housing affordability, housing choice and housing design.

We acknowledge the work of the officers in addressing these concerns in the latest report. The officers recommend a 2-stage process. Stage 1 involves more generous density limits in the Neighbourhood Residential Zones (NRZ), special provision for social housing and rezoning of individual properties. In Stage 2 there will be an investigation into additional sites and precincts for inclusion in the General Residential Zone (GRZ) and Residential Growth Zone (RGZ).

We continue to believe that a 'policy-neutral' translation of the COPP housing policy would use the GRZ as the 'default' zoning as this is similar to the existing Residential 1 zone. In areas close to major activity areas, the RGZ may be appropriate. In areas where heritage and neighbourhood character are important, the NRZ may be appropriate.

Councils have until 30 June 2014 to introduce the new zones via a planning scheme amendment. If not, the Minister for Planning will apply the GRZ until a local amendment is finalised. Therefore Council has the opportunity to develop a new zoning based on these principles. We believe it should do this. (This is Option 3)

However, if Council does not decide to adopt Option 3, we could support the officers' recommendation (Option 2) for a 2-stage process with certain amendments as detailed below.

### **Why option 3?**

Option 3 would enable Council to defer translation of the New Residential Zones until more work can be undertaken. This option would result in the Minister for Planning applying the General Residential Zone (GRZ) as a default across all residential land in the municipality. This option is preferred on the following basis:

- Council would have additional time to conduct rigorous future-oriented research and detailed analysis into the optimal zoning on a street-by-street basis and to present this information to the community for consideration and feedback. This approach has been productively pursued by the Melbourne City Council and (to some extent) by the City of Stonnington. Option 3 would enable the CoPP to investigate the application of the 'Melbourne Model' to Port Phillip and to formulate rigorous guiding principles for selecting suitable replacement zones. (The City of Melbourne has drafted a robust and transparent set of guiding principles used to select the new residential zones. This provides for a far more nuanced and future oriented approach than that currently being proposed by the CoPP.)
- The proposed application of the NRZ on an interim basis would provide for strict controls to be adopted as the norm with individual rules required for every exemption. Any exceptions would be likely to be highly contested and once an area was zoned NRZ, it would raise expectations that would be difficult for Council to change.
- In contrast, application of the GRZ on an interim basis would provide a platform for some measure of housing growth and innovation. It would also allow Council to apply documented discretionary controls – e.g. opportunities for incremental redevelopment on larger sites which may be consistent with the existing character of an area.
- Existing controls (such as heritage overlays, neighbourhood character overlays, design and development overlays, planning overlays) would still apply under the GRZ.

- Council officers have claimed that their proposed approach is ‘policy neutral’ but this claim is highly contestable. In comparison, planners at the City of Melbourne have proposed that extensive use of the GRZ be adopted as the more policy neutral position partly on the basis that the GRZ is most similar to the existing Residential Zone 1 (RZ1). Likewise the Victorian Government is proposing to apply the GRZ as the default residential zoning for any municipalities that do not meet the Government’s July 2014 deadline.
- A purpose of the NRZ is to limit housing growth and density. The State Government has encouraged Councils to take a balanced approach taking into account their broader responsibility to achieve reasonable housing growth, choice and diversity in their application of the zones. Potentially applying the NRZ to up to 80% of the municipality’s residential areas, resulting in an anticipated reduction in new dwellings by 74 per year (projected by Council through the use of the sliding density scale) will not support growth, choice or diversity.
- Likewise, quarantining growth to areas such as Fishermans Bend, St Kilda Activity Zone, St Kilda Road and to mixed-use zones may not support the desired choice and diversity and therefore requires further consideration and analysis including rigorous alignment against council policy.

## **Option 2: Suggested improvements to the 2-stage process**

The officers’ recommendation (Option 2) is for a 2 Stage process. Stage 1 involves some site-specific changes to the consultation draft, changes to the density requirements in the NRZ and a special provision for social housing. Stage 2 involves undertaking more substantive changes through a separate process. We can support this Option with these amendments to the officers’ recommended motion:

2.5 (add) ‘There should be no change in the definition of Housing Growth Areas in Amendment C113.’

2.7 for ‘Arterial or collectors roads with bus routes ...’ substitute ‘Areas serviced by arterial or collector roads with bus routes ...’

(new 2.8) The Stage 2 Process will also consider

- Whether the exemption for social housing is adequate
- Whether there should be an exemption for housing for the aged that is similar to the exemption for social housing
- Whether the density permitted in the NRZ should be changed
- Whether the height controls in any of the NRZ’s should be changed

- Whether the NRZ should be applied only to Heritage Overlay and Neighbourhood Character areas only
- Whether the Council's Housing Strategy should be reviewed before its present expiry date of 2017.

## **Discussion of the amendments to the 2 stage process**

### **2.5 (add) 'There should be no change in the definition of Housing Growth Areas in Amendment C113.'**

*There is a significant change proposed in the Housing Policy in the definition of Housing Growth areas (Clause 21.04.2). These reduce the importance of the Principal Public Transport Network in general and the bus routes in particular in determining where housing should be located.*

*This is in direct conflict with the Council's stated position that it 'intends to apply the new zones based on the existing Port Phillip Housing Policy'. It is also in direct conflict with the state metropolitan planning strategy. It is also in conflict with the proposed motion for the Stage 2 consultation to consider for inclusion in GRZ 'arterial or collector roads with bus routes'.*

*Plan Melbourne, the Melbourne Metropolitan Strategy, says that it is policy to 'support growing areas of the inner city by strengthening bus services to and around central Melbourne'. (Initiative 3.1.4). It says that it will 'examine options to progressively upgrade the inner-city bus network, with a focus on increased frequency and reliability, and improved travel times and connectivity.' The Chair of the Advisory Panel on the new metropolitan strategy, Professor Roz Hansen, has emphasised the importance of the bus network in Melbourne's transport future.*

*It is therefore submitted that there should be no change to the definition of Housing Growth Areas in Amendment C113. Any such significant change ought be done as part of a comprehensive review of the Housing Strategy.*

### **2.7 for 'Arterial or collectors roads with bus routes ...' substitute 'Areas serviced by arterial or collector roads with bus routes ...'**

*This amendment expands the potential coverage of the GRZ from just the roads to include the hinterland. This is a logical extension as the key concept is proximity to public transport. The concept of proximity to the Principle Public Transport Network (PPTN) should include trains, trams and buses.*

*This is in accord with the existing COPP Housing Strategy in (Clause 21.04.2) of the Planning Scheme. This defines 'Incremental Residential Growth Areas' as follows: 'there is justification for medium density infill*

*housing based on proximity to the PPTN'. This includes bus routes. These areas therefore are candidates for General Residential Zoning.*

**(new 2.8) The Stage 2 Process will also consider**

- **Whether the exemption for social housing is adequate**

*The concept of an exemption for social housing is supported. However there are issues with how this provision is drafted. Therefore it is appropriate for Stage 2 to consider whether these issues can be resolved.*

*Social housing is exempt where a single owner applies to develop the land for social housing. But the way it often works is that the Housing providers are not the developers, instead they select from up and running proposals that are offered. This is what happened at Blessington/Irymple corner (26 units). Under the new proposal the Housing Associations would first need to become the developer to get the housing. This will no doubt be slower and more expensive than before. This change also rules out new housing under programs such as the National Rental Assistance Scheme. Also the density requirements may still be too restrictive (1 unit per 50sqm). For example the 31 units at Woodstock St could not be built under the proposed density requirements.*

**(new 2.8) The Stage 2 Process will also consider**

- **Whether there should be an exemption for housing for the aged that is similar to the exemption for social housing**

*It would be in accord with the Council's Housing Policy and the state government's metropolitan planning strategy to consider an exemption for housing for the aged in Stage 2.*

*The COPP Housing Policy states: 'As a part of housing growth, provision must be made for a variety of dwellings to target the needs of diverse households, lifestyles, income levels and lifecycle stages'. The metropolitan planning strategy says 'not only will our metropolitan population grow over coming decades, but it will change in terms of structure. The demand for new housing will also be influenced by an ageing population and a desire for people to downsize and age in place.'*

**(new 2.8) The Stage 2 Process will also consider**

- **Whether the density permitted in the NRZ should be changed**

*The density limitations in the NRZ are the single biggest concern relating to housing affordability and housing choice. Therefore the relaxation of the density rules (Option B) from the Consultation version (Option A) is supported. However it is submitted that this is not by enough to make a significant difference. Housing in Port Phillip will be restricted to larger (more expensive) options.*

*Therefore it is appropriate for Stage 2 to consider more generous density requirement such as Option C. This would not create an 'as of right' entitlement. There is an additional new requirement in the Planning Scheme to require a proposal in a NRZ to demonstrate the density is 'generally consistent with the site context and existing/preferred character of the area'. (Amendment 113C Clause 21.05-2 7.5).*

**(new 2.8) The Stage 2 Process will also consider**

- **Whether the height controls in any of the NRZ's should be changed**

*The officers' Options Paper recommended that there not be any change from the Consultation proposal regarding height limits in the NRZs. It raised two alternative options, Option B to expand specific locations for 3 storeys and Option C to allow 3 storeys across the NRZ.*

*It is appropriate for Stage 2 to allow Councillors and the community to consider the merits of more generous height limits such as Options B and C. Again this would not create an 'as of right' entitlement. Any proposal in a NRZ must demonstrate the height is 'generally consistent with the site context and existing/preferred character of the area'.*

*One possible concept is that mandatory height limits should be set higher in each NRZ to allow more flexibility to site-responsive design. A more restricted "standard" or "preferred" height could also be indicated for each area, setting a benchmark above which the onus is entirely on the applicant to demonstrate why any exception should be considered. The mandatory upper limit would place an absolute cap on any development. A 'mandatory' height limit cannot be reasonably imposed at a 'generally preferred' height -- it can fairly articulate only the outer limit, not the general ideal.*

**(new 2.8) The Stage 2 Process will also consider**

- **Whether the NRZ should be applied only to Heritage Overlay and Neighbourhood Character areas**

*The officers' Options Paper considered whether to reduce the extent of the NRZ. It recommended consideration in Stage 2 the replacement of the NRZ in specific locations such as main roads with bus routes. This is conditionally supported as discussed above.*

*There were two more significant options for limitation of the neighbourhood residential zoning. Option B is to retain the NRZ in Heritage Overlay areas and Neighbourhood Character areas only. Option C is to replace the NRZ with GRZ across the city.*

*Option B raises an important policy question for the elected Councillors. Should the NRZ zone be applied to areas solely on the ground that they are distant to shops? (i.e. they are close to buses or fixed rail and have insufficient heritage and neighbourhood characteristics to warrant protection by Overlays).*

*Option C also raises important policy questions. This involves a broad application of the GRZ across the municipality. It is submitted that this is the closest position to a 'policy neutral' application of the COPP Housing Policy. This would be similar to the position of the Melbourne City Council. Their report stated that 'none of the new residential zones are identical to the Residential 1 Zone. The purpose, land use permit triggers and other requirements within the General Residential Zone are however very similar to those of the Residential 1 Zone'. This seems also to be acknowledged in the COPP officers' report which says that 'a broad application of the GRZ across the municipality is not recommended (because) it would represent little change from the current zoning situation'. In other words this officers' report confirms that a broad application of the GRZ is the policy-neutral position.*

*The Stage 2 review should take into account the existing COPP Housing Policy in (Clause 21.04.2 of the Planning Scheme). This defines the 'Minimal Residential Growth Areas as 'established residential areas within a Heritage Overlay where new development will be minimised.' These areas should be zones Neighbourhood Residential Zones. Areas outside the heritage areas should be candidates for the General Residential Zone. Option C is the most accurate translation of the existing COPP Housing Policy.*

*It is therefore submitted that Stage 2 should allow Councillors to consider these important policy questions about the appropriate application of the NRZ.*

**(new 2.8) The Stage 2 Process will also consider**

- **Whether the Council's Housing Strategy should be reviewed before its present expiry date of 2017.**

*The Housing Strategy was adopted in 2007 with a ten-year time frame. Since then there have been two important developments, the new metropolitan planning strategy and the new zoning system. It is therefore appropriate for Stage 2 to consider whether a review of the Housing Strategy should be brought forward before 2017.*

Yours Sincerely

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