

Community Alliance Port Phillip and unChain Inc

Mayor and Councillors
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14 March 2014

Re: Neighbourhood Zones

Introduction

The state government's introduction of the biggest changes to planning zones in 30 years should enable Councils to identify the areas that are appropriate for more intensive development and those that are not.

The new system has three residential zones: General Residential Zone (GRZ), Neighbourhood Residential Zone (NRZ) and Residential Growth Zone (RGZ).

The Port Phillip Council has prepared a draft zoning. The Council is seeking community feedback by 14 March 2014.

We have significant concerns that the proposed zones are too restrictive. In particular we fear that there will be an adverse impact on housing affordability and housing choice. This is the inevitable outcome of the extensive use of the Neighbourhood Residential Zone.

We believe that the proposed zoning is in conflict with the Council's own housing policy and the state government's metropolitan planning strategy.

We therefore request the Council to ask its officers to prepare an alternative zoning based on the following principles:

- Council places a high priority on affordable housing, housing choice, good housing design and sustainable housing
- In determining the neighbourhood zones, Council recognises that we are a densely populated inner suburb with priorities and possibilities that are different from middle and outer suburbs
- Council recognises that the metropolitan planning strategy expects that in the metropolis as a whole, there be a minimum of 50% of residential land in Neighbourhood Residential Zone (NRZ)
- Council should recognise that it can be pro-active in housing issues, especially in using innovative, best practice approaches to in-fill housing.

- Not all areas covered by the existing heritage overlay need be in a NRZ. In some heritage areas there may be adequate heritage protection in a General Residential Zone (GRZ) through the continuing application of heritage overlays, design and development overlays and ResCode
- In determining the NRZ and the GRZ, Council will take into account proximity of all public transport, including trams, light rail and buses.
- Council policy to encourage housing close to shops means these areas are appropriate for GRZ or Residential Growth Zones or mixed use and commercial zones. Areas that are more distant should be GRZ or NRZ depending on heritage, access to public transport etc.
- The density requirements in NRZ should be generous in order to encourage affordable housing and housing choice within the NRZ.
- There should be a significant area of General Residential Zone. The GRZ has no density limitations and therefore encourages affordable housing and housing choice
- Council will consider Residential Growth Zones along appropriate main roads
- In its explanation of the Residential Zoning, Council will include an explanation of the possible residential developments in the commercial and mixed use zones including limits on high rise towers in Mixed Use Zones such as the Junction area.

City of Port Phillip Housing Policy

The COPP Housing Strategy is found in two documents, the Housing Strategy (2007) and its enactment in the Clause 21.04-1 of the Planning Scheme. Council's vision for housing in the municipality is:

"To direct residential growth to locations which offer the greatest access to shops, public transport and other services, and provide housing diversity by facilitating the development of affordable, accessible and suitable housing which meets the needs of all current and future residents, including the disadvantaged and those who are unable to adequately access the private housing market."

The 8 objectives of the Strategy are:

1. To provide opportunities for new residential development in designated locations which have the capacity for change, and which offer highest accessibility to shops, public transport, and services.
2. To encourage the provision of a diversity of dwelling types to meet the needs of all current and future residents of Port Phillip.
3. To ensure new residential development respects neighbourhood character and heritage values of established residential areas.
4. To expect environmentally sustainable residential development.
5. To support housing designs that are adaptable and accessible.
6. To promote a range of affordable housing models and projects applicable to public, community and private housing that address the housing needs of low to moderate income residents and contribute to social diversity.
7. To expand the supply, distribution and type of social (public and community) housing available for the benefit of current and future residents of Port Phillip.
8. To promote a co-ordinated response that addresses the needs of people experiencing homelessness.

It should be noted that the Housing Strategy was developed in 2007 with a 'use-by' date of 2017. Since 2007 there have been two important developments, the new metropolitan planning strategy and the new zoning system.

As shown below, we believe that the new zoning system presents internal conflicts within the housing policy and the need for the Council to determine priorities. These were issues that were not present in 2007 under the old zoning system. Applying the new zoning system is not a technical or administrative exercise. It is a first a political matter that should be

determined by the elected Councillors. Councillors should give officers some broad principles in applying the new zoning system to Port Phillip. The fundamental issue is what sort of a municipality do we want to live in.

The proposed NRZ in Port Phillip.

The Advisory Note from the Department of Planning and Community Development (July 2103) provided basic information about the new residential zones.

The NRZ is a highly restrictive zone that does not allow medium-density housing. However, some Councils, including Port Phillip, appear to be applying the highly restrictive NRZ to most of its residential land. In Port Phillip the proposed residential zones would apply to 80.1% of the municipality's residential land (with 14.8% in the GRZ, 1.2% in the RGZ and 4.5% in the mixed use zones).

The proposed NRZ would limit development to two dwellings on every lot smaller than 600 sq m with an 8m (two storey) height limit. A sliding scale allows some low-density apartment buildings (3 dwellings up to 799 sq m, 4 dwellings up to 999 sq m, 5 dwellings up to 1199 sq.m and 6 dwellings on sites that are 1,200 sq. m or more.

This means that medium density housing is locked out of 80% of Port Phillip's residential land.

The consultation draft of the new zoning in Port Phillip says that it 'intends to apply the new zones based on the existing Port Phillip Housing Policy'. However it can clearly be demonstrated that the proposed zoning does not simply 'apply the new zones based on the existing Port Phillip Housing Policy'. There are many aspects of the new zoning proposals that are in flagrant conflict with important elements of the COPP Housing Policy.

Best Practice in Planning

Council should recognise that it can be pro-active in housing issues, especially in in-fill housing. Council must preserve the opportunity to pursue site-by-site infill planning to identify sites where good medium-density and high-density housing is possible. Using fine-tuned discretionary controls, this potential exists even within established heritage areas. This will allow Council maximize its housing objectives.

A significant population increase could be accommodated by this fine-grained approach. This can best be achieved if there is a significant amount of our residential land that is zoned General Residential rather than the restrictive Neighbourhood Residential.

An early study has concluded: 'Glen Eira has been the first council to implement the reforms, zoning 78% of the LGA as NRZ and 2.2% as RGZ around major railway stations (City of Glen Eira 2013). If this is indicative of the zoning to be adopted by other LGAs, then it is difficult to see how a diversity of medium density infill models will be achieved. It is also difficult to understand how state-level infill targets will be met under the new zones when LGAs are administering the change in isolation, subject to local pressures and priorities. Finally, without other mechanisms addressing the viability of delivering medium and high density housing in these contexts, the zones may only serve to exacerbate the divergence of apartments and small informal developments'. (Lee-Anne Khor, Byron Meyer, Nigel Bertram, Shane Murray, Diego Ramirez-Lovering, 'Infill Design Opportunities')

Best-practice "in-fill planning" is the antithesis of both blanket mandatory controls and open-slather development. Council should refocus its planning efforts towards this alternative,

more innovative, site-responsive approach. At the very least, Council should not sign away its capacity to adopt this approach in the future. The blanket, mandatory controls of the NRZs will effectively rule it out.

Impact on Housing Affordability

The increasing cost of accommodation in our city is a major problem. The COPP Housing Policy says that 'future housing development must respond specifically to the need for more affordable housing'. The proposed over-use of the NRZ is in conflict with this important objective.

One aspect of housing affordability is the provision of public housing and social housing. Port Phillip has a proud record of providing social housing and this is an important part of the COPP Housing Policy. For example the Port Phillip Housing Association has 22 projects in Port Phillip which provide 634 dwellings (see Appendix 1). The PPHA has won many awards. We believe that most of these projects would not be permitted under the new zoning.

Another aspect of housing affordability is the ability of low and medium income people to rent or buy housing in Port Phillip. The Discussion Paper on the Melbourne Metropolitan Strategy (at p. 35) shows the change in rental affordability of a three bedroom house from 2002 to 2012. In 2002 Port Phillip was the most expensive area to rent (at about \$400 per week) compared to a municipal average of around \$210 per week. This continued in 2012 with the average rental in Port Phillip at \$750 compared to the municipal average of around \$330. The submission by the City of Port Phillip included a similar figure for the purchase of a median priced house. The threshold income required to buy a median priced home in Port Phillip in 2011 was \$269,000 (compared to \$135,000 for the whole of Melbourne). This meant that 86.5% of households could not afford to buy a house in Port Phillip (70% for the whole metropolis). Clearly there is a metropolitan-wide problem of affordable housing and it is particularly important in Port Phillip.

By applying the restrictive NRZ zone to over 80% of the residential land in Port Phillip, and therefore preventing medium density housing, the Council will have an adverse impact on housing affordability, whether private or public. It is submitted that should be a significant area of General Residential Zone. The GRZ has no density limitations and therefore allows affordable housing and housing choice.

This is also in accord with the new metropolitan planning strategy that says: 'As competition for housing increases, areas close to the city have become increasingly unaffordable for middle and low-income households wanting to buy or rent. In future, we will need to provide a better range and supply of affordable housing options close to the Central City and other major areas of employment'. (at p. 5)

Impact on Housing Choice

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 proposed over-use of the NRZ is in conflict with this objective.

As baby boomers seek to down-size and their children enter the housing market, demand for diverse forms of housing in these heavily restricted areas will continue to grow. However, the limited development opportunities available in Neighbourhood Zones will limit the

opportunity for housing diversity.

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. In a well-functioning market, The supply of housing should reflect shifts in the community's needs and preferences for housing, but there is evidence to suggest that this is not the case in our city'. To make housing choice available, Council should be looking to zone a significant amount of our residential land, General Residential Zone, rather than the restrictive NRZ.

Impact on Good Housing Design and Housing Sustainability

We believe that the proposed zoning will also have an adverse impact on good housing design and housing sustainability. This is not something that is consistent with the spirit of the Housing Policy.

We have suggested that this can be modelled by retrospectively assessing the impact of the proposed zoning on the winners (or finalists) of the Port Philip Design and Development Awards. These awards began in 1998 and recognise design excellence in architecture, sustainable development and urban art.

For example 19 Ruskin St Elwood won two awards in the 2011 Design and Development awards (for Best Sustainable Development and Best New Development 1-5 storeys). This project would be banned under the new zoning and yet it has delivered five environmentally sustainable townhouses with no loss of amenity to the surrounding area. It replaced a 99-year old weatherboard house in very poor condition that housed one adult and one child.

Another example is the 2010 award. The then mayor Frank O'Connor said: 'It was also great to see Michael McKenna's Pymont Social Housing project in Barkly St, St Kilda take home the best new development of 6 units or more, demonstrating the City of Port Phillip's on going support for social housing.' This project also would be prohibited under the new zoning.

We are confident that many of the winners of the Design and Development Awards would not be possible under the proposed zonings. It is a bizarre outcome that projects that were awarded prizes in recent years would now be prohibited. Clearly this is not just a continuation of the existing Council Housing policy.

Heritage Protection and Neighbourhood Character

Currently 64% of the residential land in Port Phillip is covered by heritage overlays. However the proposed NRZ covers over 80% of our residential land.

There is no apparent justification for extending the heritage protection from the existing 64% of residential land to over 80%. The extension to 80% can only be justified on other grounds, in particular access to shops and services and public transport.

Furthermore, not all areas covered by the existing heritage overlay need be in a NRZ. In some areas there may be adequate heritage protection in a General Residential Zone (GRZ) through the continuing application of heritage overlays, design and development overlays and ResCode

The Department's advisory note clearly envisaged that the NRZ zone would be applied only

in heritage areas and other sensitive areas affected by overlays. It said that the likely application of the NRZ was 'in areas where single dwellings prevail and change is not identified, such as areas of recognised neighbourhood character or environmental or landscape significance.'

It is therefore submitted that Council could indicate a broad target of a minimum of 50% of residential land in Neighbourhood Residential Zone (NRZ). This is in accord with Plan Melbourne which proposes in the short term that the low-growth 'Neighbourhood Residential Zone' be delivered 'across at least 50 per cent of Melbourne's residential-zoned land'. Council should also indicate that the NRZ zoning should be confined to the special sites and neighbourhoods as per the government's policy. It is possible that the NRZ in Port Phillip will ultimately be above or below the 50% figure.

Public Transport and the NRZ

The draft zoning says that the Council 'intends to apply the new zones based on the existing Port Phillip Housing Policy ... (which) will see the majority of new housing located areas closest to shops, services and public transport ...'

Vast swathes of Port Phillip, especially Elwood and East St Kilda, that are not presently covered by heritage overlays are included in the proposed NRZ. This is why the proposed NRZ covers over 80% of our residential land compared to 64% that is covered by heritage overlays. The reason for this extension is not heritage protection, it is access to public transport.

However in determining the areas of Port Phillip to be included in the restrictive NRZ, the draft zoning has only taken into account fixed rail, not light rail, trams and buses. In particular the draft zoning has not taken into account the extensive bus network. This is in direct conflict with the state metropolitan planning strategy.

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.

Port Phillip has many bus services. Many bus services link to the railways stations like Elsternwick or the St Kilda light rail station. These bus services include

- 216 Caroline Springs to Brighton Beach via Hotham St
- 219 Sunshine Park- Gardenvale via Hotham St
- 235/237/238 City to Fishermans Bend
- 246 Elsternwick to La Trobe University via St Kilda Junction
- 250 Garden City to La Trobe University via City
- 251 Garden City to Northland via City
- 253 Garden City to North Carlton via City
- 600 Southland Shopping Centre to St Kilda Light Rail Station
- 606 Elsternwick to Fishermans Bend
- 623 Glen Waverley to St Kilda via Mount Waverley, Chadstone, Carnegie
- 922 Southland Shopping Centre to St Kilda Light Rail Station
- 923 Southland Shopping Centre to St Kilda Light Rail Station

In addition there is the free Port Phillip Community bus. This connects Port Melbourne, St Kilda, Elwood, St Kilda West, St Kilda East, Ripponlea, South Melbourne, Middle Park, Albert Park, Garden City and Port Melbourne areas. These neighbourhoods are covered along two

routes, by buses continually looping throughout the day.

Port Phillip is public transport rich. It is submitted that Council should adopt the principle that In determining the NRZ and the GRZ, it will take into account proximity of all public transport, including trams, light rail and buses. This is consistent with the new metropolitan planning strategy. It is further submitted that here is little, if any, justification for extending the NRZ beyond heritage areas based on access to public transport. It is likely that the standard 400m public transport catchment covers most of Port Phillip.

It is appropriate to provide for high density development close to the rail stations, such as the Balaclava station. But it is also appropriate to provide for medium density development close to other public transport whether trams, light rail or buses.

Shops and Service and the NRZ

The Port Phillip Council says that it 'intends to apply the new zones based on the existing Port Phillip Housing Policy ... (which) will see the majority of new housing located areas closest to shops, services and public transport – whilst protecting the neighbourhood character of our established areas'.

Council policy to encourage housing close to shops means these areas are appropriate for GRZ or Residential Growth Zones or mixed use and commercial zones. For example it is appropriate to have the Residential Growth Zone at the rear of the Carlisle St shopping centre.

However this policy does not mean that areas that are more distant should be zoned NRZ with its prohibition on medium density housing. These areas can still be zoned GRZ (permitting medium density) or zoned NRZ if there are issues such as heritage, access to public transport etc.

It is fatuous to believe that the proposed zoning means that new housing for low and medium income individuals and families will be built near shopping areas. These areas will be too expensive for low and medium income earners. The proposed zoning will not drive new low and medium income earners to live close to the shops in Port Phillip, it will drive them out of the municipality altogether. This is wrong, wrong, wrong.

Density Requirements

The density requirements in NRZ pose a major problem. There are no density requirements in the GRZ.

We understand that under the new system NRZ must have density requirements but that Councils can propose more liberal or less liberal limitations.

The proposed NRZ in Port Phillip would limit development to two dwellings on every lot smaller than 600 sq m with an 8m (two storey) height limit. A sliding scale allows some low-density apartment buildings (3 dwellings up to 799 sq m, 4 dwellings up to 999 sq m, 5 dwellings up to 1199 sq.m and 6 dwellings on sites that are 1,200 sq. m or more. What is the logic in these requirements?

If a building has a certain volume, what does it matter if it contains 2 large luxury apartments or 4 smaller affordable apartments? The density limitations of the NRZ mean that the Council is encouraging building of luxury apartments rather than affordable housing. This is in flagrant conflict with the Council's Housing Policy.

Therefore we submit that the density requirements in NRZ should be as liberal as possible in order to encourage affordable housing and housing choice within the NRZ.

High Rise Towers

In its explanation of the Residential Zoning, Council should include an explanation of the possible residential developments in the commercial and mixed use zones including limits on high rise towers in Mixed Use Zones such as the Junction area.

If the Minister and the Council adopt the proposed zoning, which locks medium density development out of 80% of the residential land, then there will be a powerful argument for allowing high density development elsewhere in the city. This will give the Metropolitan Planning Authority added legitimacy in planning for a Conga-line of high rise towers in the capital city zone of Fishermans Bend, and added legitimacy for the Minister in approving them. It will weaken Council's position in trying to get appropriate developments in Fishermans Bend.

The proposed prohibition on medium density development throughout most of Port Phillip will also have an impact on high-density projects elsewhere. It will provide a powerful argument for advocates of high-rise towers in commercial and mixed use zones such as Waterfront Place and the St Kilda Junction area.

Conclusion

We therefore submit that the Council should ask its officers to prepare an alternative zoning based on the following principles:

- Council places a high priority on affordable housing, housing choice, good housing design and sustainable housing
- In determining the neighbourhood zones, Council recognises that we are a densely populated inner suburb with priorities and possibilities that are different from middle and outer suburbs
- Council recognises that the metropolitan planning strategy expects that in the metropolis as a whole, there be a minimum of 50% of residential land in Neighbourhood Residential Zone (NRZ)
- Council should recognise that it can be pro-active in housing issues, especially in using innovative, best practice approaches to in-fill housing.
- Not all areas covered by the existing heritage overlay need be in a NRZ. In some heritage areas there may be adequate heritage protection in a General Residential Zone (GRZ) through the continuing application of heritage overlays, design and development overlays and ResCode
- In determining the NRZ and the GRZ, Council will take into account proximity of all public transport, including trams, light rail and buses.
- Council policy to encourage housing close to shops means these areas are appropriate for GRZ or Residential Growth Zones or mixed use and commercial zones. Areas that are more distant should be GRZ or NRZ depending on heritage, access to public transport etc.
- The density requirements in NRZ should be generous in order to encourage affordable housing and housing choice within the NRZ.
- There should be a significant area of General Residential Zone. The GRZ has no density limitations and therefore encourages affordable housing and housing choice
- Council will consider Residential Growth Zones along appropriate main roads
- In its explanation of the Residential Zoning, Council will include an explanation of the possible residential developments in the commercial and mixed use zones including limits on high rise towers in Mixed Use Zones such as the Junction area.

Yours Sincerely

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Appendix 1: PPHA Properties in Port Phillip

- Vale Street, St Kilda - 42 units
- Liardat St (Kyme Place) Port Melbourne - 27 units
- Chapel St, St Kilda - 81 units
- Blessington St, St Kilda - 26 units
- Tiuna Gve, Elwood - 19 units
- Enfield House – Enfield St, St Kilda - 35 units
- Pyrmont’ – Barkly St, St Kilda - 35 units
- Woodstock – Woodstock Street, Balaclava - 31 units
- Excelsior Hall – Princes St, Port Melbourne 1- 5 units
- Chelmsford – Barkly St, St Kilda - 35 units
- Greeves St / Inkerman Oasis, St Kilda - 31 units
- Albion St Balaclava - 42 units
- The Regal Little Grey St, St Kilda - 49 units
- Balluk Willam Ct, St Kilda - 56 units
- Grosvenor/Brunning St - 20 units
- Argyle St St Kilda - 16 units
- Carlisle St - 12 units
- Scott St Elwood (Fire Station) - 10 units
- Ravelston Tennyson St Elwood - 20 units
- Milton St Elwood - 9 units
- Broxted Dandenong Rd East St Kilda - 12 units
- Ormond Rd, Elwood - 11 units