

**Inner Melbourne Action Plan****Briefing Paper****Action 5.2 Affordable Housing - Overlay (Inclusionary Zoning) Proposal**

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**Purpose**

1. To seek funding for the engagement of a consultant to undertake further engagement with the residential development industry on the proposed Affordable Housing Overlay, in particular incentives that the industry considers important to provide greater development certainty.

**Background**

2. This recommendation implements a component of the work required in the direction set at the 28 May IMAP Committee meeting which was:
  - (i) To prepare an incentives package;
  - (ii) Undertake further engagement with the development industry, in particular on the matter of relevant incentives; and
  - (iii) Report back to the IMAP Committee in November on the findings of the engagement process.

This engagement is to address the suggestions of the State and Commonwealth Government to engage further with the development industry on the proposed Overlay, as outlined in the May briefing paper.

**Key outcomes**

3. Since the last update in late May, the following steps have been undertaken:
  - (i) Discussion of potential incentives and an engagement strategy between the strategic planning/city development staff on the project working group of the four IMAP Councils. Potential incentives considered useful by the working group for further consideration were:
    - i. Demonstration of the sites and locations in a spatial manner across the region that have already been identified as being suitable for higher density housing such as those in Activity Centre Structure Plans and strategic redevelopment sites.
    - ii. Other incentives that the development industry identifies at the forum as being important to provide greater development certainty.
  - (ii) Obtained two competitive quotes from suitable consultant firms to plan and facilitate the forum and prepare a report on its outcome. The preferred consultant is to be appointed subject to IMAP funding.

**4. Proposed future strategy**

- a. The proposal is to accept one of the quotes, that of SGS Economics and Planning of \$4,200 plus GST. SGS has undertaken two of the project studies setting out the Overlay model and is familiar with the proposed Overlay initiative. It also facilitated the 2007 preliminary consultation with the development industry and is well connected with both the development industry and the State and Commonwealth Governments.
- b. The preliminary proposals for the forum, planned for mid to late September, is for it to be co-ausponsored by a development industry peak body and that other industry peak bodies and a cross section of development firms be invited to participate in the forum.
- c. This consultant's report on the outcome of the forum will be considered by the working group after the forum and discussed in the briefing paper to the November IMAP Committee meeting.

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## Recommendation

5.. That the IMAP Implementation Committee resolve to:

- (a) Fund the engagement of SGS Economics and Planning to the amount of \$4,200 plus GST to plan and facilitate a forum with the residential development industry and to prepare a report on the outcome of the forum.