

Relevant Information for Council

FILE: X030481 **DATE:** 8 April 2022

TO: Lord Mayor and Councillors

FROM: Graham Jahn AM, Director City Planning, Development and Transport

SUBJECT: Information Relevant To Item 8.2 – Public Exhibition - Draft Waterloo Estate (South) Development Control Plan and Submission - Waterloo Estate (South) Planning Proposal and Draft Waterloo Estate (South) Design Guide

Alternative Recommendation

It is resolved that:

- (A) Council note the Department of Planning and Environment has placed the Waterloo Estate (South) Planning Proposal and draft Waterloo Estate (South) Design Guide on public exhibition for the period between 3 March 2022 and 29 April 2022;
- (B) Council endorse the **revised** draft City of Sydney submission to the public exhibition of the Waterloo Estate (South) Planning Proposal and draft Waterloo Estate (South) Design Guide, **as shown at Attachment A to the subject Information Relevant To Memorandum**;
- (C) **Council note that the City of Sydney submission recommends:**
 - (i) **restoring the requirement in the publicly exhibited proposal that 30 per cent of gross residential floor space on LAHC owned land be for social housing and 20 per cent be for affordable housing;**
 - (ii) **targeted funding by the NSW Government to increase the amount of social and affordable housing in Waterloo Estate (South) and in later stages in Waterloo Estate (North) and Waterloo Estate (Central); and**
 - (iii) **development of innovative funding models and procurement models to allow for direct dealings with Community Housing Providers to support the increase of social and affordable housing in Waterloo Estate (South) and in later stages of the redevelopment in Waterloo Estate (North) and Waterloo Estate (Central);**

- (D) Council note additional technical advice may be submitted to the Department of Planning and Environment, prior to the close of the public exhibition period on 29 April 2022, should additional issues be identified or further information be requested by the Department;
- (E) Council approve the draft Sydney Development Control Plan - Waterloo Estate (South), shown at Attachment B to the subject report to the 4 April 2022 Transport, Heritage, Environment and Planning Committee, for public exhibition for a period of 28 days;
- (F) authority be delegated to the Chief Executive Officer to make any minor variations to the Sydney Development Control Plan - Waterloo Estate (South), shown at Attachment B to the subject report to the 4 April 2022 Transport, Heritage, Environment and Planning Committee, to correct any drafting errors or inconsistencies, or to ensure consistency with the Waterloo Estate (South) Planning Proposal and draft Waterloo Estate (South) Design Guide;
- (G) authority be delegated to the Chief Executive Officer to adopt the Sydney Development Control Plan - Waterloo Estate (South), shown at Attachment B to the subject report to the 4 April 2022 Transport, Heritage, Environment and Planning Committee, following public exhibition, if no significant public submissions are received; and
- (H) Council does not give the concurrence required under Regulation 10 of the Environmental Planning and Assessment Regulation 2000 to the reservation of any land under this planning proposal and instructs the Chief Executive Officer to communicate this to the Department of Planning and Environment.

Additions shown in ***bold italics***, deletions shown in ~~strikethrough~~.

Purpose

To provide a consolidated Alternative Recommendation and draft submission which incorporates amendments made to the Officer's Recommendation and the City submission at the Transport, Heritage, Environment and Planning Committee. Attachment A to the subject memorandum is a revised draft submission, which includes the updates made by the Transport, Heritage, Environment and Planning Committee.

Background

At the meeting of the Transport, Heritage, Environment and Planning Committee on 4 April 2022, the Committee recommended that changes be made to the draft submission at Attachment A to the Transport, Heritage, Environment and Planning Committee report.

It was also requested that additional information be added to the submission about the City's prior advocacy position and alternative development models for the delivery of social and affordable housing.

The Transport, Heritage, Environment and Planning Committee also requested further information in response to a submission received from REDWatch.

Changes to the City's draft submission as attached to the 4 April 2022 Transport, Heritage, Environment and Planning Committee report are shown at Attachment A to the subject Information Relevant To memorandum, with additions shown in blue, and deletions struck through.

Amendments recommended by the Transport, Heritage, Environment and Planning Committee

1. Add a recommendation to Section 2.1 of the submission to

“Ensure the Department of Communities and Justice develops and implements the Human Services Plan including the delivery of services to existing residents, during the relocation of residents and all future residents.”

Response: The recommendation has been added to the draft submission provided at Attachment A to the subject Information Relevant To memorandum

2. Add a recommendation to the Section 2.2 of the submission that

“Notwithstanding the above, the City recommends allocating 10 per cent or more of the total number of dwellings to be provided for Aboriginal and Torres Strait Islander housing the, noting there is much work to be done to achieve the outcomes aspired to in the draft design guide.”

Response: The recommendation has been added to the submission provided at Attachment A to this Relevant To.

Additional information about the City's prior advocacy position and alternative development models for the delivery of social and affordable housing

Throughout the planning process for the Waterloo Estate, the City of Sydney has advocated for an alternative approach to increase the provision of social and affordable housing and maximise the retention of government owned land for future generations.

The City engaged an Expert Advisory Panel that included: Ken Maher AO; Nathan Moran – CEO, Metropolitan Local Aboriginal Land Council; Professor Nicole Gurrin – Chair of Urbanism, University of Sydney; David Riches – David Riches Associates; Wendy Hayhurst – CEO, Community Housing Industry Association; Professor Bill Randolph – City Futures Research Centre, UNSW; and Andrew McNulty – CEO, Link Housing. The panel's expertise on social, affordable and Indigenous peoples housing models and provision, development and design expertise, and academic research informed the City's approach, advocacy, planning and design.

The City consulted with community housing providers, relevant institutions including the National Housing Finance and Investment Corporation, undertook feasibility studies and policy development. Councillors lobbied State and Federal Governments ministers. The City joined with other capital cities in this effort. The City's alternative approach paralleled, adopted and supported approaches made by others including Shelter, Community Housing Industry Association, academic research groups and other non-government organisations.

Targeted additional funding by Government and/or, the application of innovative funding models and a procurement model that allows for direct dealings with Community Housing Providers (CHPs) are able to lift the combined proportion of social and affordable housing beyond the provision in the revised planning proposal.

This work and the work of others advocate that alternative approaches to development, financing, design and planning can provide more and better quality social and affordable housing than proposed by the Land and Housing Corporation or facilitated in the Department's publicly exhibited planning proposal.

The Minister's Independent Advisory Group supported most but not all of the City of Sydney's alternative approach and the former Minister for Planning accepted their findings in June 2021.

The above information is now included in the submission at Attachment A to the subject Information Relevant To memorandum.

REDWatch submission

A submission from REDWatch was sent to Councillors on 4 April 2022, prior to the meeting of the Transport, Heritage, Environment and Planning Committee. The submission generally supported Council's draft submission to the Department's planning proposal, but also made recommendations for further additions or changes as detailed below.

REDWatch: Council's submission should separately deal with the need for floor space to be allocated by Residential Gross Floor Area rather than by unit / front door numbers in the Department's publicly exhibited proposal.

Response: The exhibited planning proposal, in Section 4 – Explanation of Provisions, explains what will be required in the local environmental plan (LEP). It says that 26.5% of residential gross floor area be for social housing and 7% of residential gross floor area be for affordable housing.

While the development outcomes express this as dwellings, it is the LEP requirement that ensures that the final social and affordable housing outcome is based on residential gross floor area.

At Section 2.1 of the City's submission a recommendation is included to ensure in the Explanation of Provisions, for absolute certainty, that the minimum % requirement for social and affordable housing applies to *all* residential floor space in Waterloo Estate (South), including any design excellence floor space.

REDWatch: It should be clear that the minimum social housing ask is for 30% of GFA. The restatement of Council's request for a higher percentage of social housing should be a separate point.

Response: The City's submission, at Section 2.1, includes a recommendation that 30% of gross residential floor space on LAHC owned land be for social housing.

REDWatch: Council should insist that if the 10% of floor space on top of the City's planning proposal is pursued, such a change is substantially different to that which has been exhibited or described (explained) to the community and that the proposal should be re-exhibited before being finalised.

Response: The City's submission, at Section 1.2, includes recommendations that the density be reduced to maximum proposed by the City's planning proposal.

Irrespective of whether the City's recommendation is accepted by the Department or not, the submission recommends an addendum to the Urban Design Review (Hassell, 2022) be published by the Department to reconcile errors and inconsistencies in the various publicly exhibited materials to ensure planning proposal is clearly described to the community and amenity is not reduced.

REDWatch: The submission should ask that the issue of tenure spread is considered in the design excellence bonus provision.

Response: This matter can be managed in the current design guide provisions that require a Stage 1 development application.

The location of the social and affordable housing is not known at this stage of the planning process. However, the Stage 1 application is required to set out how floor space for social and affordable housing is allocated across the site.

None of this derogates from the requirement in the planning proposal (future LEP) about the minimum proportions of floor space that must be social or affordable housing.

REDWatch: The submission should include the requirement for a robust human services plan covering current, relocation and post development human service delivery to be created and delivered to meet the needs of the social housing tenants it will house.

Response: The City continues to support the community in its advocacy for a robust human services plan.

Staff from the City are participating in the development of the human services plan, which has six priority areas: safety, health and wellbeing, communication and consultation and community participation, customer service, service integration and service accessibility for all service users, and responses to systemic issues (and accountability) on an ongoing basis.

The Department of Communities and Justice is responsible for the endorsement, publication and delivery of the plan. The City may have a lead or supporting role in carrying out actions under the plan.

A recommendation has been added at Section 2.1 of the City's submission to ensure the Department of Communities and Justice develops and implements the Human Services Plan including the delivery of services to existing residents, during the relocation of residents and all future residents.

REDWatch: The question should be asked at the planning proposal stage if the proposed density is suitable for the 30% of people who will include a much higher proportion of people who have higher and more complex needs than in the incoming community in the private units within the same development.

Response: The City and the Independent Advisory Group both recognise the very high densities proposed in such a large project at the Waterloo Estate (South) and acknowledge

the heightened importance of providing high quality public space, and access to community facilities and services for all people living in the precinct. This is provided in the proposal.

With regards to the needs of people living in the precinct with high and complex needs, the importance of the Human Services Plan is paramount, as advocated in the added recommendation described above.

REDWatch: The Social Sustainability Study is inadequate. The Department should commission an independent Social Impact Assessment (SIA) to assess if the density proposed is appropriate for this land use. REDWatch also requests that that SIA look at what should be included in a Social Impact Management Plan (SIMP) to ensure that everything necessary to deliver a successful project at the density determined is independently established. REDWatch propose that the SIA recommend a draft SIMP that could form the basis for what will be required at DA stage and also with the recommendation that LAHC should implement the SIMP with immediate effect. Such a document would probably have no official standing but would provide an independent SIA and SIMP recommendation that were in the public domain rather than left to the proponent behind closed doors with their preferred developer. REDWatch recommends Council consider including such a recommendation, or a proposal similarly addressing these areas in its Waterloo South submission.

Response: The planning proposal material includes a *Social Baseline Study* and *Social Sustainability Study*. While this is not the Social Impact Management Plan described by REDWatch, together these documents make recommendations about the delivery of infrastructure and services, and about working with the community throughout the redevelopment process (beyond this planning process).

The Human Services Plan that is being developed in consultation with the community and the City, is to ensure the delivery of the necessary services to support all future residents of Waterloo Estate (South).

The City is working directly with the Land and Housing Corporation to ensure the delivery of other public infrastructure, including the parks, roads and a community facility. There is also requirement in the planning proposal for other community facilities floor space, including medical facilities and childcare.

Other changes made to the submission

Some minor changes have been made to the submission attached to the Council report to clarify the City's position. The revised submission is provided at Attachment A to the subject memorandum.

Additional background information

The following visual information shows the City's planning proposal that was adopted by Council and the Central Sydney Planning Committee in February 2021.

The walk through animation that was prepared for the City's proposal is available here: <https://www.cityofsydney.nsw.gov.au/policy-planning-changes/planning-proposal-waterloo-estate-south>

The Council report and planning proposal is available at <https://meetings.cityofsydney.nsw.gov.au/ieListDocuments.aspx?CId=137&MId=3799> (Item 2), and includes a number of images. See Figures 20, 24, 25, 26 and 28-37 in the Council report.

Memo from Graham Jahn AM, Director City Planning, Development and Transport

Prepared by: Tamara Bruckshaw, Manager Green Square and Major Projects

Attachments

Attachment A. Revised Draft City of Sydney Submission - Public Exhibition - Waterloo Estate (South) Planning Proposal and Draft Waterloo Estate (South) Design Guide

Approved



GRAHAM JAHN AM

Director City Planning, Development and Transport