



## **MAYORAL MINUTE NO. 9/2016**

### **METHODOLOGY FOR PROVIDING HOUSING MIX AND DIVERSITY WITHIN THE SYDNEY METRO NORTHWEST CORRIDOR**

**25 OCTOBER 2016**

Councillors,

The Hills Shire Council is expected to be home to an additional 37,934 households between 2016 and 2036 and population forecasts indicate that 23,519 (or 62%) of these will be 'larger' household types such as couples with children, single parents with children and multiple family households. A more sustainable Sydney is a more compact Sydney and more new homes in the future will be in the form of higher density developments. More people need to be able to choose to live, raise families and retire to an apartment located in an area of high accessibility and amenity.

Council has long argued that there is a critical need for future apartment development to provide an appropriate 'housing mix', which ensures that future apartments are also capable of accommodating these 'larger' household types. Specifically, in addition to the 19,610 additional low and medium density dwellings to be provided throughout the Shire, approximately 20% (or 3,909) of all future apartments must be in the form of three or more bedroom apartments if adequate housing stock is to be provided for these 'larger' household types. To keep houses affordable and suitable for our community, future apartment development must also provide 'dwelling diversity' to ensure the market caters for the different living needs, expectations and household budgets.

Since mid-2013 we have sought changes to SEPP 65 or a local response to suit our expected demographic. Since January 2015, Council has forwarded six (6) planning proposals to the Department for Gateway Determination which included a proposed local provision that sought to provide an incentive to developers, in the form of "bonus" floor space ratio, where an appropriate housing mix and diversity is proposed. Council's Mayors and Senior Officers have met with the Hon. Rob Stokes and senior Department of Planning officials to find a way to ensure our future apartments are relevant to our market.

I am pleased to advise that finally there is a breakthrough. The Department has indicated a willingness to adopt a methodology with respect to future apartment development within the Sydney Metro Northwest Corridor which provides Council with certainty that a portion (20%) of future apartment development will be in the form of three or more bedroom apartments and that a portion (40%) of all future two and three bedroom apartments will be at Council's adopted size – well above the minimum size. This will provide a greater diversity of product and will help meet the future housing needs of our community.

The detailed methodology is provided as Attachment 1 to this Minute and can be briefly summarised as follows:

1. Land within a Sydney Metro Northwest Corridor station precinct is assigned a "base" floor space ratio, calculated based on the walking distance of that land from the station. The "base" floor space ratio would be either 1.62:1 (for land within 200 metres walking distance), 1.1:1 (for land within 200-400 metres walking distance) and 1:1 (for land greater than 400 metres walking distance). These "base" floor space ratios reflect suitable dwelling densities for Transit Oriented Development within these walking catchments of

180 dwellings per hectare, 120 dwellings per hectare and 60-100 dwellings per hectare respectively.

2. Land within a Sydney Metro Northwest Corridor station precinct is also assigned with an "incentivised" floor space ratio through either the planning proposal or precinct planning process. The "incentivised" floor space ratio would be determined by Council on a site-by-site basis and would represent the maximum development scenario permissible on the land.
3. A development would be able to develop to the "base" floor space ratio, in full compliance with SEPP 65 or alternatively, could achieve the higher "incentivised" floor space ratio if the following requirements are met:
  - a. Maximum of 25% of all dwellings to be studio or one bedroom apartments;
  - b. Minimum of 20% of all dwellings to be three or more bedroom apartments;
  - c. 40% of all two and three bedroom apartments to comply with a minimum apartment size set by Council (110m<sup>2</sup> for two bedrooms and 135m<sup>2</sup> for three bedrooms);
  - d. Parking rates to be 1 space per apartment and 1 visitor space per 5 apartments.
4. The "incentivised" density (yield) broadly reflects those in the adopted Hills Corridor Strategy and is a yield that satisfies the NSW Government's objective.

The agreement on this methodology represents a significant breakthrough and is a reflection of the consistency of argument, evidence and advocacy of Councillors and staff over a long period of time. There is a body of evidence to support Council's Policy and this methodology will enable the Planning Proposal to be progressed and exhibited sooner rather than later. In reaching this point, the contribution of the Regional Director and the Chief Town Planner is acknowledged.

## **MOTION**

Accordingly I move that:

- 1) This Mayoral Minute be received.
- 2) Council write to the Minister for Planning the Hon Rob Stokes thanking him for working with Council and his Department to ensure future high density apartment development in Sydney Metro Northwest Corridor has the appropriate mix and size to suit our demography.
- 3) To progress the Planning Proposals currently with the Department of Planning, Council accept Gateway Determinations with a condition requiring amendments to reflect the accepted methodology to enable exhibition as outlined in the attached correspondence from the Department of Planning Chief Town Planner, Mr Gary White.



**Councillor Yvonne Keane**  
**MAYOR**



Mr Dave Walker  
General Manager  
The Hills Shire Council  
PO Box 7064  
Baulkham Hills BC NSW 2153

16/13742

**Attention:** Michael Edgar

**Re-lodgement of planning proposals containing local incentives provisions for residential apartment development**

Dear Mr Walker

As you know, Council has submitted several planning proposals to the Department for which the Department has been unable to issue Gateway determinations due to proposed local incentives provisions which are inconsistent with *State Environmental Planning Policy No 65 – Design Quality of Residential Apartment Development*. Staff of Council and the Department have recently been working together to find a compromise solution to this inconsistency, and I am pleased to inform you that we have now agreed on an approach.

The approach will ensure that the Government expectations for dwelling yields are achieved within the North-West Rail Corridor whilst providing a framework for Council to achieve its objectives in relation to dwelling mix in an environment that will be subject to significant change.

The agreed approach is the subject land be identified on the Key Sites Map and an appropriate base floor space ratio for each site be established based on agreed densities for each walking catchment. The methodology also includes:

- the conversion of the density to correlating floor space ratio to express the base yield and incentive yield;
- the floor space ratio for the 400m-800m walking catchment is to be no less than 1.0:1, with the adjustment of the walkable catchment to reflect some site specific constraints (for example proximity to school or other sensitive uses), this recognises that some sites already have an existing floor space within this catchment at 1.0:1; and
- car parking rates are to be provided at a minimum rate of one space per apartment plus one visitor space per five apartments.

A brief explanation of the methodology is attached to this letter. In accordance with further discussions with Michael Edgar on the 20 October 2016, the indicative clause provided by Council has also been attached to the explanation to assist in providing clarity. It should be noted that this has been referred to for clarification and may be subject to change due to legal drafting.

The Department recognises that Council may wish to introduce the provision on a broader scale, but at this stage the methodology allows the resolution of the outstanding planning proposals. The Department's Sydney Region West Team will work with Council to facilitate a speedy resolution of these outstanding planning proposals. Two options for the progression of the planning proposals are available:

- either the amendment of the planning proposals by the Council to be consistent with the methodology; or
- a condition in the Gateway determinations requiring amendment of the planning proposals prior to exhibition.

I would like to take this opportunity to thank your staff for their commitment to resolve this matter and I look forward to continuing this collaboration into the future.

Should you have any further questions, please contact Catherine Van Laeren, Director Sydney Region West, at the Department on 9860 1520.

Yours sincerely

**Gary White**  
**Chief Planner**



Encl: Brief explanation of methodology  
Indicative Council Clause

## **METHODOLOGY – LOCAL RESIDENTIAL DEVELOPMENT CLAUSE AND SEPP 65**

### **Area to which the methodology applies**

- The methodology is to apply to any planning proposals for land within the North West Rail Link Corridor Strategy (Cherrybrook, Castle Hill, Showground Road, Norwest, Bella Vista, Kellyville, Rouse Hill and Cudgegong Road), with the exception of land that is also covered by the Sydney Metro Northwest Priority Urban Renewal Corridor (Bella Vista, Kellyville and Showground precincts). In the latter case, the planning framework established by the Department's precinct planning process will prevail. It is noted that the boundaries of the two types of precincts do not necessarily align.

### **Methodology for establishing base yield**

- The base yield is the minimum number of units which must comply with SEPP 65.
- Densities are applied in relation to walking catchments (<200m, 200m-400m, 400m+) around the railway station within the identified precincts, based on Queensland's *Transit Oriented Development Guide for Practitioners*.
- Council tested these densities using the walking catchment contours for the Castle Hill Precinct to produce an overall base yield for Castle Hill of 5,472 units (see Table 1 below).

Table 1

<b>Walking catchment</b>	<b>Net Dev. Area</b>	<b>Dwelling Density</b>	<b>Precinct Base Yield</b>
<b>&lt; 200m</b>	1 ha	180/ha	180 units
<b>200m-400m</b>	2.9 ha	120/ha	348 units
<b>&gt; 400m</b>	82.4 ha	60/ha	4,944 units
			<b>5,472 units</b>

- 5,472 units is consistent with the Department's expectations, being in excess of the 4,400 dwellings identified in the 2013 *North West Rail Link Corridor Strategy 2013*.
- The dwelling densities are then applied to individual lots, identifying a minimum yield for specific sites. Any yield above this may be inconsistent with SEPP 65 but comply with Council's proposed incentives provision.

### **Methodology for establishing base floor space ratio**

- Floor space ratio is a density control, so it is possible to translate the density figures above into floor space ratios that can be applied via the map in the local environmental plan.
- Council has established base floor space ratios for the subject areas by assuming an apartment mix of 25% 1-bedroom, 55% 2-bedroom and 20% 3-bedroom apartments. This results in an average of 90m<sup>2</sup> per apartment (including circulation space) at SEPP 65-compliant sizes.
  - At 60 dw/ha (applicable to the >400m walking catchment), this delivers 5,400m<sup>2</sup> of apartment space, which means a floor space ratio of 0.54:1.
  - At 120 dw/ha (applicable to the 200-400m walking catchment), this delivers 10,800m<sup>2</sup> of apartment space, which means a floor space ratio of 1.08:1.
  - At 180 dw/ha (applicable to the <200m walking catchment), this delivers 16,200m<sup>2</sup> of apartment space, which means a floor space ratio of 1.62:1.
- These outcomes are considered reasonable for the <200m and 200m-400m walking catchments, but result in an unacceptable reduction in floor space ratio from the status quo in the case of the >400m walking catchment. In order to ensure that there is no reduction in development potential as a result of these planning proposals, the minimum floor space ratio that can be applied is to be 1.0:1.
- Mapping of the FSR will be adjusted to take into account site specific variations and sensitivities such as schools.

#### Bonus FSR

- The incentive FSR will be established by Council.
- Apartments will be provided in accordance with SEPP 65 up to the base FSR.
- Where the Bonus FSR is to be used the following Dwelling mix and apartment size provision shall apply.
  - Dwelling Mix – no more than 25% of all dwellings are studio or 1 bedroom; and at least 20% of all dwellings are 3 or more bedrooms.
  - Apartment sizes at least 40% of all 2 bedroom and 40% of all 3 bedroom apartments shall apply with the local Council provision.
- An indicative local provision, provided by Council, is attached.

#### Car parking

- Car parking is to be provided at a rate of 1 space per apartment and 1 visitor space per 5 apartments.

#### Summary

- Table 2 provides a summary of the applicable FSR and catchments.

Table 2

Walking catchment	Dwelling Density	Base FSR
< 200m	180/ha	1.62:1
200m-400m	120/ha	1.1:1
> 400m but within precinct		1.0:1



#### **Clause 7.12**

Insert after clause 7.11:

##### **7.12 Dwelling mix and diversity within the Sydney Metro Northwest Corridor**

- (1) The objectives of this clause are as follows:
  - (a) To support the provision of increased housing surrounding Sydney Metro Northwest rail stations at densities compatible with the future character of the surrounding area;
  - (b) To ensure the provision of a mix of dwelling types in residential flat buildings, providing housing choice for different demographics, living needs and household budgets;
  - (c) To promote development that accommodates the needs of larger households, consistent with the demographics and family household structures of the Hills Shire;
- (2) This clause applies to land identified as "Area A" on the Floor Space Ratio Map.
- (3) Despite Clause 4.4, development consent may be granted for development that exceeds the floor space ratio shown on the Floor Space Ratio Map but no greater than the floor space ratio shown on the Floor Space Ratio Incentive Map only if the development provides:
  - (a) a Family Friendly Dwelling Mix, and
  - (b) a Diversity of Housing, and
  - (c) car parking spaces at a minimum rate of 1 space per dwelling, plus 1 visitor space for every 4 dwellings within the development.
- (4) In this clause:

**Family Friendly Dwelling Mix** means a mix of apartment types, providing housing choice for different demographics, living needs and household budgets. In The Hills Shire, based on the demographic profile of the area, a development is considered to provide *Family Friendly Dwelling Mix* if no more than 25% of all dwellings are studio or 1 bedroom dwellings and at least 20% of all dwellings are 3 or more bedroom dwellings.

**Diversity of Housing** means a mix of apartment sizes, providing housing choice for different demographics, living needs and household budgets. In The Hills Shire, a development is considered to provide *Diversity of Housing* if at least 40% of all 2 bedroom dwellings and 40% of all 3 bedroom dwellings have a minimum internal floor area of 110 square metres and 135 square metres respectively.

#### **Exceptions to development standards**

Insert after clause 4.6 (8) (ca):

- (a) clause 7.12