

Michael Edgar
 General Manager
 The Hills Shire Council
 3 Columbia Court
 Baulkham Hills NSW 2153

SUB 18/13985

Att: Brent Woodhams, Acting Principal Coordinator Forward Planning

Dear Mr Edgar

Addendum to previous submission: Planning Proposal for Castle Hill North Precinct (16/2016/PLP)

I refer to the previous submission made by the Land and Housing Corporation (LAHC) on 25 September 2017 in relation to the recently-exhibited planning proposal for the Castle Hill North Precinct, and LAHC’s site at 24-26 Pennant Street, Castle Hill.

LAHC acknowledges the continued collaboration with Council. This addendum is submitted based on and in response to a meeting with Council officers on Thursday, 14 December 2017.

1 Dwelling mix and diversity provisions

Household composition of social housing in NSW has changed drastically over the last 60 years. After World War II, social housing was typically constructed to accommodate working families. Since then, the social housing household composition shifted to the point where the majority of tenants are singles. This has necessitated a shift towards the delivery of smaller dwellings.

The planning proposal for Castle Hill North utilises the ‘dwelling mix and diversity’ clause in *The Hills Local Environmental Plan 2012* that requires the provision of larger units and additional car parking spaces. The proposed dwelling mix, dwelling size and car parking requirements are at odds with the dwellings that LAHC must deliver to meet the needs of current and future social housing tenants in The Hills Local Government Area (LGA).

Figure 1 shows the current family composition of all current social housing households in the LGA.

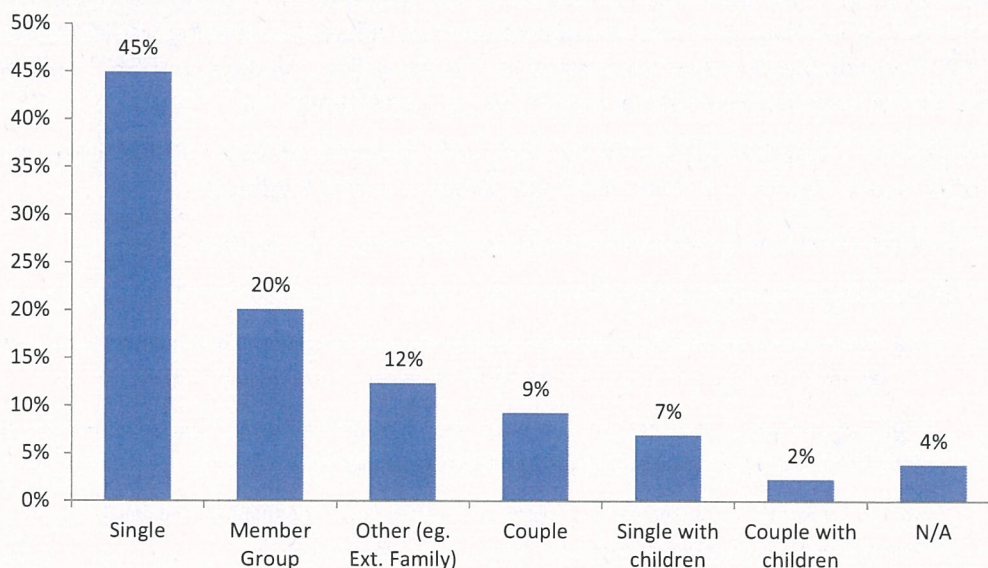


Figure 1: Family composition of social housing households in The Hills LGA

As shown, single households comprise almost half of the current social housing households in the LGA.

Figure 2 compares the total social housing demand in The Hills LGA for each dwelling type, in comparison with the current dwellings in LAHC's portfolio. The blue and red columns represent the total demand for each dwelling type (current and future tenants), while the green column represents LAHC's current housing portfolio in The Hills LGA.

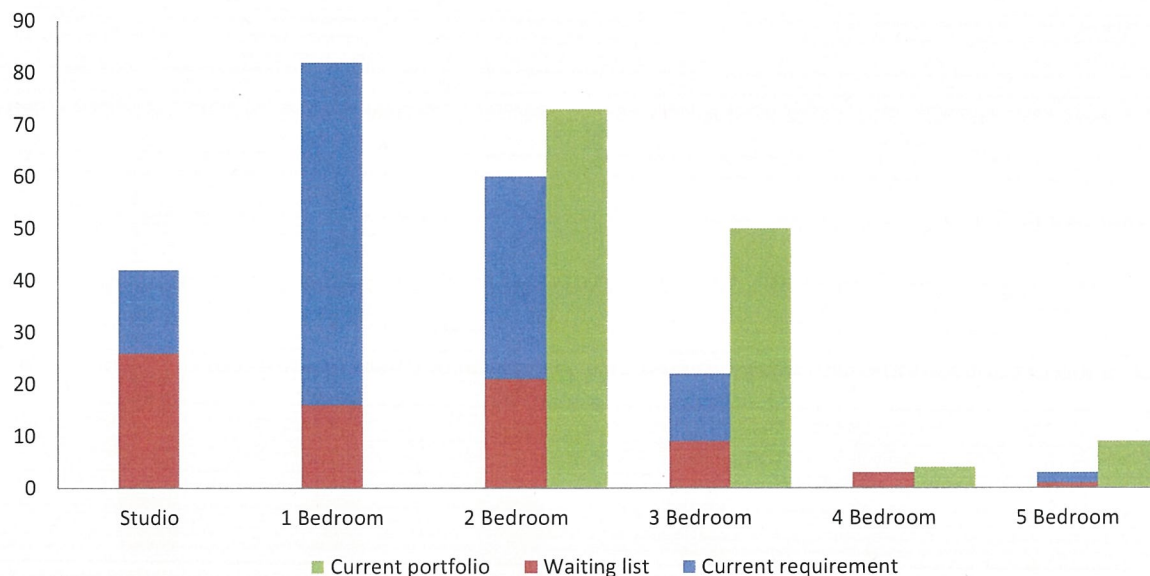


Figure 2: Total (current and waiting list) demand vs. existing LAHC dwellings in The Hills LGA

Figure 2 shows that there are currently zero studio or one bedroom dwellings in The Hills LGA, whereas there is demand for at least 120 dwellings of this size. Conversely, the LAHC portfolio contains twice the number of three bedroom dwellings that are currently required. In order to balance supply with demand, social housing delivery must prioritise one and two bedroom dwellings.

Future development on the LAHC site would likely be delivered through the Communities Plus program. This program delivers mixed communities, with a blend of social, private and affordable housing. Social housing typically makes up between 20-30% of the total number of dwellings in these developments.

LAHC proposes that the social housing component of any development be excluded from clause 7.12 (Development on certain land within the Sydney Metro Northwest Urban Renewal Corridor) of *The Hills Local Environmental Plan 2012*. Importantly, private and affordable housing would still be subject to clause 7.12. This would allow LAHC to achieve the incentive floor space ratio (FSR), while allowing any social housing to meet social housing demographic requirements.

In order to achieve this, LAHC proposes the following amendment to clause 7.12 (additions denoted by **bold underline** text, deletions denoted by **highlighted strikethrough** text):

7.12 Development on certain land within the Sydney Metro Northwest Urban Renewal Corridor

(1) The objectives of this clause are as follows:

- (a) to support the provision of increased housing around train stations forming part of the Sydney Metro Northwest 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 development that involves the erection of one or more buildings that contain dwellings on land identified as "Area A" on the Floor Space Ratio Map.

(3) Despite clause 4.4, the consent authority may consent to development on land to which this clause applies with a floor space ratio that does not exceed the increased floor space ratio identified on the Floor Space Ratio Incentive Map, if the consent authority is satisfied that:

- (a) no more than 25% of the total number of dwellings (to the nearest whole number of dwellings) contained in the development are to be studio or 1 bedroom dwellings, or both, and
- (b) at least 20% of the total number of dwellings (to the nearest whole number of dwellings) contained in the development are to be 3 or more bedroom dwellings, and
- (c) at least 40% of all 2 bedroom dwellings contained in the development will have a minimum internal floor area of 110m², and
- (d) at least 40% of all 3 bedroom dwellings contained in the development will have a minimum internal floor area of 135m², and
- (e) the following minimum number of car parking spaces are to be provided for the development:
 - (i) for each dwelling—1 car parking space, and
 - (ii) for every 5 dwellings—1 car parking space, in addition to the car parking space required for the individual dwelling.

(4) For the purpose of subclause (3), any dwelling that is to be provided for social housing is not counted as a dwelling.

(4) (5) In this clause:

Internal floor area does not include the floor area of any balcony.

Social housing means housing owned or leased by the Land and Housing Corporation, and managed by a social housing provider as listed in the State Environmental Planning Policy (Affordable Rental Housing) 2009.

Land and Housing Corporation means New South Wales Land and Housing Corporation constituted by the Housing Act 2001.

The above approach is consistent with the definitions and approach taken in the *Housing Act 2001*, *State Environmental Planning Policy (Affordable Rental Housing) 2009*, and the public consultation draft of *Environmental Planning and Assessment (Special Infrastructure Contribution – Rhodes East) Determination 2017*.

2 Key Sites Map

The planning proposal includes a Key Sites Map that provides for 20% bonus floor space (over and above the incentive FSR) if development complies with certain criteria. It is understood that the table included in the draft clause 4.4B (Additional FSR incentive for key sites) inadvertently swapped the proposed criteria for Area J (LAHC site) and Area I (adjoining site), and that the intent is to incentivise LAHC to amalgamate with six individual lots on Larool Crescent and provide a through site pedestrian link.

Although drafted as an incentive, the bonus is essentially a de facto requirement to amalgamate. This is considered to be overly onerous, given the large financial outlay required to purchase each property, and the need to negotiate with six individual landowners. The difficulty of this amalgamation would be further compounded by the expectations that have been established by recent property sales elsewhere in Castle Hill.

It is also noted that amalgamation with 24-26 Pennant Street is not required to achieve renewal of the Larool Crescent lots, as they could be readily developed as a separate multi dwelling housing site under the proposed controls. Further, even if amalgamated, the lots would still likely be effectively separated from 24-26 Pennant Street, given the difference in zoning and the likely future scale of development. Amalgamation would therefore achieve very little in comparison to developing the Larool Crescent lots separately.

The only remaining public benefit to amalgamation would be the ability to deliver a through site link through to Larool Crescent. However, it is noted that a through site link would require just one of the four lots adjoining 24-26 Pennant Street. The following is therefore proposed:

- **Amend the Key Sites Map to remove the Larool Crescent lots from 'Area J'.**
- **Maintain the 20% bonus for providing a publicly accessible through site pedestrian link from Les Shore Place to Larool Crescent.** This would still achieve the through site link without added difficulty of amalgamation, and would provide flexibility in terms of where the through site link could be provided.
- **Increase the proposed incentive FSR on 24-26 Pennant Street by 0.1:1 (from 2.2:1 to 2.3:1).** This is equivalent to the resultant FSR increase if a single lot were added to the site area of 24-26 Pennant Street and the 2.2:1 incentive FSR applied. This increase in FSR would offset the cost of acquiring an additional lot and would partially avoid a loss in social housing as a result of the acquisition.

3 **Conclusion**

The above amendments would significantly improve LAHC's ability to deliver a high-quality mixed community in Castle Hill that would replace the existing ageing social housing and deliver a range of benefits to the local community. This is particularly important, given LAHC's status as a self-funding agency.

The amendments continue to maintain Council's core vision for 24-26 Pennant Street and Castle Hill North, namely the dwelling mix provisions for private dwellings, as well as the incentives for providing a through site link to Larool Crescent. The amendments would therefore have no impact on Council's demographic or urban design objectives for the area.

Please do not hesitate to contact André Szczepanski, Principal Planner, on [REDACTED] or at [REDACTED] should you wish to discuss further.

Yours sincerely



Greg South
Executive Director, Business Development and Communication
Land and Housing Corporation