

4 June 2020

The General Manager
Cumberland Council
1 Susan Street
Auburn
NSW 2144

For the attention of: Daniel Cavallo, Director Environment and Planning

Dear Sir

**PLANNING PROPOSAL: 2-36 CHURCH STREET, LIDCOMBE
VPA STRATEGY**

INTRODUCTION

The Billbergia Group (Applicant) has entered into arrangements with NSW Government (Land and Housing Corporation (LAHC)) (Land Owner) to deliver a high quality social and private housing development on land located adjacent to the Lidcombe Town Centre and adjacent to the Lidcombe Train Station, at 2-36 Church St, Lidcombe. This falls within the LAHC's Communities Plus strategy to deliver additional very low income and low income (social) housing and more generally to increase housing supply.

A development application, consistent with existing town planning controls, was approved for 262 dwellings including 53 social housing units on 11 December 2019. Billbergia has committed to a fixed delivery time frame from when the development application was approved.

The size (10,132.7m²), location and orientation of the property provide a unique opportunity for an appropriate uplift in residential housing numbers, subject to the approval of additional town planning controls, Billbergia is offering a significant monetary contribution for road upgrades and traffic improvements in the local area and the provision of additional social housing units.

We note that, on 20th May 2020, Council granted approval for amended planning controls to be submitted to the Gateway at DPIE. The amended planning controls approved by Council reflect a curtailed uplift to those proposed in the Applicant's original planning proposal submission.

We refer to the attached amended Planning Proposal (PP), consistent with Council's approval and further set out, in this letter, an associated strategy to enter into a Voluntary Planning Agreement (VPA), whereby Billbergia can commit to a monetary contribution for the delivery of road upgrades and traffic improvements in the vicinity of the property.

The Billbergia Group has a proven track record of delivering high quality developments. Billbergia views this Lidcombe property and the Communities Plus initiative as providing a unique, once-off opportunity to

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appropriately unlock the potential land yield to the benefit of the stakeholders. The size of the property, proximity to the train station, orientation true north and being located immediately adjacent to the town centre, all appear to meet with fundamental planning principles and justify the approach taken.

We now request that Council progress the matter through the Gateway and also consider this VPA proposal and provide direction to enable the parties to progress to deliver on this new vision. In progressing this matter, we also ask for Council to consider the existing short delivery timeframe that the Applicant and Land Owner have committed to in relation to the complying DA and for Council's assistance in efficiently making its determinations in relation to the PP and the VPA.

DEVELOPMENT OVERVIEW

The amended planning controls are succinctly set out in the table below and supported by the associated documents. These controls address an increase in density and height within the existing building footprints of the currently contemplated and complying residential development DA.

The outcomes sought to be delivered include a redevelopment of the land to accommodate high quality residential apartments, incorporating some very low income and low income (social) and other private housing along.

The property is a key, large and consolidated land holding, immediately adjacent to and a gateway to the Lidcombe Town Centre and train station. We consider that the development proposal successfully integrates with surrounding land uses, activates and enhances adjoining public domain, provides additional social housing units and provides the opportunity for provision of a significant monetary contribution to be used for road upgrades and traffic improvements in the local area.

The Planning Proposal considers variations to the current HOB standards under Clause 4.3 of the Auburn Local Environmental Plan 2010 (ALEP 2010) and to the current FSR standards under Clause 4.4 of the ALEP 2010. The proposed amendments to Auburn LEP 2010 are listed in Table 1.

Table 1 – Proposed amendments to Auburn LEP 2010

Development Control	Existing Max. Planning Controls	Proposed Planning Controls (with greater potential)
Height of Buildings (HOB) Building A Building B Building C Building D	14.9 metres 16.9 metres 22.9 metres 27 metres	22 metres 32 metres 40 metres 40 metres
Floor Space Ratio (FSR) Property area: 10,132.7m ²	1.29:1 1.49:1 2.49:1 2.6:1	3.2:1 (blended)

Please refer to the Planning Proposal and supporting documents for further information.

VPA STRATEGY & PUBLIC BENEFITS

Whilst the current, complying DA provides for some social housing and other public benefits, Billbergia now proposes to deliver additional social housing and additional private housing and to enter into a VPA with Council.

It has been estimated that the Planning Proposal supported by Council provides for an uplift in land value of \$9,200,000. Subject to an approved Planning Proposal, the Applicant proposes a two-third contribution of this land value uplift to be applied to community benefit and social outcomes as follows:

- An additional approximately 10 social housing units to be retained by the Land Owner (LAHC) and operated under lease by appointed Community Housing Provider; and
- A 1/3 proportionate monetary contribution of \$3,066,667 for road upgrades and traffic improvements. This is based on an aggregate land value uplift of \$9,200,000 for which a one-third split between Council, LAHC and the Applicant is proposed.

We consider that these items will deliver meaningful public benefit within the area.

To measure the value of the monetary contribution, Billbergia anticipate working with Council through the process that is set out in the Council's VPA Policy (adopted by Council on 6 September 2017) to guide the preparation of VPAs under Subdivision 2 of Division 6 of Part 4 of the *Environmental Planning and Assessment Act 1979* (EP&A Act).

Upon independent determination of the value of any land uplift to be gained from the planning proposal, Billbergia intends to prepare and submit a more detailed letter of offer and a VPA that addresses the proportionate share of the land value uplift along with a corresponding allocation of the component of land value attributable towards items of public benefit. This formal offer will be submitted to Council, at an appropriate time, for Council's consideration in accordance with Council's adopted policy.

The above-mentioned items of public benefit are described further below:

Additional very low income and low income social housing units

In addition to supporting the NSW Government's overall housing targets, the provision of social housing provides accommodation that is affordable for low and very low income earners, a cohort of the community where there is a significant identified need. The provision of social housing accommodation is a fundamental objective of the Land Owner (LAHC) through the Communities Plus scheme.

Cumberland Council, alike, has a clear policy to target the delivery of more affordable housing that satisfies the demand within the Local Government Area.

The provision of additional and well managed social housing will deliver significant public benefit that is aligned with both the Council's and with the State Government's policies.

It is intended that the social housing units will be owned by the State Government and operated by an independent operator.

Monetary contribution for road upgrades / traffic improvements

Billbergia and LAHC propose to provide a monetary contribution of \$3,066,667 to be paid to Council for road upgrades and traffic improvements. This proportionate amount has been determined as a result of assessing the uplift being achieved on the site for the additional private housing and the agreement with Land & Housing Corporation to provide an increase in the social housing units on the site. Council has indicated a strong need in the area for upgrades to roads and traffic arrangements. The monetary contribution will enable Council to undertake the necessary works in the local area, which will alleviate some of the traffic constraints and support growth of the Lidcombe Town Centre.

CONCLUSION

The dynamics of the property located at 2-36 Church St, Lidcombe present a clear opportunity and justification for a planning proposal and associated Voluntary Planning Agreement to deliver significant public/ community benefit in the Lidcombe Town Centre area.

The scope of delivery of public benefits is only limited by the extent of the planning proposal and the allocated land uplift value.

Billbergia presents as a low-risk, credible property group and has the proven track record to deliver quality built form, including social infrastructure, under project delivery agreements and voluntary planning agreements.

The Planning Proposal and associated provision of public benefits align with Billbergia's motto, being: *"creating communities"*.

Achieving increased low income social housing and other community benefits meets the objectives of both Council and the Landowner.

Billbergia request formal approval from Council to progress open negotiations, in accordance with Council's policies, in relation to agreeing a VPA that aligns with the Planning Proposal and with Council's preferences for items of public benefit.

We look forward to receiving your direction on the matter.

Yours Sincerely

John Kinsella AM
Managing Director
Billbergia Group