
8 EXHIBITION OF THE DRAFT CITY OF RYDE LOCAL HOUSING STRATEGY AND MULTI DWELLING HOUSING PLANNING PROPOSAL

Report prepared by: Senior Strategic Planner
File No.: GRP/09/6/13 - BP20/2

REPORT SUMMARY

In 2018 the NSW Government approved project funding to Ryde Council as part of the Accelerated LEP review program. An important strategy required for the LEP review is the Local Housing Strategy. A draft Local Housing Strategy has been prepared for public exhibition and comment by the community.

The Draft City of Ryde Local Housing Strategy (the Strategy) reviews the existing State and Local Planning Policy and strategic context related to housing, including a demographic overview, assessment of housing needs for the Ryde Local Government Area (LGA) and the development potential for different housing densities in the LGA.

The draft Strategy then developed housing delivery options, tested those options with various stakeholders and proposes some key directions for housing delivery in the Ryde LGA. A priority direction of the Strategy is to mitigate the potential significant impacts of the commencement of State Environmental Planning Policy (Exempt and Complying Development Codes) Amendment (Low Rise Medium Density Housing code) (Part 3B of SEPP), by removing multi dwelling housing as a permitted land use in the R2 Low Density Residential Zone and amending the controls relating to dual occupancy development in that zone. A planning proposal to implement this direction has also been prepared and is included in this report.

This report provides an overview of the strategy findings and the planning proposal and recommends that the draft City of Ryde Local Housing Strategy be placed on public exhibition for a period of 28 days and the planning proposal be publicly exhibited in accordance with the Gateway Determination. Following the exhibition periods the results of the public exhibition of the Strategy and planning proposal will be reported back to Council prior to finalisation.

RECOMMENDATION:

- (a) That Council endorse the draft City of Ryde Local Housing Strategy, attached to this report, for public exhibition for a period of 28 days.
- (b) That following the public exhibition period, the outcome of the public exhibition and the draft City of Ryde Local Housing Strategy, be reported back to Council for finalisation.

ITEM 8 (continued)

- (c) That Council endorse the planning proposal attached to this report, seeking to remove *Multi dwelling Housing* from the *R2 Low Density Residential* zone of the Ryde LEP 2014 and amend the planning controls relating to *Dual Occupancy (attached)* development, to be submitted for Gateway Determination under s3.34 of the *Environmental Planning and Assessment Act 1979*.
- (d) That the planning proposal be placed on exhibition in accordance with the requirements of the Gateway Determination. Following the public exhibition period, the outcome of the public exhibition and the planning proposal, be reported back to Council for finalisation.

ATTACHMENTS

- 1 Draft City of Ryde Local Housing Strategy - CIRCULATED UNDER SEPARATE COVER
- 2 Ryde Planning Proposal - Removal of Multi-dwelling Housing from the R2 Zone Housing - CIRCULATED UNDER SEPARATE COVER

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ITEM 8 (continued)**Discussion**

In 2018 the NSW Government approved project funding of up to \$2.5M to Ryde and 14 other councils, as part of the Accelerated LEP Review Program.

A Local Housing Strategy (Strategy) is required to be prepared by Council to meet the requirements set out in the Greater Sydney Commission's (GSC) *Greater Sydney Region Plan – A Metropolis of Three Cities* and the *North District Plan*. The strategy is to be consistent with, and respond to, the principles and directions of the District Plan.

The North District Plan identifies a target of 7,600 additional dwellings in the Ryde LGA between 2016 and 2021. The District Plan also states that *"Each council is to develop 6-10 year housing targets. The 6-10 year housing targets will be developed iteratively in the housing strategy. The strategy is to demonstrate capacity for steady housing supply into the medium term."*

The key local document that informs the preparation of the Local Housing Strategy, and land use planning in the LGA, is the Local Strategic Planning Statement (LSPS). The LSPS must also be consistent with the above State Plans and Policies. The LSPS outlines the key local directions for land use planning and identifies studies and strategies required to achieve those directions.

A number of briefings and reports have been provided to Council over the past year regarding the progress of the LEP review project. Councillor Workshops in regard to the draft Local Housing Strategy occurred on 14 May 2019 and 18 February 2020. As part of the LEP review Council is preparing a number of studies and strategies to inform the LEP Review as follows:

- Local Strategic Planning Statement (LSPS),
- Heritage Study Review (Completed),
- Local Housing Strategy,
- Macquarie Park Employment Land Study,
- Creative Enterprise Strategy,
- West Ryde Traffic and Parking Study,
- West Ryde Masterplan,
- Infrastructure Strategy.

The draft City of Ryde Local Housing Strategy has been prepared and is consistent with the LSPS. A planning proposal seeking to implement the priority action of the draft Local Housing Strategy, to mitigate the potential significant impacts of the commencement of Part 3B of the Medium Density State Environmental Planning Policy (SEPP), has also been prepared. The planning proposal seeks to remove *Multi Dwelling Housing* from the *R2 Low Density Residential* zone of the Ryde LEP 2014 and to amend the planning controls relating to *Dual Occupancy (attached)* development.

ITEM 8 (continued)**Financial Implications**

Adoption of the recommendation to place the draft City of Ryde Local Housing Strategy on public exhibition and seeking a Gateway Determination for the planning proposal will have no financial impact as the funding for this project is within existing budgets.

Overview of draft City of Ryde Local Housing Strategy

In late 2018 Council prepared a Housing Issues paper that collated information relating to dwelling approvals, commencements, issues and constraints relating to housing in the Ryde LGA. In early 2019 Council engaged HillPDA to assist with the preparation of the Local Housing Strategy as a key Strategy for informing the review of the Ryde LEP 2014. The Housing Issues paper prepared by Council was an important background document informing the Local Housing Strategy.

Housing Strategies and strategic planning are important tools to deal with growth in Population and the housing needed for that population growth as these are matters that cannot necessarily be controlled by Council and should not be ignored. However, this growth and the delivery of housing can be controlled and guided to certain locations. If these matters are ignored, then growth will happen with no planning for services and infrastructure and the result would be unsustainable development with poor amenity and servicing.

The objectives of the Strategy are:

- To set a clear plan for the delivery of housing to meet future needs of the Ryde existing and proposed community,
- Align housing delivery with the NSW Government's strategic plans,
- Give regard to comprehensive evidence base on housing needs, infrastructure availability, physical constraints and present opportunities.

Sections 1 - 3 of the Strategy review the existing planning policy and strategic planning context for delivery of housing.

It is important to understand the Policy and planning context for housing delivery. There are various State Policies that Council must comply with and also existing and proposed legislation that will have significant impact on housing within the LGA that may not be within Council's control.

Sections 4 – 6 of the Strategy undertake a demographic review; assess the housing needs based on that demographic review, considers current housing approvals and commencements; reviews the development potential of areas in close proximity to town centres and the potential for development in the low-density residential areas in Ryde LGA.

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Note: The demographic review was undertaken based on the figures used in the North District Plan. The figures in the North District Plan, based on the 2011 Census as the 2016 Census data was not released at the time of publication, forecast population projections to 2036. The DPIE released updated forecasts in December 2019, after the preparation of the draft Ryde Local Housing Strategy. The new forecasts were not significantly different to those used in the North District Plan and will not impact the directions and recommendations of the draft Local Housing Strategy. If required the draft document can be updated with the most recent forecasts prior to finalisation.

In sections 4-6 of the draft Strategy, the projections were sourced from *forecast .id* and the Department of Planning, Industry and Environment (DPIE). The draft Strategy states *“while both are based on 2011 Census data, they are developed based on different methods. In summary, ‘forecast .id’ is forecast based on analysing local level data to determine future growth, while Department of Planning, Industry and Environment is a projection based on historical trends and attributing State-wide growth down to the local level, taking into consideration planned urban growth at the time of preparation.”*

The draft Strategy found that *“while DPIE projects a lower initial 2016 population than forecast .id, it forecasts a higher 2036 population, number of households and required number of dwellings. This DPIE projection aligns with the District Plan projected population increase for the Ryde LGA.*

While DPIE and ‘forecast .id’ anticipate different population and household growths, they project similar increases in the number of dwellings in the LGA (22,000 and 20,191, respectively). Both forecasts also include a buffer for unoccupied dwellings above the number of dwellings required by resident households. The 2036 DPIE buffer is approximately 6.5%, with the forecast .id buffer being approximately 8.9%.”

In summary, while there are minor differences arising from the different methodologies, the overall consistency between the reviewed housing and population forecasts has reinforced the evidence base that informs the Strategy. The key findings and implications from this review are;

- The 2016 – 2021 housing target for Ryde is 7,600 dwellings,
- The 2016 – 2036 dwelling delivery forecasts by *forecast .id* and DPIE were 20,000 to 22,000 respectively (at the time of preparation of the strategy),
- The current planning controls and pipeline development in Ryde LGA allow for a post-2022 likely capacity of approximately 12,000 dwellings,
- The likely maximum theoretical capacity in the LGA between 2016 and 2036 is 21,000 dwellings which is consistent with the forecast projections.
- Housing typologies are generally restricted and do not align to the needs of households

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In addition to the above there are proposed legislation changes scheduled to commence in July 2020 (Introduction of Part 3B, Low Rise Medium Density Housing Code to *Sepp (Exempt and Complying Development Codes) 2008*) (Part 3B) that could increase the theoretical maximum development capacity of the R2 Low Density Residential Zone in Ryde from 5,899 to 13,778 - 19,097.

The draft Strategy has found that this potential significant increase as a result of the introduction of Part 3B to the SEPP must be addressed as;

- It would generally be assessed as Complying Development with minimal ability for Council to guide development outcomes,
- This development would not be aligned with infrastructure provision, and
- Would likely result in a significant change to the existing character of the (dominant) low density areas of Ryde LGA.

Section 7 of the Strategy considers a number of housing forms and urban structures, which do not rely on high density residential development, which could be utilised as a means to achieve housing targets.

Section 8 of the Strategy considers the options developed in section 7 against the consultation findings of the LSPS public exhibition. The Strategy also held housing focus groups with community members, a planning workshop with Council staff and interviews with local Real Estate agents to test the housing typologies and urban structures from section 7.

Section 9 of the Strategy outlines a number of key directions for housing delivery that should be considered as part of the public exhibition. This section of the strategy proposes the following housing objectives:

- *“To plan for housing growth to meet the needs of a growing population with between 20,000 and 22,000 dwellings needed to 2036,*
- *To ensure housing is inclusive by providing a mix of dwelling sizes, types and price points, allowing the current population to remain in the local area through different stages of life,*
- *To encourage housing that is suited to the local character and respects local environmental constraints,*
- *To establish programs to support management of housing growth and infrastructure delivery.”*

The strategic directions in the Strategy provide for some short term actions and longer term investigations and study and are summarised below (in no particular order of importance):

ITEM 8 (continued)

- **Adopt housing delivery targets**

The GSC target for Ryde 2016 to 2021 is 7,600 dwellings. The evidence from the analysis of the current development approval pipeline is that between 9,000 and 12,000 dwellings will be delivered, i.e., the five year target will be achieved.

The Strategy suggests that the overall, longer term target 2016 to 2036 should be between 20,000 and 22,000 dwellings.

- **Continue to protect the low density residential areas and focus growth in centres**

This focus is to assist in maintaining low density areas (single dwellings and dual occupancy), in the R2 zone, and focus development in the centres where there is additional infrastructure (transport, social and business services). Options for this include rezoning fringe areas to accommodate low rise mixed use, expanding or introducing more R3 (Medium Density) and R4 (High Density) zones. All these would be subject to further review and feasibility testing.

- **Increase the supply of medium density dwellings**

In this context medium density dwellings refer to dual occupancy and villa developments. These uses are currently permitted in the R2 Low density zone in Ryde. Whilst this has assisted in maximising existing assets, this form of widespread permissibility is not sustainable in the long term, particularly if the provisions of Part 3B of the SEPP are implemented.

There is currently a shortage of medium density housing in the LGA and the Strategy suggests focusing this development in more appropriately serviced locations, e.g. around centres.

- **Match housing and infrastructure delivery**

As outlined above, the Strategy is recommending that higher density housing should be in areas better serviced by infrastructure (i.e. centres) and new areas should not be encouraged until firm plans for the delivery of appropriate infrastructure, such as Development Contribution Plans, Voluntary Planning Agreements and State infrastructure delivery, are locked in.

- **Refine planning controls and Improve housing design**

The Strategy recommends the review of existing planning controls to mitigate some of the less desirable outcomes that were identified in the preparation of the strategy. These relate primarily to lot size for development, setbacks, urban design (privacy, open space, etc.), maintain and improve character and other design related matters. The Strategy details a number of issues relating to housing typology issues and suggests a variety of responses to address those issues.

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- **Encourage affordable housing**

The Strategy acknowledges that Council has an adopted Affordable Housing Policy and a planning proposal that has been with DPIE for some time to implement that Policy. The Strategy recommends refining and pursuing those measures.

- **Mitigate the impact of Part 3B of the SEPP**

The primary short term action recommended by the Strategy is to mitigate the impact of Part 3B of the SEPP, as this has the potential to increase the theoretical development capacity in the R2 (Low Density Residential) zone by up to 19,000 dwellings. An increase of this magnitude would not be sustainable and would have significant, adverse impacts on the character of these areas.

The Strategy recommends preparing a planning proposal to remove the permissibility of multi dwelling housing (not dual occupancy) from the current R2 Low Density Residential Zone. This would be stage one of the implementation of this strategy and would allow time to appropriately investigate and plan for the locations where medium density housing would be more sustainable.

The proposed planning proposal is outlined later in this report.

- **Investigate areas for long term growth**

The removal of multi dwelling development from the R2 Low Density Residential Zone would reduce the theoretical capacity of this zone by approximately 2,300 dwellings. (This is not taking into account the Part 3B of the Codes SEPP impacts). In the longer term this would reduce overall diversity in housing (noting that Ryde is likely to meet and exceed the 5 year GSC target for dwelling delivery).

As mentioned previously, the removal of the multi dwelling from the R2 Low Density Zone would be stage one of the Strategy implementation. Stage 2 would include the investigation and, where appropriate, increase the R3 and R4 (Medium and high density) zones to account for the short term reduction.

The Strategy has proposed investigating areas around West Ryde, Melrose Park, Epping Road, Eastwood and Gladesville.

The Strategy does not suggest that these areas will be available for development, but does recommend that the areas be investigated. The Strategy has undertaken a preliminary assessment of the areas and has identified the pros, cons and a suggested priority for the investigation areas.

ITEM 8 (continued)**Overview of planning proposal**

The attached planning proposal has been prepared in conjunction with the draft Housing Strategy as it is a key priority that would enable the implementation of the principal directions and recommendations of the strategy. Without this planning proposal the strategic directions and actions of the draft Strategy would not be able to be implemented successfully.

State Environmental Planning Policy (Exempt and Complying Development Codes) Amendment (Low Rise Medium Density Housing) (Part 3B of SEPP), is due to commence July 2020 making the following principle changes;

- Introduces Manor Houses, as a new definition land use, where multi dwelling housing is permitted,
- Reduces lot widths for Dual Occupancy development from 20 metres to 12 metres,

The draft Local Housing Strategy has identified that the introduction of Part 3B of SEPP has potential to significantly increase residential density (up to 11,500 additional dwelling), in the R2 Low Density Zone, to levels that will detrimentally impact the character and amenity of this zone. The resulting growth would also outstrip the capacity of the current and planned infrastructure, making this uncontrolled growth unsustainable.

How the SEPP works

Part 3B of the SEPP permits Manor Housing (a new land use) and Dual Occupancy development as Complying Development in zones where Multi Dwelling Housing is permitted in Ryde LEP 2014. The SEPP controls override the planning controls in the local LEP. As Complying Development is not necessary determined by Council, this will mean that the current Council design and density controls guiding medium density will not be enforceable. However, the Complying Development controls in the SEPP are fixed and cannot be varied.

If a development cannot meet all the SEPP requirements for a proposed Complying Development, the SEPP provisions cannot be used. In such cases a Development Application to Council can be made, e.g. if a Dual Occupancy development cannot meet the SEPP provisions a Development Application for a Dual Occupancy can be submitted to Council.

Impacts/options for Dual Occupancy

Under Ryde LEP 2014, Dual Occupancy is currently permissible on 580m² lots with a 20m frontage. This results in a current theoretical capacity of 3,936 Dual Occupancies in the R2 zone.

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Part 3B of the Medium Density SEPP increases this theoretical capacity by 11,533 additional Dual Occupancies. The theoretical capacity increase is due to the lot width reduction from the current 20 metres (in RLEP 2014) to 12 metres (in the SEPP).

The intent of the planning proposal is to maintain the overall number of lots/dwellings that can be developed in the R2 zone. To retain Dual Occupancy numbers the Planning Proposal proposes to increase the lot size for Dual Occupancy development to balance capacity numbers. The lot width and potential dwelling numbers vary but the following table provides an estimate of theoretical dwelling numbers guiding the changes in the planning proposal.

	Current LEP 20m frontage	Proposed SEPP 12m frontage			
Lot Size	580m ²	700m ²	750m ²	800m ²	900m ²
Dual Occupancy theoretical potential	3,936	6,407	4,567	3,414	2,105

The lot size needs to increase to maintain overall dwelling numbers as the reduction in lot width significantly increases the lots available for development. The intent of the Planning Proposal is to maintain an appropriate number of available lots, being no fewer than approximately 3,936. In this regard, a lot size of 750m² achieves this intent.

The planning proposal would result in the following changes to the RLEP 2014:

1. Delete from Ryde LEP 2014:

- (1) Multi dwelling housing from the R2 Low Density Residential Zone Land Use Table
- (2) Delete Clause 4.5A – Density Controls for Zone R2 Low Density Residential

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2. Amend Clause 4.1A – Dual Occupancy (Attached) Subdivisions in Ryde LEP 2014 subdivision controls to:
 - (1) (a) permit Torrens title subdivision of Dual Occupancy (attached) constructed and where the lot has an area of at least 580m² development prior to this planning proposal coming into effect,
 - (b) define the Torrens title subdivision development controls for Dual Occupancies (Attached) that will apply after the commencement of this planning proposal, being;
 - i. Minimum lot size for subdivision being at least 750m²,
 - ii. One dwelling must be situated on each allotment that must have a minimum lot size of 375m².
 - (2) Permit Strata subdivision of Dual Occupancy if the land has an area of at least 750m².
3. Amend Clause 4.1B – Minimum Lot Sizes for Dual occupancies and Multi Dwelling Housing in Ryde LEP 2014 to:
 - 1) Delete all references to Multi Dwelling Housing from the Clause title and within the Clause,
 - 2) Amend the road frontage control from 20 metres to 12 metres,
 - 3) Insert the word “Primary” before the words road frontage of the lot,
 - 4) In column 2 delete the Dual Occupancy (attached) lot size of 580 square metres and replace with 750 square metres.

As mentioned previously, the intent of the planning proposal is to result in no net loss of dwellings delivered from that currently permitted under the current planning controls, and ensure that dwelling types are diverse to meet the needs of the community and are in locations suitable for the dwelling density.

The planning proposal is in alignment with all relevant strategic plans, including the Council endorsed *Ryde Local Strategic Planning Statement* and the draft Ryde Local Housing Strategy.

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The planning proposal was submitted for consideration to the Ryde Local Planning Panel at its meeting of 12 March 2020 in accordance with the Ministerial Direction, dated 27 September 2018, made under s9.1 of the *Environmental Planning and Assessment Act 1979*. The minutes of the Ryde Local Planning Panel resolved the following:

The Panel determined that the planning proposal as described in Schedule 1 be submitted for Gateway Determination under 3.34 of the Environmental Planning and Assessment Act 1979.

The decision was unanimous.

Summary

The draft City of Ryde Local Housing Strategy has been prepared utilising housing approval and commencement statistics prepared from Council's development records and the housing issues raised during the public consultation of the Local Strategic Planning Statement (LSPS).

The Strategy has also tested the demographic statistics against *forecast.id* and the DPIE forecasts and found them to be consistent. The Strategy has then tested the suggested options in focus groups with the community, workshops with Council staff and via interviews with local real estate agents. This information has enabled the recommendations of the strategy to be refined to meet the needs and expectations of those consulted.

As the draft Strategy has now been prepared it is recommended that Council endorse the draft strategy, attached to this report, to be placed on public exhibition for a minimum of 28 days to enable broader consultation with the wider community. The results of the public exhibition will be reported back to Council for finalisation of the Strategy.