

REZONING REVIEW – Briefing Report

Date of referral	25 March 2020	
Department ref. no	RR_2020_THILL_001_00	
LGA	The Hills Shire	
LEP to be amended	The Hills Local Environment Plan 2019	
Address	1–6 Vivien Place, 1,3, 5 and 7 Gay Street and 12 Gilham Street, Castle Hill.	
Reason for review	☒ Council notified the proponent it will not support the proposed amendment	☐ Council failed to indicate support for the proposal within 90 days, or failed to submit the proposal after indicating its support
Is a disclosure statement relating to reportable political donations under s10.4 of the Act required and provided?	☐ Provided ☒ Not required Comment: no donations or gifts to disclose, however a signed statement was provided in Attachment G3 .	

1. SUMMARY OF THE PROPOSAL

1.1. Background

The rezoning review request (**Attachments F1-F3**) was submitted by Urbis, on behalf of Castle 7 Pty Ltd, to the Department of Planning, Industry and Environment (the Department) relating to a planning proposal seeking to amend development standards within *The Hills Local Environment Plan 2019* to facilitate a high density residential development for 1–6 Vivien Place, 1,3, 5 and 7 Gay Street and 12 Gilham Street, Castle Hill.

The rezoning review request was submitted on 14 April 2020 as Council failed to indicate support for the proposal within 90 days. Council then considered the planning proposal at its meeting on 9 June 2020 and resolved not to support the proposal to proceed to Gateway. The proponent then submitted supplementary information to the Department to support the rezoning review application (**Attachment F2**).

1.2. Planning Proposal History

A planning proposal was previously lodged with Council for the same site in August 2016, which sought to permit a high-density residential development comprising of 220 dwellings within two towers, of 13 and 17 storeys. The proposal also included a new road, terrace edge and through-site link. The 2016 proposal demonstrated compliance with Council's local housing mix and diversity objectives (now Clause 7.11 of The Hills LEP).

In July 2017, Council resolved to forward the planning proposal to the Department for a Gateway Determination. A Gateway Determination was issued for the proposal to proceed subject to conditions in September 2017. On 27 November 2018, Council considered a post-exhibition report and resolved that the proposal should not proceed to finalisation. At the same meeting, Council resolved to proceed with the finalisation of the Castle Hill North Precinct planning proposal.

The current proposal subject to this rezoning review was lodged in October 2019 and is substantially the same as the 2016 proposal in respect of increase in floor space ratio and maximum building height. At the point of lodgement to Council, the Castle Hill North Precinct remained in draft pending finalisation by the Department. Castle Hill North Precinct was rezoned on 17 July 2020 via The Hills Local Environmental Plan Amendment no.3. New development standards now apply to the subject site which are outlined in Section 1.4 of this report.

1.3. Locality and context

The subject site is situated in Castle Hill, on the northern edge of the Castle Hill North Precinct, within approximately 400 metres of both Castle Towers Shopping Centre and the Castle Hill Metro Station. Figure 1 identifies the site within the Castle Hill North Precinct and its surrounding context.



Figure 1: The area subject to the Castle Hill North Precinct Plan (outlined in yellow), subject site outlined in red

The broader area of Castle Hill North will experience a transition from generally low and medium density residential to high density residential development as a result of the rezoning of Castle Hill North Precinct (**Attachment C**). The following observations are made regarding the site's surrounding context:

- It is located on the northern edge of Castle Hill North Precinct Plan and will interface with the existing low density residential areas which will remain low density;
- Land to the site's east will redevelop for high density residential uses;
- Land to the south-east (Pennant St Target site) is already under construction for high density residential development. This development includes a future pedestrian link through the Pennant Street Target Site (via Gay Street) to the metro station and Castle Towers;
- Land to the south is currently operating as a car park however it has been rezoned for general residential and it is envisaged this will be redeveloped for a higher residential density;
- Land to the west will redevelop for medium density residential; and
- Land to the south-west currently operates as a primary school (Castle Hill Public School).

1.4. Site description

The site consists of 11 properties with detached dwellings and Vivien Place road reserve (see Table 1 for details).

Table 1: Site details

Address	Lot/Deposited Plan	Address	Lot/Deposited Plan
1 Vivien Place	Lot 10 DP 227212	12 Gilham Street	Lot 11 DP 227212
2 Vivien Place	Lot 5 DP 227212	1 Gay Street	Lot 4 DP 227212
3 Vivien Place	Lot 9 DP 227212	3 Gay Street	Lot 30 DP 259208
4 Vivien Place	Lot 6 DP 227212	5 Gay Street	Lot 31 DP 259208
5 Vivien Place	Lot 8 DP 227212	7 Gay Street	Lot 32 DP 259208
6 Vivien Place	Lot 7 DP 227212	Vivien Place Road Reserve (including footpaths)	

The site is irregular in shape and has a total site area of 9,588m², comprising 8,620m² of residential land and 968m² of a Council-owned road reserve (Vivien Place). The preferred option in the proposal requires a 'land swap' with Council involving the closure of Vivien Place.

1.4 Current planning provisions

When the planning proposal was submitted to Council, and when the rezoning review request was submitted to the Department, the site was zoned R2 Low Density Residential and had a maximum height control of 2 storeys (refer to Table 2 overleaf).

The Hills LEP was amended in July 2020 to provide new controls for the Castle Hill North Precinct. The applicable planning provisions for the site are:

- R4 High Density Residential land use zone;
- Minimum lot size of 1800m²;
- 1:1 Floor space ratio (base);
- 1.54:1 Floor space ratio (incentive) subject to meeting the requirements of Clause 7.11 of the LEP (apartment size and mix); and
- Identified as an 'Urban Release Area', subject to Part 6 of the LEP and required to make satisfactory arrangements regarding State public infrastructure prior to development consent

The site is not subject to a maximum building height control in the LEP. Part D Section 20 of the Hills Development Control Plan provides site specific controls for Castle Hill North, including the Castle Hill North Structure Plan (Figure 2). The building height control for the site is 4-8 storeys. The DCP also identifies the need for a new pedestrian connection along the western boundary of the site to provide a connection between Gilham Street and Les Shore Place.

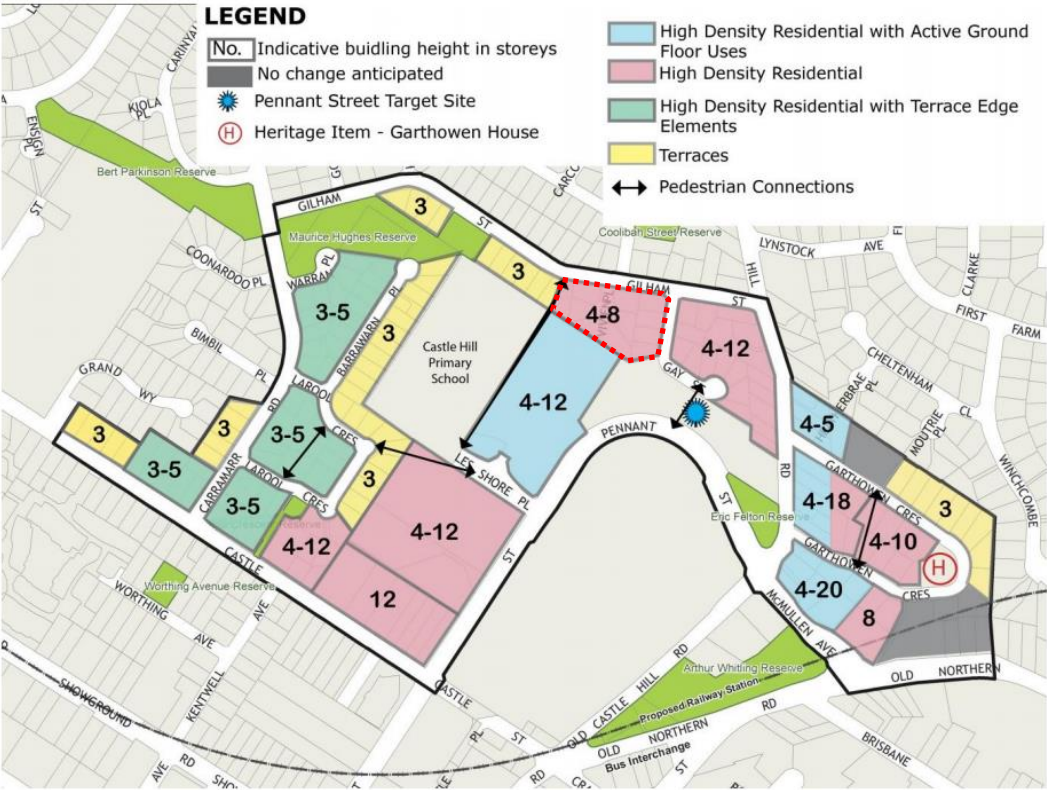


Figure 2: Castle Hill North Structure Plan (DCP)

Table 2 below provides a comparison of the development standards between the planning proposal subject to the rezoning review, the LEP 2019 when the proposal was submitted and the current LEP controls (Castle Hill North Precinct).

Table 2: Comparison of controls

	LEP 2019 when the proposal was submitted	2019 Current Planning Proposal	Current LEP (Castle Hill North Precinct)
Zone	R2 Low Density Residential	R4 High Density Residential	R4 High Density Residential
Max. Height	9 metres (2 storeys)	62 metres (17 storeys)	4-8 storeys (DCP Height Limit)
Max. FSR (base)	N/A	2.28:1 (Base)	1:1 (Base)
Max. FSR (incentive)			1.54:1 (Incentive)
Min. Lot Size	700m ²	1,800m ²	1,800m ²

Council’s Castle Hill North Precinct Plan suggests that the site could accommodate 132 dwellings (assumption of 100m² per dwelling when development complies with CI 7.11 of The Hills LEP) which equates to 154 dwellings per hectare (**Attachment E3**).

1.5 Proposed planning provisions

Given the above, the planning proposal would now seek to amend the following planning controls (**Attachment D**) for the site under The Hills LEP 2019:

- Insert a maximum height of buildings to 62m (equivalent to approximately 17 storeys); and
- Increase the 'base' floor space ratio from 1:1 to 2.28:1 and remove the 'incentive' floor space ratio of 1.54:1.

The planning proposal was supported by a development concept (Figure 3), an alternative urban design response with variations in the proposed built form (Figure 4) and one other alternative urban design concept if the land swap associated with Vivien Place road reserve did not occur (Figure 5).

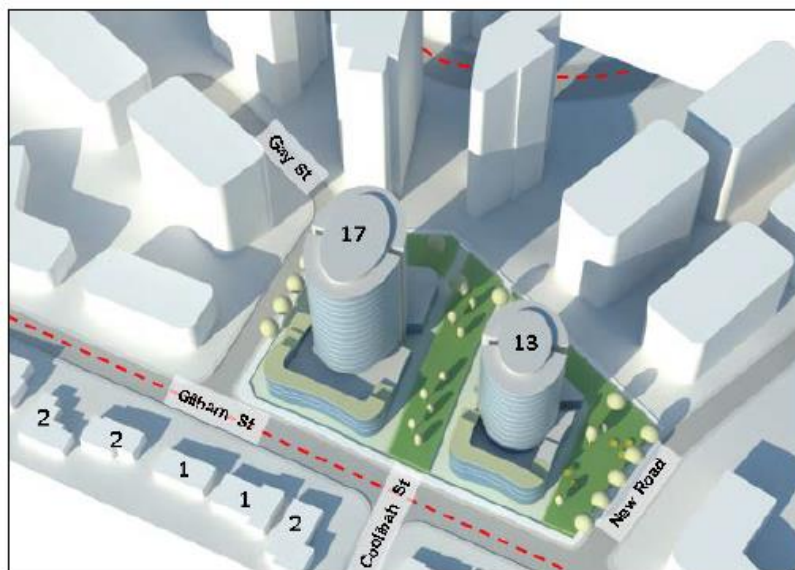


Figure 3: Proposed development viewed from the North (across Gilham Street), including building heights, with the Castle Hill North Precinct boundary outlined in red



Figure 4: Alternative urban design response (Source: Urban Design Strategy Attachment G5)

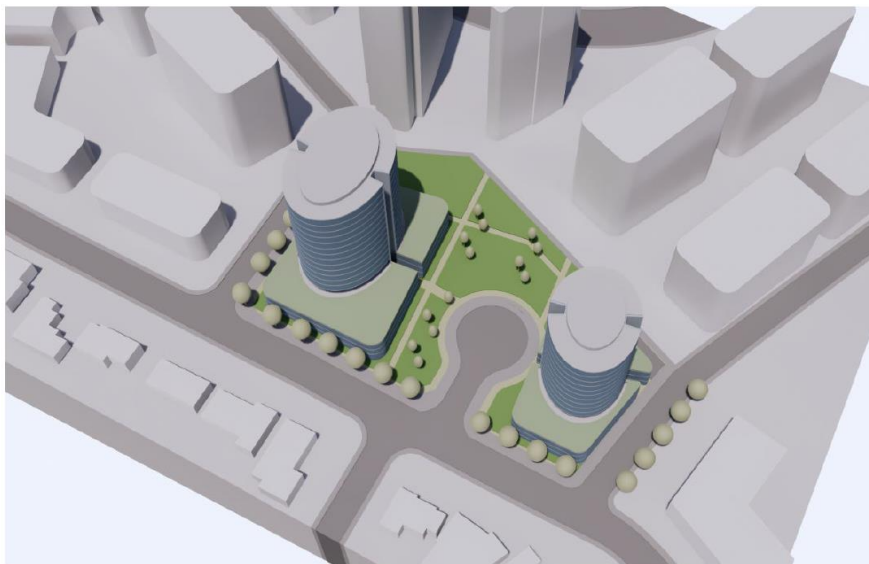


Figure 5: Alternative urban design response (Source: Urban Design Strategy Attachment G5)

The planning proposal would facilitate 220 dwellings, equating to approximately 228 dwellings per hectare. The proponent's rezoning review documentation states the intended future development has been specifically designed to comply with *State Environmental Planning Policy No.65 – Design Quality of Residential Flat Development* (SEPP 65). According to Council, this assumption would lead to a higher dwelling yield of up to 242 dwellings (252 dwelling per hectare). As such the planning proposal creates the potential for 88-110 dwellings more than the 154 dwellings estimated in Council's Castle Hill North Precinct Plan. For these calculations, Council relies on a lower dwelling assumption 90m² per dwelling for developments that comply with SEPP 65 rather than CI 7.11 of The Hills LEP.

The planning proposal was accompanied by a Letter of Offer to enter into a Voluntary Planning Agreement including the following:

- Construction and dedication of a through site pedestrian/cycle link (shown in Figure 6, in green). The proposed location is not consistent with preferred location shown in the Castle Hill North Precinct Plan and DCP;
- Construction, embellishment and dedication of a road on the western boundary of the site (shown in Figure 6 in blue). If this link was continued through the adjoining site to the south, this would connect Gilham Street to Les Shore Place;
- Construction of new footpaths adjacent to Gilham and Gay Streets (shown in Figure 6). This work would be required as a development outcome under the Castle Hill North Precinct Plan and Public Domain Plan; and
- Payment of monetary contributions in accordance with the draft Castle Hill North Contributions Plan. This would equate to an average of \$27,823.55 per dwelling assuming compliance with Council's preferred apartment size and mix.

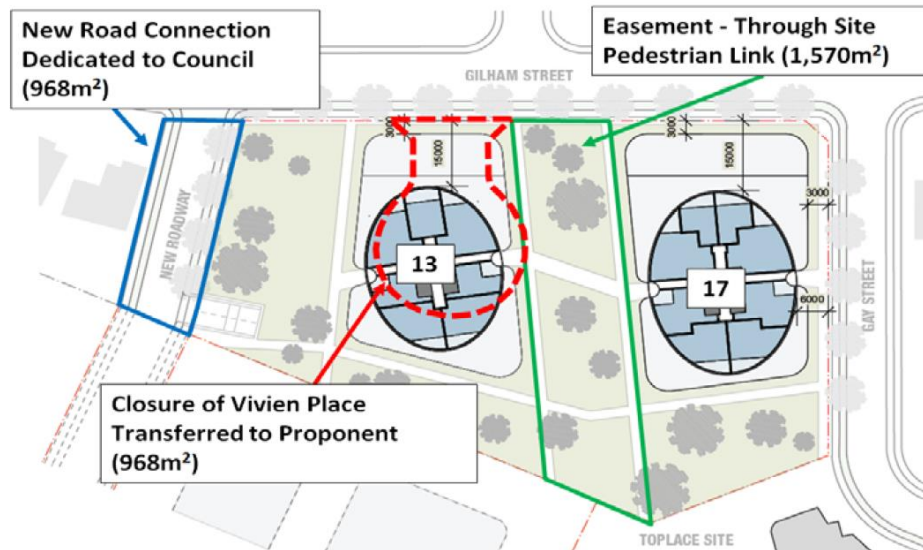


Figure 6: Proposed public benefits included within VPA offer (Attachment 5)

2. INFORMATION ASSESSMENT

Does the proposal seek to amend a zone or planning control that is less than five years old?

Yes. The Hills LEP Amendment no.3 (Castle Hill North Precinct) was made on 17 July 2020, amending the land use zone, building height and floor space ratio controls permitting an increase in residential development potential on the site (see Section 1.4 of the report).

2.1. Strategic merit test

Consistency with the relevant regional plan outside the Greater Sydney region, district plan within the Greater Sydney region, or corridor/precinct plans applying to the site, including any draft regional, district or corridor/precinct plans released for public comment.

Proponents will not be able to depend on a draft regional, district or corridor/precinct plan when the Minister for Planning and Public Spaces or the Department of Planning, Industry and Environment have announced that such a plan will be updated before being able to be relied on.

2.1.1. Central City District Plan

The Central City District Plan was released on 18 March 2018. The plan contains planning priorities and actions to guide the growth of the District while improving its social, economic and environmental assets. The proponent states the proposal is consistent with the District Plan (**Attachments F1, F2 & G1**) while Council states the proposal contains inconsistencies with the District Plan (**Attachments E1-E5**).

Liveability – A city for people

- Planning Priority C3 – Providing services and social infrastructure to meet peoples changing needs.

Proponent: The future development will appropriately respond to the household demographic within Castle Hill (49.8% of households contains couples with children according to 2016 census data) by providing an appropriate number of two and three bedroom dwellings. The development will also contain landscaped and grassed areas to support families.

The proposal includes a north-south link on the western boundary which is only possible due to site amalgamation. The Castle Hill North Precinct Plan proposed a north-south link but on the adjacent school site as amalgamation of the subject site was not assumed or guaranteed at the time of the plan. The council officer's report considered at the 2017 Council meeting

was supportive of the proposed local road as it would allow greater permeability through this part of the precinct.

The proposal will contribute financially to social infrastructure facilities via S7.11 contributions and the VPA offer.

Council: A level of appropriate uplift has already been established through the Castle Hill North Precinct Plan and planning proposal which is supported by adequate local infrastructure under the draft Castle Hill North Contributions Plan. The subject planning proposal seeks a yield over and beyond that which is planned.

Castle Hill North Precinct plan does not include any additional passive open space, and levies for embellishments only. Active open space will be provided through the expansion of existing facilities in Glenhaven. This is in part due to the high land costs associated with delivering additional open space within the station precinct.

The proposal is supported by an offer to enter into a voluntary planning agreement. However, there are no identified opportunities or solutions on the subject site or elsewhere in the Precinct where the additional monies can be allocated to service this growth.

The potential precedent of the proposal would lead to decreases in infrastructure levels of services for all current and future residents within the Precinct. Should all sites seek a similar uplift (66%) beyond that anticipated under the Castle Hill North precinct plan, there would be an additional 2,360 dwellings in the Precinct.

The proposed new road was not identified as part of the Castle Hill North Precinct and cannot wholly be delivered on the subject site. It relies on either Council or the developer of adjoining covering the remaining cost of land and capital works to deliver most of the proposed road link.

- Planning Priority C4 – Fostering healthy, creative, culturally rich and socially connected communities

Proponent: The future development would provide up to 220 new dwellings which will be occupied by persons from a range of differing cultures, jobs, interests and ages. This will consequentially strengthen the social cohesion and unity of Castle Hill into the future.

Council: Council did not comment on consistency with this planning priority.

Department: The actions for this planning priority focus on:

- Delivery of healthy, safe, and inclusive places for people of all ages and abilities that support active, resilient and socially connected communities through a number of measures;
- Local infrastructure implications of areas that accommodate large migrant and refugee populations are considered;
- Facilitate opportunities for creative and artistic expression; and
- Strengthen social connections within and between communities.

Liveability – Housing the city

- Planning Priority C5 – Providing housing supply, choice and affordability, with access to jobs, services and public transport

Proponent: The future development would provide up to 220 new dwellings in Castle Hill in a location that has access to jobs, services and public transport. Specifically:

- The site is located approximately 100m from Castle Towers Shopping Centre, which contains a range of job opportunities and essential services;
- The site is located approximately 330m from Old Castle Hill Road, which contains neighbourhood shops, cafes, restaurants and essential services and therefore job opportunities;

- The site is located approximately 50m from Castle Hill Public School and approximately 530m from Castle Hill High School, representing education and job opportunities; and
- The site is located approximately 435m from Castle Hill Metro Station, which provides direct access to locations including Macquarie University and Chatswood. It also provides access to the wider Sydney Trains network from Epping Station and Chatswood Station. A range of bus stops also surround the site.

A Tipping Point Economic Analysis (**Attachment G11**) suggests that the anticipated density in the centre is not likely to occur because the proposed controls fail to provide sufficient incentive for property sales, site consolidation and developer investment. The planning proposal will allow for an additional 80 dwellings on the site.

The Greater Sydney Commission's Letter of Support (4 March 2020) to The Hills Council regarding its draft Local Strategic Planning Statement included a note in respect of housing targets. The letter requests Council consider how it can meet an indicative draft range for 6-10 year housing targets for the period 2021/22 to 2025/26 of 9,500 – 11,500 dwellings as part of its Local Housing Strategy.

Council: While the planning proposal would contribute to housing supply in The Hills in the medium to long term, the Castle Hill North Precinct Plan already seeks to permit an additional 3,575 dwellings within the precinct. The additional dwellings generated by the planning proposal would not be required to meet any short, medium or long term dwelling targets.

The proposal relies on the site's proximity to the Castle Hill Metro station as the primary justification for uplift, however, the uplift has already been provided by existing strategic plans. There is no compelling reason, including additional community benefit, to justify reconsideration of outcomes or granting of further development uplift beyond that permitted through the Castle Hill North precinct plan.

The proposal seeks to rely only on the minimum unit size and mix requirements specified under SEPP 65 rather than the housing diversity provisions under Clause 7.11 of The Hills LEP. As such, it fails to recognise local demographic characteristics and the expectations and housing demands of the community within the Hills.

The Region and District Plans state that opportunities for urban renewal need to be considered in relation to the capacity of existing and proposed infrastructure, as well as the ability to create great places. The draft Castle Hill North Contributions Plan was prepared to ensure that anticipated yields within the Precinct can be serviced with new and upgraded local infrastructure. This planning proposal seeks to permit a yield in excess of that anticipated on this site and has not been catered for in the draft Contributions Plan.

Liveability – A city of great places

- Planning Priority C6 – Creating and renewing great places and local centres, and respecting the District's heritage.

Proponent: The planning proposal is consistent with this planning priority through the following strategies:

- It incorporates a publicly accessible through site link across the site to improve connectivity from north to south in the centre;
- It incorporates 3,900m² of accessible landscaping that provides opportunities for social connection as well as responding to Council's desire for buildings in a landscape setting; and
- It incorporates land dedication and construction of part of a future road connection that can link down to the shopping centre, creating a finer grain scale of streets and connections.

It is not inconsistent with the desired place making outcomes of the Castle Hill North Precinct Plan. The redevelopment of the site would create a high-quality development, invigorating Castle Hill whilst respecting the heritage significance of surrounding heritage items.

The proposal includes additional vehicle and pedestrian linkages that weren't identified within the Castle Hill North Precinct Plan further improving moveability.

Council: Council has adopted the place-based and collaborative approach in its planning for the area within the Castle Hill North Precinct plan. While the proposal includes public domain improvements, these are already outcomes to be delivered in association with development of the site under the Castle Hill North Precinct plan. Accordingly, the uplift sought does not result in any superior public domain or place-based outcomes for the area.

Productivity – Jobs and skills for the City

- Planning Priority C9 – Delivering integrated land use and transport planning and a 30-minute city

Proponent: The site is located approximately 435m from Castle Hill Metro Station and within a range of bus stops. The development on this site supports transit orientated development principles and allow residents access to the public transport network.

Council: Council did not comment on consistency with this planning priority.

Department: The actions for this planning priority focus on:

- Integrating land use and transport plans to deliver the 30-minute city;
- Investigate, plan and protect future transport and infrastructure corridors;
- Optimising the efficiency and effectiveness of the freight handling and logistics network; and
- Protection of transport corridors.

Sustainability – An efficient city

- Planning Priority C19 – Reducing carbon emissions and managing energy, water and waste efficiently

Proponent: The future development would incorporate a range of sustainable design measures to minimise its on-going carbon footprint. The services, appliances, fittings and electronics will be energy efficient. Future waste management practises will also seek to reuse or recycle waste wherever possible.

In addition, the new dwellings will be highly thermally efficient compared to the existing old housing stock present on the site.

Council: Council did not comment on consistency with this planning priority.

Department: The actions for this planning priority focus on:

- Support initiatives that contribute to the aspirational objective of achieving net zero emissions by 2050;
- Support precinct-based initiatives to increase renewable energy generation and energy and water efficiency;
- Protect existing and identify new locations for waste recycling and management; and
- Support innovative solutions to reduce the volume of waste and reduce waste transport requirements.

2.1.2. North West Rail Link Corridor Strategy (2013)

The Department finalised the North West Rail Link Corridor Strategy in 2013, which identified a high-level vision and structure plans for each of the North West Rail stations.

The structure plan for Castle Hill anticipated 4,400 additional dwellings in the precinct by 2036 and identified the subject site to be located within a high density residential area (Figure 7). High density residential areas were envisaged to contain development between 7 and 20 storeys.

The Corridor Strategy includes a set of assumptions/dynamic variables that were used to project growth in each Study Area. For the subject site, the Strategy assumed that the subject area could accommodate 7+ storeys residential flat buildings and a floor space ratio between 3:1 and 4:1.

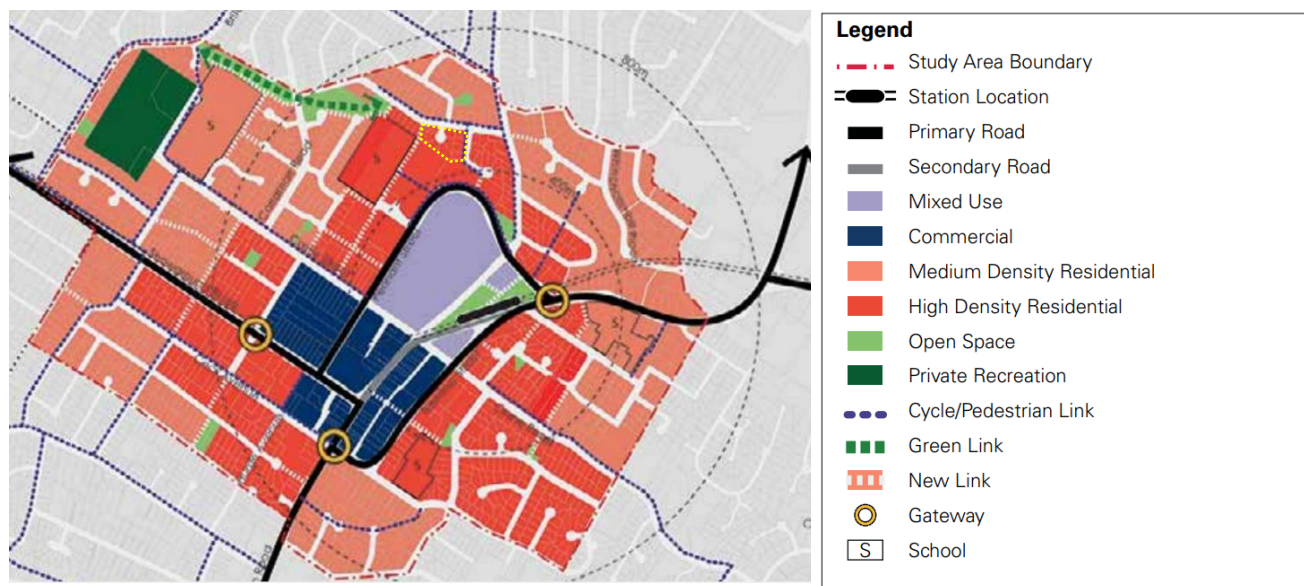


Figure 7: Structure Plan for Castle Hill Precinct – North West Rail Corridor Strategy (site identified in yellow)

Proponent: The development assumptions identified for the site in the North West Rail Link Corridor Strategy (land use, building height and floor space ratio) equate to a potential developable gross floor area of approximately 27,510m² to 36,690m².

The planning proposal responds appropriately to the vision for this site as it will provide high-density residential development and will encourage the use of the Sydney Metro and other public transport services.

Council: The Strategy identifies the subject site for high density development, with the intended outcomes for land immediately north of the site (across Gilham Street) for medium density apartments generally 3-6 storeys in height. In this context, the proposal for 7-20 storeys would potentially provide a reasonable transition of built form from the site to lower density properties to the north.

However, as part of the detailed precinct planning for the Castle Hill North Precinct, it was concluded that apartment opportunities should be confined to sites generally within an 800m catchment of the Castle Hill Metro Station. Accordingly, a lower scale built form was considered more appropriate for this site, being on the periphery of this catchment, with the need to provide a more sympathetic interface with adjoining lower density uses.

2.1.3. Castle Hill North Precinct Plan

The Castle Hill North Precinct Plan recognises the capacity within the Precinct for higher density residential development opportunities and the demand that will exist for apartment and townhouse living in Castle Hill. The plan identifies density, character and streetscape typologies to guide future development outcomes. This precinct will provide for approximately 3,300 additional dwellings.

Following Council's resolution at its meeting on 27 November 2018 to forward the planning proposal to the Department for finalisation, Castle Hill North Precinct was rezoned by the Department on 17 July via The Hills LEP Amendment no.3.

Castle Hill North Precinct Plan was not endorsed by the Department. However, the precinct plan progressed to a planning proposal which was subsequently finalised and rezoned by the Department as outlined above.

Proponent: Dwelling densities beyond 192 dwellings/per hectare as identified for the site can be achieved without compromising the objectives and intent of the area. Both the immediate sites to the east and south of the subject site are marked for dwelling densities of 240 dwellings per hectare, despite both of these sites containing the same built form interface as the subject site.

The planning proposal will support several Castle Hill North Precinct Plan objectives, including:

- Supporting high and medium density development within the walkable catchment of the Castle Hill Metro station;
- Encouraging future medium and high density development to meet the needs of the future Hills Shire residents;
- The creation of a pedestrian friendly public domain; and
- Encouraging built form outcomes that complement the suburban character of the area but also provide a transition to the Castle Hill major centre.

Council: The Castle Hill North Precinct Plan and planning proposal responds to the site's proximity to the Castle Hill Station. It seeks to facilitate development uplift which balances growth with infrastructure provision, appropriate urban design and amenity outcomes. It is the culmination of extensive analysis, review and consultation with the community and State Government Agencies. There is no compelling or strategic justification that warrants a deviation from these controls.

The Castle Hill North Development Control Plan anticipates heights of up to 4-8 storeys on the subject site to facilitate a transition of height and density between the taller/higher density elements closer to the station and the lower and medium density development to the north of the site (refer to Figure 2 under Section 1.4 of this report).

The subject planning proposal would facilitate taller buildings (13 and 17 storeys) which are more than double that anticipated for the site in the Castle Hill North Precinct Plan.

The precinct plan identified a base floor space ratio of 1:1 and an Incentivised floor space ratio of 1.54:1, subject to where a development complies with Council's housing mix and diversity requirements. Based on the site area (excluding Vivien Place), this would equate to up to 132 dwellings (at the incentivised FSR). The achievable density under the Castle Hill North planning proposal is lower than identified within the Government's NWRL Corridor Strategy and The Hills Corridor Strategy, however this is the result of the completion of more detailed precinct planning investigations and consideration of appropriate built form on individual sites.

It is acknowledged that two site-specific planning proposals have progressed outside of the Castle Hill North Precinct plan process. Both planning proposals commenced well in advance of Council's decision to finalise the Castle Hill North Precinct Plan and both have unique circumstances which differentiate them from the subject proposal:

- *Pennant Street Target Site (Toplace Development)*

The subject site adjoins the Pennant Street Target Site. The Pennant Street Target Site (FSR of 5.5:1) is more central to the Precinct, is located directly across from Castle Towers Shopping Centre and does not adjoin any areas that are to remain as low density housing stock in the long term.

- *Garthowen Crescent Planning Proposal:*

It is acknowledged that this proposal facilitates more density (FSR of 3:1) than recommended by the Castle Hill North Precinct Plan. The outcome was deemed to be superior having regard to a range of unique and site-specific considerations, including the constraints associated with the protection of an adjoining heritage item and the ability for amendments to secure a more sympathetic and compatible development outcome. This land does not directly adjoin any areas that will remain as low density housing stock in the long term.

2.1.4. The Hills Local Strategic Planning Statement

The Hills Local Strategic Planning Statement (LSPS) aims to give effect to the *Central City District Plan*. It was endorsed by Council on 22 October 2019 and the Greater Sydney Commission issued its Letter of Support on 4 March 2020.

Proponent: The proposal supports the following:

- Planning Priority 2: Building our strategic centres to realise their potential;
- Planning Priority 6: Plan for housing supply to support Sydney's growing population;
- Planning Priority 7: Facilitate housing in the right locations;
- Planning Priority 8: Deliver a diversity of housing;
- Planning Priority 11: Plan for convenient, connected and accessible public transport;
- Planning Priority 12: Influence travel behaviour to promote sustainable choices;
- Planning Priority 13: Expand and improve our active transport network;
- Planning Priority 15: Provide new and upgraded passive and active open spaces; and
- Planning Priority 18: Promote increased urban tree canopy cover.

The proposal supports the vision of Castle Hill *'our CBD [that] is set to become a vibrant and active centre comprising offices, retail, community facilities, recreation, cultural facilities, education and increased housing densities within walking distance of the station'*. The proposal is consistent with the 'medium/high density residential' future land use identified for the site within the LSPS structure plan for Castle Hill. This planning proposal would result in the delivery of new residential dwellings in an appropriate and strategic location.

The proposal is consistent with a number of LSPS actions relating to land use, access and public domain. In summary, it will provide residential dwellings to support the Castle Hill Strategic Centre in a built form of an appropriate building height, it will enable the provisions of future new vehicular and pedestrian connections to increase permeability within the locality.

Council: Planning priorities 6, 7 and 8 of the LSPS are focussed around facilitating balanced residential growth in the right locations and with the right types of dwellings. An additional 128,000 residents are anticipated to be living in The Hills by 2036. It is expected that 38,000 dwellings be delivered on existing zoned and planned residential land, with capacity for a future 38,100 dwellings beyond 2036. Council is on track to exceed the five year dwelling target set out in the Central City District Plan. Given there is already capacity to accommodate continued population growth beyond the 20 year timeframe, additional unplanned dwellings on the subject site are not required to meet dwelling targets.

The LSPS seeks to facilitate a supply of apartments for larger households. The 'family household' demographic trend is expected to remain in the future, and a large proportion of apartments will need to accommodate families. To assist in facilitating this, Council introduced a housing diversity clause which applies to land surrounding the North West metro stations and requires at least 30% of new apartments to be suitable for families. This requirement will apply to the new apartment developments within Castle Hill. The planning proposal does not state its intention to comply with the LEP housing diversity clause and would subsequently not deliver larger 'family friendly' apartments.

Planning Priority 10 of the LSPS seeks to ensure that the provision of social infrastructure keeps pace with population growth and meets the needs of existing and future residents. This proposal would result in additional residential growth beyond what was planned and catered for under the associated draft Contributions Plan for the precinct.

Discuss how the proposal addresses consistency with any endorsed local strategy.

There are no relevant local strategies endorsed by the Department that can be relied on to establish strategic merit. Council has submitted its Housing Strategy to the Department for endorsement and it is currently under review.

Responding to a change in circumstances, such as investment in new infrastructure or changing demographic trends that have not been recognised by existing planning controls.

Proponent: The planning proposal responds to Castle Hill Metro Station that is approximately 435m from the site as follows:

- The planning controls that applied to the site (when the planning proposal was submitted to Council) were outdated and do not allow for appropriate high-density transport-orientated development.
- The adjacent site to the south is under construction to facilitate five residential flat buildings up to a height of 76.8m. This will create a negative built form relationship to the site and surrounding detached residential dwellings if the development controls don't change to facilitate redevelopment. The planning proposal seeks to resolve this by proposing planning controls that will create a feasible set of controls to facilitate future development at the site and provide an orderly transition between the adjoining higher density residential dwellings to the south, the subject site and the surrounding low density detached residential dwellings.

Council: There has been no change in circumstance, new strategic plan or change in demographic since the completion of the Precinct-wide Plan, planning proposal and no study which justifies or warrants re-visiting the planning controls for this site, as determined through the Castle Hill North Precinct Plan and Planning Proposal, imminently following their adoption.

2.2. Site-specific merit test

The natural environment (including known significant environmental values, resources or hazards).

Proponent: The site contains no known critical habitats, threatened species or ecological communities that would inhibit or restrict its redevelopment in accordance with the intended future development. An Arboricultural Impact Assessment (**Attachment G14**) concluded:

- All of the existing trees within the site are believed to be relatively recent plantings;
- No trees are considered to contain a 'high' retention value. Most of the trees are considered to have only 'low' or at best, 'moderate' retention values;
- There are no trees at the site which are worthy of working the proposed development around. None of the trees should be seen as a limit or constraint to any future development at the site.

Notwithstanding these findings, a number of existing trees along the southern and eastern site boundaries of the site are considered to be of value to retain for amenity purposes if possible. Beyond the consideration of trees, there are no known other environmental constraints or hazards identified that would prevent the site from being redeveloped.

Council: The subject site and its surrounding locality is an urbanised residential area. There are no significant natural environmental values, resources or hazards considered to be of relevance to this planning proposal.

The existing uses, approved uses and likely future uses of land in the vicinity of the proposal.

Proponent: The planning proposal is consistent with the emerging trend of development, both in terms of scale and land-use mix within the Castle Hill core. The planning proposal also directly responds to the future use and built form of land directly adjacent to the south of the site, which is currently under construction to contain five individual residential flat buildings, with the highest building being approximately 76.8m.

The planning proposal is seeking to appropriately respond to this by enabling future development at the site which will provide an appropriate contextual built form transition between the adjoining land, the subject site and the surrounding low-density residential dwellings. This outcome would also best respond to Council's Castle Hill North Precinct Plan objective, which is "to encourage built form outcomes that complement the suburban character of the area but also provide a transition to the Castle Hill major centre"

Council: The previous planning proposal on this site was lodged at a time when planning in the precinct was still being undertaken and expected development outcomes were more fluid. Castle Hill North Planning Proposal has progressed, the proposal can be assessed in the context of certain and imminent planning controls which provide a clear indication of outcomes within the locality.

It is considered the proposed built form is excessive for the site and out of character with the envisaged outcomes on surrounding land. The Castle Hill North planning proposal envisages four to eight storey apartment buildings in comparison to 13 to 17 storey buildings with a three storey terrace edge proposed by the proponent (see Figure 8 below). It is also noted that while the Proponent identifies a 13 and 17 storey building, each of these is proposed to sit above a two storey podium, meaning these buildings are more similar in scale to a 15 and 19 storey building.

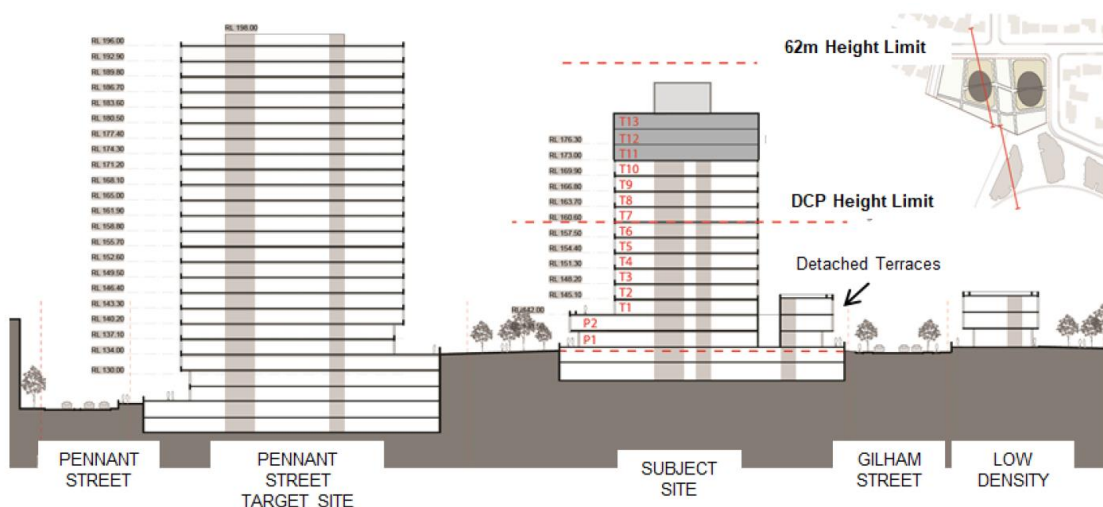


Figure 8: Sections of proposed development concept (height limit indicated by Council) (Attachment 5)

The development concept is of similar bulk and scale to that of the adjoining Pennant Street Target Site and fails to provide an appropriate transition of building height to the adjoining low density residential dwellings to the north, or within the development site itself (see Figure 9 overleaf).



Figure 9: Sections of proposed development concept showing transition in heights (Attachment 5)

The built form envisaged in the Castle Hill North Precinct Plan (up to eight storeys) would provide a more appropriate built form outcome at the periphery of the Precinct. An eight storey outcome is shown in Figure 10.

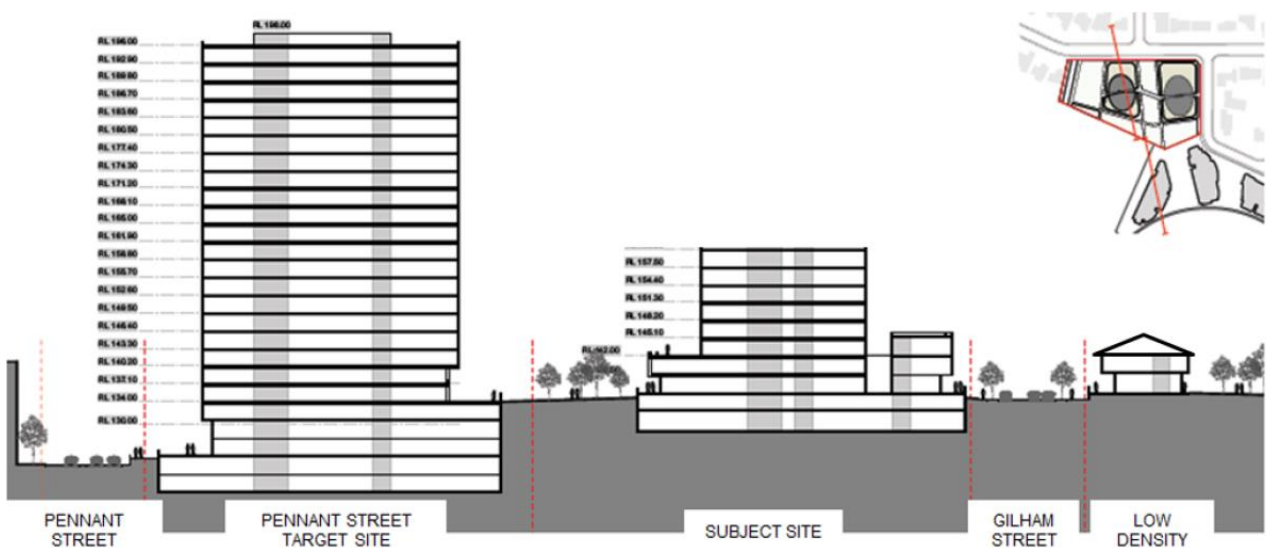


Figure 10: Sections of anticipated development (amended by Council) (Attachment 5)

It is recognised that there is merit in providing additional floor space where developers can create a larger master planned development site which can allow for the maximisation of solar access, privacy to units and achieving an attractive future streetscape and urban design outcome. Consolidated lots generally result in more orderly development and improve housing diversity through the delivery of different dwelling types. The current proposal does not indicate a commitment to Council's housing diversity initiatives.

Council has previously rejected the Proponent's offer with respect to the incorporation of Vivien Place into the development site. The potential benefits of 'amalgamating' the lots which form this development would not be achievable, Vivien Place road reserve would continue to impede into the middle of the site.

The Castle Hill North planning proposal identified key sites within the Precinct for additional uplift where lots can be amalgamated, and improved streetscape and urban design outcomes can be achieved. The subject site was not identified for the additional uplift, largely due to its location on the periphery of the precinct and the potential adverse impacts that additional yield and building heights may have on the streetscape and adjoining low density dwellings.

The services and infrastructure that are or will be available to meet the demands arising from the proposal and any proposed financial arrangements for infrastructure provision.

Proponent: The site is located within 800m of the Castle Hill Metro Station, a range of existing retail and commercial services, educational establishments, community facilities and open spaces. The minor increase the additional dwellings would generate in respect of demand on open space and local transport infrastructure will be either satisfactorily addressed through the greater receipt of contributions and through the open space [communal open space] provided on site.

The site has access to the local road network and located near multiple main roads. The Traffic Impact Assessment Report (**Attachment G13**) submitted with the planning proposal states future development as a result of the planning proposal is only anticipated to generate an additional 43 vehicles during the AM peak period and an additional 34 vehicles during the PM peak period on the surrounding road network. These rates only represent 17 additional vehicles during the AM peak period and 14 vehicles during the PM peak period beyond the traffic generation rates that would be experienced by the dwelling density proposed under the Castle Hill North Precinct Plan.

In respect of utility infrastructure, existing infrastructure at the site to support the proposal can be modified and extended to accommodate the needs of the future development.

Council: 88 to 110 additional unplanned dwellings sought by the Proponent would generate the need for up to approximately:

- 5.5% of a new sports field;
- 5.5% of a local park;
- 5.5% of a netball court;
- 5.5% of a tennis court; and
- 2.2% of a local community centre.

The proposal will not generate the demand for any entirely new facilities, it would contribute to the extent of 'unanticipated' yield and cumulative demand for new facilities, which is not planned for catered for.

The planning proposal was supported by a Letter of Offer to enter into a Voluntary Planning Agreement (offer outlined in Section 1.5 of this report). Overall, assuming the 'land-swap' proposal is of neutral value, the VPA offer would have an approximate value of \$6.27 million, which is equivalent to \$28,500 per dwelling (based on 220 dwellings). The Proponent has not identified any tangible opportunities where Council could expend additional contributions to increase the capacity of local infrastructure.

In respect of the provision of the western road connection, while it may be of some public benefit in terms of increasing permeability of the Precinct, the planning proposal would only secure a small portion of the new road (41 metres) with the remaining 200 metres required to be delivered by the developers of adjoining land to the south, one of which is owned by Council and is operating as a Child Care Centre, shown on Figure 11. The delivery of the remainder of the road connection through to Les Shore is not certain at this time and as such, the proposed 'land swap' and new road connection actually creates a financial liability for Council and an adjoining landowner in order for the public benefit to be realised (with neither party indicating a willingness to complete the remainder of the proposed road connection).



Figure 11: Proposed New Road Connection between Gilham Street and Les Shore Place (Attachment 5)

3. COUNCIL VIEWS

The Department advised Council of the rezoning review request on 14 April 2020. The Department received Council's comments on the proposal on 16 June 2020 (**Attachments E1-E5**), following a Council resolution.

The planning proposal was referred to the Local Planning Panel on 20 May 2020 which concluded the proposal should not proceed to Gateway determination. Council resolved to not proceed the planning proposal to Gateway Determination on the basis that:

- a) It is inconsistent with key objectives and priorities of the Greater Sydney Region Plan, Central City District Plan, Section 9.1 Ministerial Directions and Council's Hills Future 2036 Local Strategic Planning Statement, particularly as they relate to a place-based and collaborative approach to planning, the delivery of great places, ensuring residential development is of high quality design and balancing growth with suitable levels of infrastructure;
- b) The Castle Hill North Precinct Plan and planning proposal is the culmination of an extensive precinct planning process which has only recently been completed. There is no compelling justification which demonstrates that the proposal will deliver superior outcomes or additional public or community benefits, in comparison to the outcomes to be permitted under the Castle Hill North planning proposal. There has been no change in circumstance to warrant reconsideration of the planning settings for this land which will be finalised imminently.

- c) The proposed development standards could result in a density and height of building greater than that indicated in the Proponent's development concept and would fail to secure positive development outcomes such as housing diversity or the provision of a terrace edge. The potential built form is considered excessive and out of character with what was envisaged for a site on the periphery of the Castle Hill North Precinct that has an interface with low density residential dwellings; and
- d) The proposal does not provide any material public or community benefits, in comparison to outcomes to be permitted under the Castle Hill North planning proposal. While a VPA letter of offer has been submitted, many of the 'public benefits' cited are already required as part of the Castle Hill North planning framework. The proposal fails to identify opportunities or solutions to provide new local infrastructure to service the 'unanticipated' yields proposed and the proponent is only able to deliver a small portion of the proposed western road connection, with the majority required to be delivered by Council and/or the developer of land to the south.

Council's reasons for not proceeding with the planning proposal are consistent with the Local Planning Panel's advice (**Attachment E4**).

ATTACHMENTS

- Attachment A – Locality Map
- Attachment B – Site Map
- Attachment C – Current LEP Maps
- Attachment D – Proposed LEP Maps
- Attachment E – Council Comments
 - E1 – Cover letter to the Department
 - E2 – 9 June 2020, Council report and minutes
 - E3 – Assessment Report – Local Planning Panel – 20 May 2020
 - E4 – Local Planning Panel Minutes – 20 May 2020
 - E5 – Detailed response to Rezoning Review Criteria
- Attachment F
 - F1 – Request for rezoning review
 - F2 – Request for rezoning review – additional information
 - F3 – Rezoning review application form
 - F4 – Council post exhibition assessment report – 4 November 2018
- Attachments G1 - G14 – Planning proposal and supporting studies

Assessment officer: Meghna D'souza
Planning Officer, Central (Western)
Contact: 9274 6392