

18 January 2023

Kris Walsh
Department of Planning and Environment
4 Parramatta Square, 12 Darcy Street
PARRAMATTA NSW 2150

ATTENTION: KRIS WALSH – STRATHFIELD COUNCIL RESPONSE TO RR-2022-33

Dear Kris,

Thank you for the invitation to comment on the rezoning review of the planning proposal to amend the Strathfield Local Environmental Plan 2012 (SLEP 2012) to increase the maximum permissible building height and floor space ratio (FSR) for a site at 11-16 Loftus Crescent, 2 Subway Lane, 5 & 9-11 Knight Street and 88-92 Parramatta Road, Homebush.

This letter provides a background and comments on the planning proposal.

Council also confirms that the planning proposal submitted for review is the planning proposal originally lodged by the proponent (2018). The Strathfield Local Planning Panel (SLPP) considered the same planning proposal, with the exception of the Proponent's Economic Contributions Report, which was revised in 2022 ahead of the SLPP meeting. Additional detail on this matter is provided below.

1. BACKGROUND

September 2018

The subject planning proposal was submitted to Council.

2018 - 2021

A key action out of the PRCUTS was a precinct-wide traffic study to identify 'necessary road improvements and upgrades' for the Kings Bay, Burwood-Concord, and Homebush precincts. City of Canada Bay, with Burwood Council and Strathfield Council commissioned Bitzios Consulting to prepare this precinct wide traffic study.

The study was halted in 2018 to allow the Department of Planning, Industry and Environment (DPIE) and Transport for NSW (TfNSW) to harmonise the transport modelling assumptions and strategic model inputs.

During this period, Council corresponded with the Proponent in relation to a number of concerns including the isolation of Number 7 Knight Street, the need for a more transparent valuation of the 'Better Planning Outcome', the need for affordable housing provision and stoppage of planning proposals due to the need for the precinct wide traffic study.

July 2021

The Department of Planning and Environment (DPE) released the PRCUTS Implementation Update 2021 which establishes that planning proposals may progress to Gateway in advance of the precinct wide traffic study being finalised. This had the effect of re-engaging the planning proposals within the corridor after a lengthy stoppage. Following this point, the assessment process recommenced along with consultation with the Proponent.

5 May 2022

The Strathfield Local Planning Panel (SLPP) considered the subject planning proposal and resolved to defer the item to the following SLPP meeting. The assessment report was not supportive of the planning proposal and recommended additional work be undertaken prior to progression to Gateway. Two options for the additional work were provided; A Council-led masterplanning process for the entire Homebush Precinct or a Proponent led urban design analysis with a broader locality based scope and overall higher quality than what had been submitted with the planning proposal. No reason was provided for the deferral. Refer Attachment 1.

17 May 2022

The Proponent submitted a revised Economic Contributions Report (2022) which removed open space contributions and added affordable housing contributions. A draft VPA was also provided to Council for consideration.

2 June 2022

The SLPP re-considered the subject planning proposal and recommended it proceed to Gateway. However, the assessment report was accompanied by numerous Gateway condition recommendations that reflect discomfort with the proposal. Refer Attachment 2.

1 September 2022

The SLPP, at its meeting on 1 September 2022 considered a planning proposal for 125 Parramatta Road and 52 & 54 Powell Street, Homebush (also within the PRCUTS Homebush Precinct). The SLPP recommended the planning proposal not be progressed to the DPE for a Gateway Determination, outlining it "would be unlikely to result in appropriate planning and urban design outcomes, as well as the achievement of high-quality future development".

It was recommended to Council by the SLPP that, prior to progression of the planning proposal, a localised strategy for the Homebush Precinct be undertaken to allow for a holistic review of the recommended PRCUTS Heights and FSRs and allow for application of the PRCUTS fine grain design recommendations in a way that considers local context to achieve the best planning and urban design outcomes across the precinct. It was also recommended by the SLPP that a comprehensive contributions scheme be prepared that articulates the feasibility of levying affordable housing contributions for any new proposal that results in development uplift or an increase in land value.

This recommendation officially marked a change in direction for Council in terms of how to address planning within the Homebush Precinct, with a masterplanning process and Council led-planning proposal being the appropriate course of action. This is discussed in further detail under Section 2 of this letter.

6 December 2022

Following a series of workshops with Councillors, the subject planning proposal was considered at a Council meeting under Item PE4. The Council staff recommendation was as follows:

That Council resolve to not support progression of the subject Planning Proposal to the NSW Department of Planning & Environment for Gateway Determination to allow for the site to be considered as part of the North Homebush Masterplan Project and to allow for preparation of a new contributions plan that captures infrastructure and affordable housing requirements that are considerate of the scale and density planned for the North Homebush Precinct.

The item was deferred until the February 2023 meeting (refer Attachment 3).

2. COMMENTS

Council's concern with the subject planning proposal are two-fold, as outlined below.

Masterplanning

Firstly, Council is progressing a masterplanning process of the Homebush Precinct (Stages 1 and 2) to refine the layout, FSR and Height controls presented in PRCUTS. This is common practice along the corridor, with Burwood, Canada Bay and Inner West undertaking similar masterplanning exercises. The need for a holistic and localised approach to reviewing and fine tuning the Homebush Precinct is reflected in the recommendations of the SLPP from 1 September 2022 in relation to the planning proposal for 125 Parramatta Road and 52 & 54 Powell Street, Homebush.

Council's masterplanning process will inform critical infrastructure needs and be accompanied by contributions schemes that address infrastructure and affordable housing provision and development control plans that establish crucial place based design requirements. Council's current contributions scheme and DCP are outdated and do not contemplate the densities planned for the Homebush Precinct.

To achieve an integrated and high quality urban design outcome that is appropriately funded, it is ideal for the subject site to be developed following a Council led planning proposal informed by the masterplanning process.

In its current form, the subject planning proposal does not provide an adequate analysis of development outcomes in the context of the surrounding area being developed under PRCUTS. Other key features of the locality such as Homebush

Village, Homebush Station, surrounding heritage items and connectivity across the precinct have also not been given adequate consideration.

Council believes that any attempt to deal with infrastructure provision in a site specific way (i.e. through VPA) will not yield the best outcome for the community, with haphazard infrastructure planning and developer contributions that do not reflect the densities being delivered. Further, the subject planning proposal may set an undesirable precedent for other sites in the precinct.

The rezoning review process is also considered by Council to be an inferior way of engaging the community and will complicate the process of seeking community feedback on a comprehensive masterplan for the Homebush Precinct. The community have already established their priorities for the PRCUTS area during preparation of the LSPS and Council intends to build on this foundation of community engagement for key growth areas.

Merits of the Planning Proposal

Secondly, Council has a number of issues with the 'Better Planning Outcome' submitted with the subject planning proposal. In many ways, these issues stem from the site specific approach of the planning proposal, which would be addressed by the above masterplanning process.

Nevertheless, Council identified the following key concerns in the assessment presented to the SLPP on 5 May 2 June 2022:

- Contents of the Better Planning Outcome Report (Urban Design): The Better Planning Outcome needs to be supported by a more robust urban design analysis than what has been submitted with the planning proposal. The urban design analysis would need to demonstrate that an FSR of 7:1 is appropriate in terms of overshadowing, bulk and scale, consideration of heritage items, open space provision and setbacks under PRCUTS and all other assessment criteria relevant to the planning proposal.

Through massing exercises, the urban design analysis should provide depictions of the differences in development outcomes at an FSR of 5:1 and 7:1.

The urban design analysis should apply a 'whole of block' and locality based urban design analysis, considering in more detail the context of surrounding sites and centres (such as Homebush Village, Homebush Public School and local heritage items) and adjoining sites also being developed in accordance with PRCUTS, rather than what is currently built in the area. Some FSR and/or height sharing across adjoining sites may be necessary to achieve the best outcomes.

- Contents of the Better Planning Outcome Report (Economic Contributions): The Better Planning Outcome establishes land values and construction costs for the public benefits used to justify an additional FSR of 7:1 across the site. Council

is unable to determine the true value of these benefits based on the information provided. There is also significant variation in costings between the 2018 and 2022. For example, the value of the bus shelter in 2018 was \$25,000 and in 2022 it is \$81,000.

Council staff have assessed that the extra 2:1 floor space ratio applied to the site area is equivalent to approximately 130 dwellings with an equal mix of 1- and 2-bedroom units. Sales revenue from this amount of completed dwellings would likely be more than \$100 million (assuming an average unit price of \$750,000).

In return for this windfall, the proponent's Better Planning Outcome presents infrastructure and affordable housing that is likely to be required at an FSR of 5:1 as recommended in PRCUTS. For example, the laneway alignment is a logical and necessary feature for the block to achieve rear access along Parramatta Road and verge widening is required to transition the area from low and medium density streetscapes to a public domain capable of accommodating 80 metre high towers.

- Affordable housing is not considered part of a Better Planning Outcome to justify floor space over and above PRCUTS plans, as 5% affordable housing contribution is a minimum expectation for any new developments in the PRCUTS area. Further, the Applicant's 9 single unit dwellings are a fraction of the minimum that is established in PRCUTS (5% equates to 25 dwellings based on a yield of 481 dwellings).
- Mechanism for permitting an FSR of 7:1: The planning proposal recommends an amendment to Council's Key Sites Map and Part 4 Provisions to permit the FSR of 7:1 where better planning outcomes are achieved. This approach is inconsistent with the current key sites provisions which permits additional floor space and heights for ideal allotment amalgamation patterns. The planning proposal isolates certain sites (primarily number 7 Knight Street) which is inconsistent with the intent of the key sites provisions.
- Isolation of 7 Knight Street: The site isolates No. 7 Knight Street, which has an area of 517m². Under the proposed scheme, No. 7 Knight Street would not be able to be redeveloped to anywhere near its potential under PRCUTS. It is noted that under current planning controls, a residential flat building cannot be developed on an allotment less than 1,000m².
- Open Space: The Better Planning Outcome has removed previous costings for construction and dedication of a public park 1,250m² in area (valued by the Proponent at \$6,760,000.00). This followed feedback provided to the Applicant that the open space proposed for dedication to Council in the original PP was mostly over basement (i.e. not deep soil) and no other allowances had been made for private (communal) open space as required under SEPP 65 and the Apartment Design Guideline.

The need for and suitability of public open space within the block is yet to be determined, as is the developers contribution. There was no clear reason why this contribution was removed from the proponent's Better Planning Outcome.

- Relevant Development Control Plan: There is currently no DCP that can apply the PRCUTS Planning and Design Guidelines to the subject site. A site specific DCP would need to be prepared.

These concerns remain and are reflected in the recommended Gateway conditions made by the SLPP on 2 June, as detailed below:

- a) A review submitted by the applicant of the Economic Contributions Reports by a Council appointed consultant.*
- b) A new Urban Design Strategy by the proponent that addresses the inadequacies outlined in this report. In particular, the need for massing and overshadowing analysis that considers surrounding outcomes under PRCUTS heights and FSRs, comparisons with an FSR outcome of 5:1 and all applicable planning and design guidelines to identify the most appropriate site planning requirements (e.g. setbacks, open space location, stepping of buildings, heritage interface).*
- c) Peer review of the proponent's Urban Design Strategy by a consultant of Council's choosing.*
- d) A review by a consultant of Council's choosing of the proponent's Better Planning Outcome to incorporate the outcomes of the urban design analysis and Council's Economic Contributions analysis.*
- e) Review by the Council of the amalgamation patterns under Strathfield's LEP 2012 to accommodate the recommended heights and FSRs under PRCUTS.*
- f) Should the revised Better Planning Outcome be accepted, confirmation by Council of the best and most appropriate way of allowing a bonus FSR of 7:1.*
- g) Review by the Council of the affordable housing contribution in the Better Planning Outcome to align with Council's strategic planning targets.*
- h) Preparation by the proponent of a revised Voluntary Planning Agreement to address the public benefits and affordable housing agreed to in the final Better Planning Outcome document.*
- i) Preparation by the Council of a site specific Development Control Plan that applies the outcomes of the final and peer reviewed Urban Design Strategy and any other relevant requirements under PRCUTS Planning and Design Guidelines such as BASIX Targets.*

j) A review by the proponent of the overshadowing impacts of the Planning Proposal on the surrounding areas including, in particular, the playground of Homebush Public School.

In addition, Council has been advised by TfNSW that any increase to Heights and FSRs above those recommended in PRCUTS would require re-modelling of the Bitzios precinct wide traffic study, as well as revisions to TfNSW's own traffic study.

This issue will continue to occur with spot-rezonings that seek any variation to the Heights and FSRs under PRCUTS. As outlined above, Council's preference is to review the Homebush Precinct holistically and progress a Council led planning proposal. As part of this, Council would re-run the modelling in the precinct wide traffic study following finalised densities across the precinct.

In summary, it is apparent that the subject planning proposal has been affected by uncertainty within the PRCUTS area, especially in relation to traffic management, and Council understands the Proponents decision to seek a rezoning review.

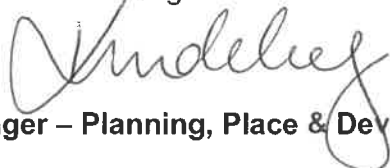
However, Council has made significant and rapid progress in recent months towards implementing a rigorous and robust review of the Homebush Precinct that can deliver best practice planning outcomes for the community as well as housing targets. It is noted that Council's Local Housing Strategy establishes the Homebush Precinct as an irreplaceable location required to achieve Council's housing targets.

Additional FSR or Height allowances may be appropriate on certain sites within the Precinct, especially those sites known to be in single ownership, however this should be informed by a masterplanning process and not the lackluster documentation presented by Pacific Planning.

If you have any questions regarding the above details, please do not hesitate to contact the undersigned or Joe Gillies on 9748 9999.

Yours sincerely,

Kandace Lindeberg



Manager – Planning, Place & Development

ATTACHMENTS / LINKS

1 - SLPP Report – SLPP Agenda and Minutes 5 May 2022

2 - SLPP Report – SLPP Agenda and Minutes 2 June 2022

3 - SLPP Report – SLPP Agenda and Minutes 1 September 2022

4 - Council Meeting 6 December 2022 - <file:///C:/Users/jgillies/Downloads/Council-Meeting-6-December-2022-Minutes-1.pdf>