

## SITE COMPATIBILITY CERTIFICATE APPLICATION

### 26 Rosebery Street, HEATHCOTE, NSW, 2233



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# 1. Introduction

## 1.1 Overview

This Report has been prepared by Pacific Planning on behalf of Pacific Community Housing to accompany an application to the NSW Department of Planning Industry and Environment (DPIE) for a Site Compatibility Certificate (SCC) under Division 5 of Part 2 of State Environmental Planning Policy (Housing) 2021 (Housing SEPP). The application relates to land located at 26 Rosebery Street, Heathcote.

The SCC supports the development of the site which will facilitate 18 dwellings, of which 50% (9 dwellings) will be designated affordable housing units, managed by Pacific Community Housing, a registered and accredited housing provider, for a period of 15 years in accordance with the provisions of Clause 40 of the Housing SEPP.

The subject site is zoned R3 Medium Density Residential within which zone development for the purpose of a 'residential flat building' is prohibited. The site is approximately 270 metres from the entrance to Heathcote railway station and is therefore within the 800 metres designated by Clause 36 of the Housing SEPP. Therefore, as per Section 36(1)(a) the provisions of Division 5 of Part 2 of the Housing SEPP apply.

A meeting with the Department of Planning, Industry and Environment (DPIE) was held on Monday 29 November 2021, where the site was identified and the development proposal presented, having regard to the compatibility of the site with its surroundings.

The following key items were also discussed:

- Potential for significant vegetation on the site or on adjoining sites and how this may impact the building footprint. Note the site is mapped on the terrestrial biodiversity map under the Sutherland LEP 2015 so further investigation would be required.
- The solar impacts to the apartment block to the south.
- Compliance with the ADG.
- Apartment mix. It was recommended that the greater the mix of apartments the better to support the various needs and stages of life for people within the community.
- Compatibility – appropriate height and massing within the context, noting the existing surrounding uses and future anticipated uses associated with the zone, densities and heights.
- 30% landscaping.

This report describes the site, its context and existing environment. It also outlines the proposal, the project justification and provides an environmental assessment of the concept facilitated by the SCC against the provisions of the Housing SEPP and relevant matters for consideration, including relevant legislation, environmental planning instruments, planning policies and strategies.



The SCC application is supported and should be read in conjunction with the following reports and documentation:

- Survey Plan, prepared by Veris, dated 6 December 2021
- Concept Design Report, prepared by Stanisic Architects, dated January 2022
- Architectural Design Statement, prepared by Stanisic Architects, dated January 2022
- Confirmation of Community Housing Provider, prepared by Pacific Community Housing
- Traffic & Parking Assessment Report, prepared by Lyle Marshall & Partners, dated January 2022
- Aboricultural Impact Assessment, prepared by Sturt Noble Arboriculture, dated January 2022
- Photomontage, prepared by David Duloy

## 1.2 Housing SEPP

The Housing SEPP was introduced on 26 November 2021, to deliver housing to meet the needs of the whole community, by providing for more affordable homes, more choice of homes and creating new types of homes to meet these changing needs. The new SEPP will incentivise the supply of affordable and diverse housing in the right places and for every stage of life, and help support the economic recovery of the home building sector in NSW following the COVID-19 pandemic.

Throughout NSW there is a strong need for a range of affordable housing options amongst the community, and it is well recognised that government at all levels, private industry and the non-government sector must work in partnership towards finding innovative ways to provide more affordable housing. The Affordable Housing SEPP is a policy mechanism to facilitate this co-operation.

As stated above, the Housing SEPP applies to the subject land. Clause 36 *Land to which Division applies*, states:

*This Division applies to the following land—*

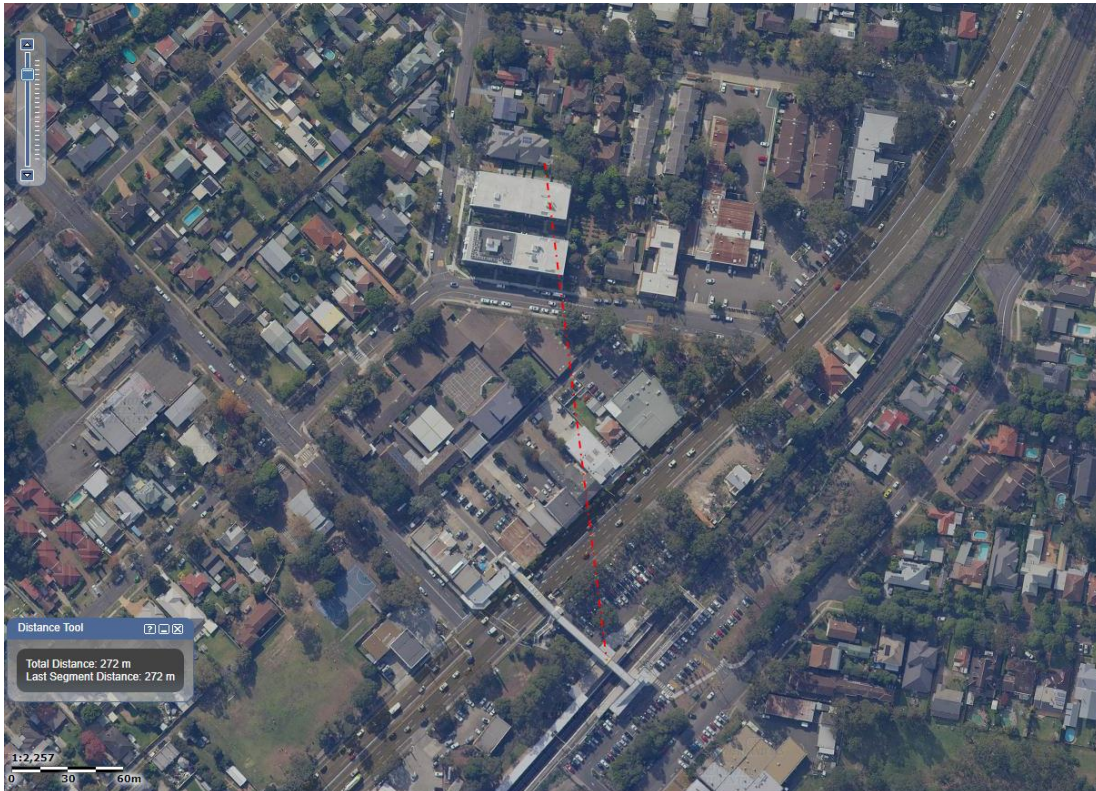
- (a) *land in the Greater Sydney region within 800m of—*
  - (i) *a public entrance to a railway station or light rail station, or*
  - (ii) *for a light rail station with no entrance—a platform of the light rail station,*
- (b) *land in the following towns within 400m of land in Zone B3 Commercial Core or Zone B4 Mixed Use, or an equivalent land use zone—*

*Albury, Ballina, Batemans Bay, Bathurst, Bega, Bowral, Cessnock, Charlestown, Coffs Harbour, Dapto, Dubbo, Glendale–Cardiff, Gosford, Goulburn, Grafton, Lismore, Maitland, Morisset, Newcastle, Nowra, Orange, Port Macquarie, Queanbeyan, Raymond Terrace, Shellharbour, Tamworth, Taree, Tuggerah–Wyong, Tweed Heads, Wagga Wagga, Warrawong, Wollongong.*

Therefore, the SEPP applies as follows:

- the land is within the 800 metre requirement of Heathcote train station (see Figure 1 below); and
- is zoned R3 Medium Density Residential under the Sutherland LEP 2015 under which ‘*residential flat buildings*’ are not permitted.





**Figure 1:** Distance from train station – approx. 272 metres (source: Sixmaps)

Further, in accordance with the requirements of the SEPP, this report will demonstrate:

- Compatibility with surrounding land uses;
- Acceptable impact, in respect to bulk and scale, on existing and approved uses;
- Sufficient services and infrastructure to meet the demands arising from the development; and
- That the development concerned will not have an adverse effect on the environment.

## 2. Site Description and Context

### 2.1 Site Description

The land to which this SCC application applies is located at 26 Rosebery Street, Heathcote. The site is located to the north of the Heathcote train station, which is approximately 272 metres from the entrance to the station on the east side of the Princes Highway. The site is legally known as Lot 16 in DP 2499.

As shown in the attached survey plan (Appendix A), the site has a frontage of 20 metres to Rosebery Street and side boundaries of 60 metres to adjoining residential development. The land the subject of this SCC application is identified in Figures 2 and 3.

The subject site comprises one lot and is known legally as follows:

Address	Lot details	Area (m <sup>2</sup> )
26 Rosebery Street	Lot 16 in DP 2499	1,212sq.m (approx.)

**Table 1:** Site description



**Figure 2:** Aerial view of the subject site (Source: SixMaps)





Figure 3: Site Description (Source: Sixmaps)



Photo 1: Horizon Heathcote as viewed from Veno Street



**Photo 2:** Veno Street and Rosbery Street intersection



**Photo 3:** Looking north towards site and adjoining residential flat building





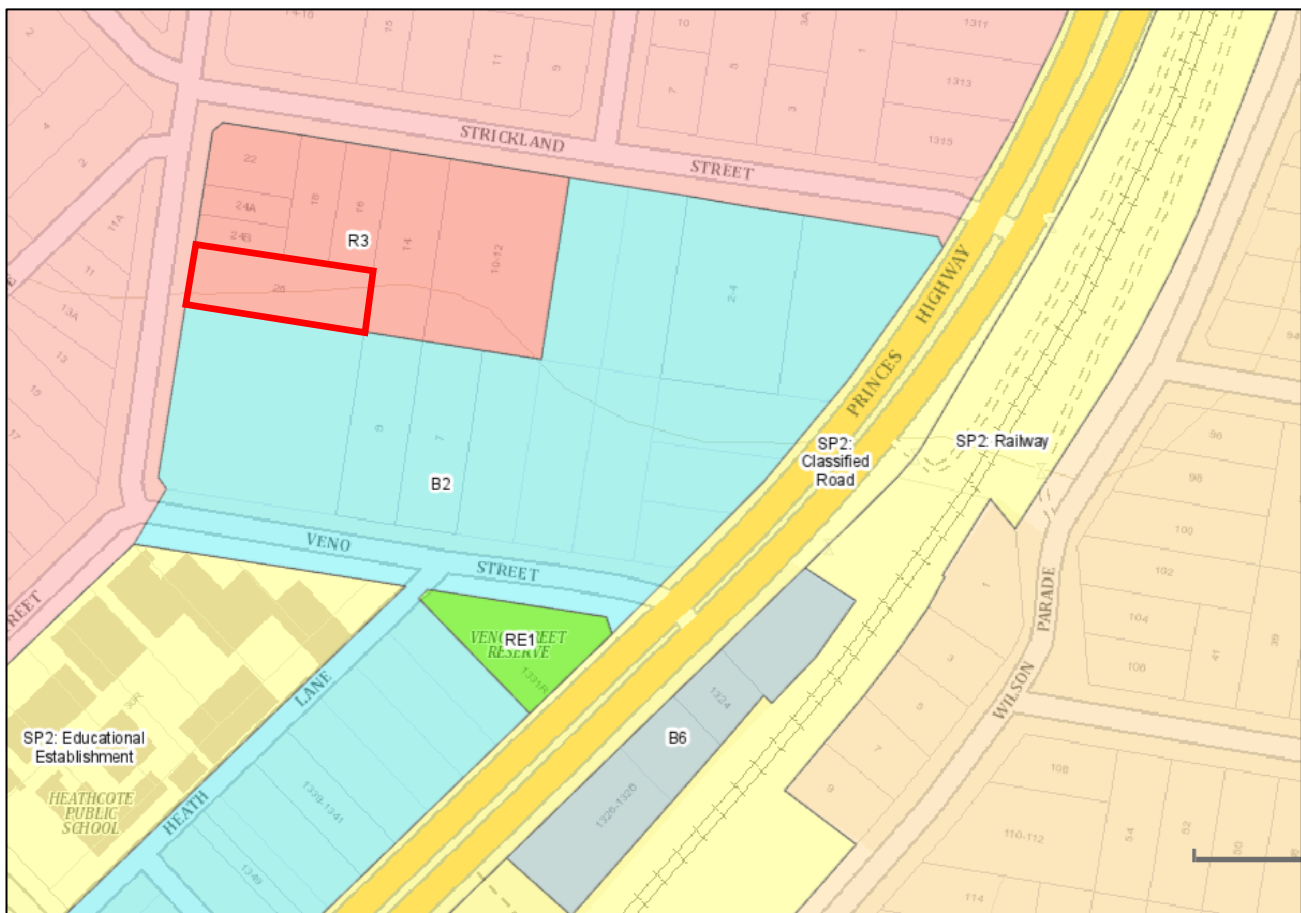
**Photo 4:** 26 Rosebery Street, subject site



**Photo 5:** View south along Rosebery Street

## 2.2 Site Context

The site is currently zoned R3 Medium Density Residential under the Sutherland Local Environmental Plan 2015. As ‘Residential flat buildings’ are prohibited in the R3 Medium Density Residential zone, Division 5 of Part 2 of the Housing SEPP applies.



**Figure 4:** Zoning Map under Sutherland LEP 2015

The site is within a developed residential urban environment. It is bound to the south by a four storey residential flat apartment development known as “Horizon Heathcote”. This development was recently completed at 30 Rosebery Street and 11-11A Veno Street and comprises 77 apartments.

To the north is an existing two storey attached dual occupancy at 24 Rosebery Street. To the east, and the rear of the site, is a complex of five townhouses located at 14 Strickland Street. Opposite the site to the west, the area is generally characterised by 1 and 2 storey residential dwellings.

In terms of the broader area, the site is part of a larger block that contains a significant amount of B2 Local Centre zoned land, with residential flat development. Much of this is currently underdeveloped to its capability to support the role of the Heathcote local centre. The location of the subject site is ideally located within the

context of this block, already adjoining four storey residential apartment development, and multi-dwelling housing.

## 2.3 Existing Environment

The site is currently occupied by a 2-storey dwelling with double garage and paved driveway. While the site is generally cleared, there is a large garden to the rear of the site containing trees being a combination of remnant endemic specimens and planted specimens of exotic species.

None of the trees on the site are listed within the Councils Significant Tree Register or are endangered species, however nine trees are part of an indigenous plant community.

The site has a diagonal cross fall from the south east corner of the site to the north west corner (Rosebery Street) of 2.24 metres. The site falls 1.11 metres along Rosebery Street to the north and 0.93 metres along rear boundary to the north.

The site is in an urban context and there are no known hazards or other natural constraints to the site.



### 3 Description of the Proposal

This report provides a detailed description of the development proposal in support of the application for a SCC that will facilitate 18 dwellings, of which a minimum of 50% (9 dwellings) of the accommodation will be used for the purpose of affordable housing.

#### 3.1 Development Overview

An overview of the development proposal is included in Table 2 below:

Address	26 Rosebery Street, Heathcote
Site Description	Lot 16 in DP 2499
Area	1,212sq.m
Community Housing Provider	Pacific Community Housing
LGA	Sutherland
Zoning	R3 Medium Density Residential
Permissibility	The site is zoned R3 Medium Density Residential under the Sutherland LEP 2015. 'Residential flat buildings' are prohibited in the R3 Medium Density Residential zone. Therefore, Division 5 of Part 2 of the Housing SEPP 2021 applies.
Development Description	This application seeks a SCC to facilitate the demolition of existing development on the site and the construction of a three to four storey residential flat building supporting the provision of 18 apartments.

**Table 2:** Proposal Overview

#### 3.2 Development Background

The NSW Communities & Justice Local Government Housing Kit database, states that as of September 2017, only 14.9% of rental stock was affordable for low-income housing households and 1.1% of rental stock was affordable for very low-income households. As a comparison to NSW standards as a whole, 54.1% of rental stock was affordable for low-income housing households and 1.1% of rental stock was affordable for very low-income households. The comparison to NSW as a whole paints a very bleak future for low-income families in the Sutherland Shire.

Further, the 'Supporting Economic Recovery in NSW' report, released on 14 May 2020 to help the state recover from the COVID-19 pandemic argues the most immediate challenges are rapidly rising unemployment, the widespread failure of small and medium enterprises, falling incomes and wealth, and rising inequality and disadvantage. The ideal policy response would simultaneously address these issues, with greater investment in social and affordable housing presenting a possible solution, the report states.

*"This is a prime opportunity for the NSW government to work with the community housing sector and the construction industry to invest in social and affordable housing, and support jobs, SMEs and NSW's vulnerable citizens",* NCOSS chief executive Joanna Quilty is quoted as saying when the report was released.

The Equity Economics modelling was commissioned by the NSW Council of Social Service, Homelessness NSW, Shelter NSW, the Community Housing Industry Association and the Tenants' Union of NSW.

Further, the Sutherland Shire Council, in a clear policy stance, when formulating their advice to the Minister on the structure and desired outcomes for the Sutherland Shire Local Strategic Planning Statement, notes the important role of community housing providers and the private sector in the delivery of affordable housing in the region, going some way to reversing the trend of extremely limited supply in the Sutherland Shire of rental accommodation of low and very low-income households.

Specifically, Action 10.4, under Planning Priority 10 Housing Choice, states:

*"Collaborate with the Community Housing Providers Industry Association, Community Housing Providers, not-for-profit housing providers, charities and the broader industry to deliver affordable rental housing and to explore ways that supply can be enhanced".*

This is identified as a short-term goal, for council to work with industry and providers to realise the goal. This is a unique opportunity to support the supply of affordable housing, near a major piece of transport infrastructure in an area that already accommodates a number of residential flat buildings. The primary LEP land use controls specifically assist the economic dynamics of the project to support a significant local social need.

If the proposed use of a residential flat building was able to be provided without the incentives of an additional permitted use under Division 5 of Part 2 of the Housing SEPP, the ability to provide the social need in the form of lower cost housing for those in the community that qualify would not be possible. History shows that new housing supply generated in the local market is targeted at significantly higher cost housing. The increased value created through the additional use, specifically enables those gains of increased value into the financial model of the project to support the provision of the social need without the burden of a specific levy that transfers those deadweight costs to other market sectors.

The proposal is compatible within its context and supports the Government's and Council's objectives to increase the provision of affordable housing, working with the Community Housing Provider, while promoting the efficient use of public transport and existing infrastructure.

### 3.2.1 Development Overview

Future development proposes the demolition of the existing dwelling house and clearing of the site, followed by the construction of a mostly three-storey, with part four storey residential flat building comprising 18 dwellings. The development is depicted in the indicative architectural drawing set prepared by Stanisis Architects at Appendix B.

The proposed development outcome for the site follows the key design principles established for the future development of the site having regard to its context and strategic location, the need for affordable housing in the Sutherland Shire, and the compatibility of future development with the existing and preferred future development surrounding the site. The key design principles include:

- A building height that is compatible with surrounding existing heights and preferred future heights under the Sutherland LEP maximum height of building control;
- The maximise the amenity of apartments with generous northern exposure;
- Provide an appropriate interface to Rosebery Street that contributes to the streetscape, and respond to the natural vegetation of the site as part of an enhanced landscaped vision; and
- Consider built form and orientation in the context of the site location, including northern exposure, adjoining residential flat development, and potential future development.

The development facilitated by this SCC application has been designed in accordance with the design principles of SEPP 65 and demonstrates compatibility within its context. In particular, the proposed development seeks to achieve the following outcomes for the site:

- A maximum height of 3 storeys for the majority of the site (approximately 9-metres), with the front part of the development supporting 4-storeys as it interfaces with Rosebery Street. While the Housing SEPP prevails where there may be an inconsistency with the principal development controls within an LEP, it is important in demonstrating compatibility with existing and future development in the surrounding area to respond to the local context.
- To provide for a minimum 6 metre setback to Rosebery Street, up to 7.5 metres, a 4 metre setback to the single dwelling house to the north and a 3 metre setback to the existing residential flat building to the south.
- The proposal also provides for an 8 metre setback at ground level to the rear of the site, to support the retention of existing vegetation.
- The building materials and colours are proposed to comprise face brickwork with glass balconies to complement existing dwellings, multi-dwelling housing and residential flat development within the existing streetscape.
- To incorporate a design that complements a mixed residential setting and its location to the Heathcote town centre and railway station.
- To maximise articulation and solar access by incorporating deep recesses within the massing form to amplify the sun and animate the facades. The building layout is planned to capture sunlight into apartments and communal open spaces throughout the day, all year round.
- To maximise the amount of landscaping and communal open space, to be accessible to residents and planted with flowering trees, lush planting with a mix of colour and texture and low-level planting with trailing plants along the edges of planters

### ***3.2.2 Meeting with Department of Planning, Industry and Environment***

A meeting with the Department of Planning, Industry and Environment (DPIE) was held on Monday 29 November 2021, where the site was identified and the development proposal presented, having regard to the compatibility of the site with its surroundings.

The following provides a summary of matters discussed at that meeting:

- Potential for significant vegetation on the site or on adjoining sites and how this may impact the building footprint. Note the site is mapped on the terrestrial biodiversity map under the Sutherland LEP 2015 so further investigation would be required.

An Arboricultural Impact Assessment has been prepared by Sturt Noble Arboriculture to assess and review the condition of existing trees and assess each individual tree's suitability to be retained as a sustainable part of the proposed development in the long term. The Assessment found that none of the trees on the site are listed within the Councils Significant Tree Register or are endangered species, however nine trees are part of an indigenous plant community. The existing significant street trees that dominate the streetscape and rear setback zone will be retained, except tree no. 11 which has been identified as being in poor condition.

- The solar impacts to the apartment block to the south.

The attached Architectural Design Statement addresses the solar impact to the residential flat development to the south. The following is noted from that report:

*"The potential impact on the solar access to "Horizon Heathcote" has been considered in detail – refer to solar access diagrams provided (SCC 501-02), illustrating where private open spaces and living rooms are located. At mid-winter, all existing apartments receive 2 hours solar access to private open space and living rooms. Living areas and private open spaces to apartments at Level 1 receive 2 hours of solar access either in the morning or afternoon".*

- Compliance with the ADG.

The development outcome has been designed to comply with Parts 3 and 4 of the Apartment Design Guide (ADG), including objectives and design criteria and design guidance for the siting, design and amenity of apartment development, having regard to the context of the site and compatibility of development with the existing and future land uses.

The attached Residential Design Statement includes a section on compliance with the key objectives and design criteria of the ADG.

- Apartment mix. It was recommended that the greater the mix of apartments the better to support the various needs and stages of life for people within the community.

Since the meeting in November, the mix of apartments has been reconsidered. The proposal includes 18 x 1 bed and 2 bed apartments, incorporating one studio, five x 2 bedroom apartments and 12 x 1 bedroom apartments.

Apartments vary in size, with the smallest being 51sq.m and the largest being 86sq.m.

- Compatibility – appropriate height and massing within the context, noting the existing surrounding uses and future anticipated uses associated with the zone, densities and heights.

The development has been designed specifically to respond to the context of the sites location and the compatibility of the site with its surrounding context. In summary, the proposed future development facilitated by the SCC generally complies with the maximum height limit under the Sutherland LEP 2015, with the exception of the Rosebery Street frontage which increases to 13 metres. The 4 storey element replicates the 4 storey residential flat building to the south, while transition in height and bulk to the dwellings to the north and townhouses to the east. The development has been specifically designed to respond to its context and surroundings to ensure compatibility. Further details on compatibility is addressed throughout this report and the attached architectural design statement.

- 30% landscaping.

Communal open space of 368.69m<sup>2</sup> (30.4% of the site area) is provided within the side and rear setback zones which exceeds the minimum recommendation of the ADG for 25% communal open space.

Further, landscaped area of 397.98m<sup>2</sup> (32.8% site area) is provided as deep soil, in excess of the minimum 30% required by SSLEP2015.

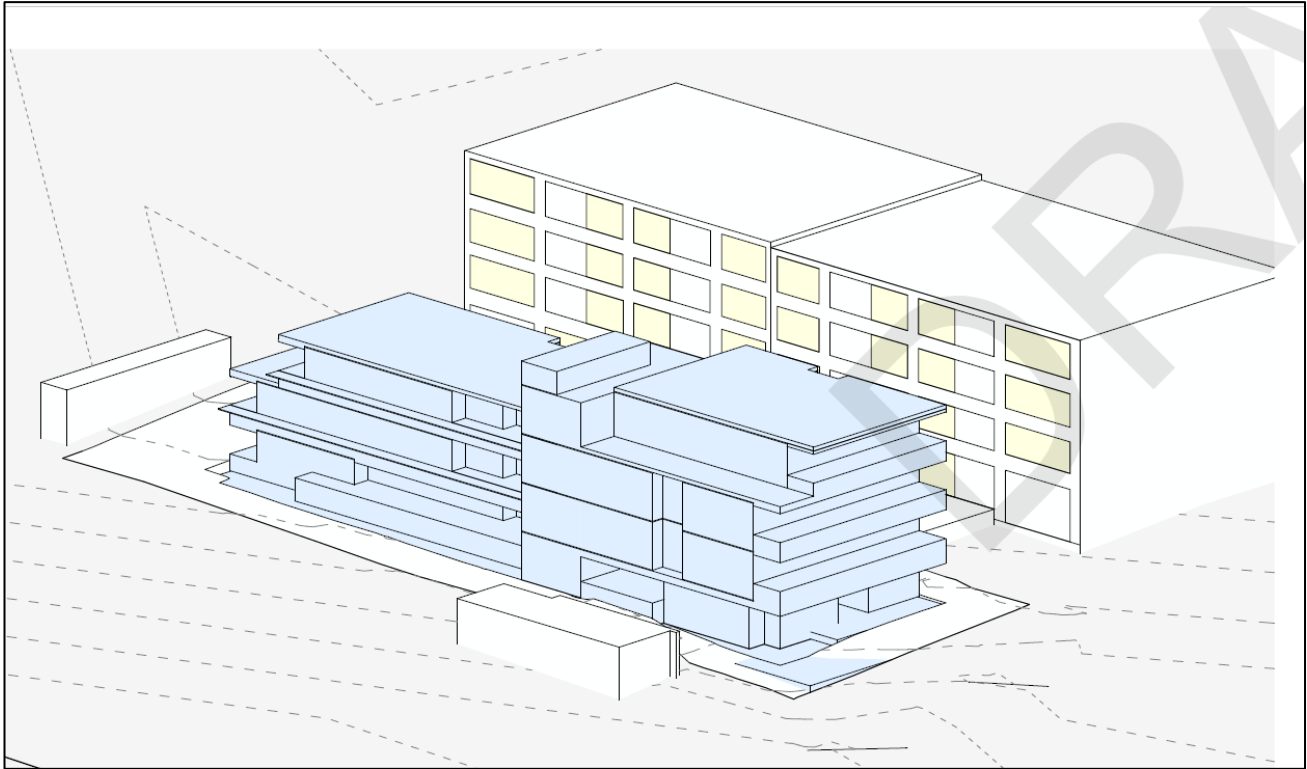
### 3.3 Development and Design Principles

#### 3.3.1 Built Form and Scale

The building comprises a freestanding single building form within a landscaped setting that is modulated and articulated to adjust the scale of the development to the context. The architectural vision for the development is to *“create a breathing, living environment that is responsive to the sun, light, air and outlook that complements its residential setting”*.

The built form is defined by its setbacks, building height and landscaped area. The street setback along Rosebery Street is 4m (Levels 2-4) and 6.2m at Level 1 (Ground). These setbacks are greater than the 3.6m street setback to “Horizon Heathcote” (surveyed) and is a suitable transition to the neighbouring multi-dwelling housing to the north which has an 8.6m street setback.

The existing significant street trees that dominate the streetscape and rear setback zone will be retained, except tree no. 11 which has been identified as being in poor condition. An arborist has provided specialist advice to ensure the on-going health of these trees.



**Figure 5:** Indicative built form massing

The site has a diagonal cross fall from the southeast corner of the site to the northwest corner (Rosebery Street) of 2.24 metres. The site falls 1.11 metres along Rosebery Street to the north and 0.93 metres along the rear boundary to the north.

The maximum height of building for the site is 9 metres under the LEP. The adjoining development to the south at “Horizon Heathcote” has a maximum height of 15.8 metres and is 2.8 metres higher than the maximum permitted by the LEP, which is 13 metres.

The proposed massing form is generally below the 9 metres maximum, except for the massing along Rosebery Street, which is an additional storey – the same height as the neighbouring “Horizon Heathcote”. The massing form steps down from 4 storeys to 3 storeys adjacent to the neighbouring multi-dwelling house. The proposed maximum height of building is 13 metres (the maximum permitted by the LEP at “Horizon Heathcote”), except for the lift overrun which is 13.6 metres and well below the height of “Horizon Heathcote.” The lift has been located towards the centre of the site so that the overrun is not easily viewed from Rosebery Street behind the existing street tree canopy.

### 3.3.2 Apartment Size and Layout

The proposal includes 18 x 1 bed and 2 bed apartments that will be suited to older people, people with a disability, essential key workers and first home buyers. There is also the potential to include dual-key apartments to further diversify the apartment types. Apartments vary in size, with the smallest being 51sq.m and the largest being 86sq.m.

20% apartments will be designed to achieve 'silver level' Liveable Housing Guideline's universal design features. This exceeds the minimum SSDCP2015 requirement for 10% of dwellings, and a minimum of 4/18 (20% min) of apartments will be designed as adaptable apartment and achieve compliance with AS 4299

### **3.3.3 Landscape and Common Areas**

The landscape design is an integral part of the architectural concept 'to create a landscaped building' where landscaped communal open spaces are an essential experience for residents, temper the suburban reality, reduce heat gain, improve air quality and project a sense of greenness and sustainability. A detailed landscape plan will be provided with a future Development Application if a Site Compatibility Certificate is granted.

Communal open space of 368.69sq.m (30.4% of the site area) is provided within the side and rear setback zones which exceeds the minimum recommendation of the ADG for 25% communal open space. Communal open spaces will include active and passive recreation areas include seating areas, planter boxes, BBQ facilities and accommodate the existing large trees. The principal communal open space will be to the north in the sun, with a secondary communal open space to the south adjacent to the gallery which will be experienced as part of the circulation experience.

Landscaped area of 397.98sq.m (32.8% site area) is provided as deep soil, in excess of the minimum 30% required by Sutherland LEP 2015. Communal open space of 194sq.m (16% of the site area 1,212.93sq.m) receives direct sunlight to the principal usable landscape open space for a minimum of 2 hours between 9am and 3pm at mid-winter, well in excess of the 12.5% (151.62sq.m) of the site area recommended by the ADG.

The communal open spaces are accessible to all residents. Planting will include flowering trees, lush planting with a mix of colour and texture and low-level planting with trailing plants along the edges of planters. Planting selections are drought resistant indigenous planting to reduce ongoing water use on the site. It is anticipated that 95% of planting will be endemic.

### **3.3.4 Access and Vehicles**

While parking is not required under Clause 38(4) of the Housing SEPP, given its proximity to public transport, 12 x car parking spaces are provided within a basement with an additional 1 x visitor car parking space. In addition to car parking, there are 18 x bike parking spaces, one for each dwelling, located within a secure room within the basement.

The driveway ramp has been reduced to 3.6m in width, to reduce the dominance of a roller shutter on the street and reflect the small number of cars located on the site. This also improves the visual impact of access to the development site and improves the compatibility with the surrounding residential context. A waiting area is included within the front setback to allow cars to pass on the site if the ramp is being used. The detail of the parking arrangements will be included with a future Development Application.



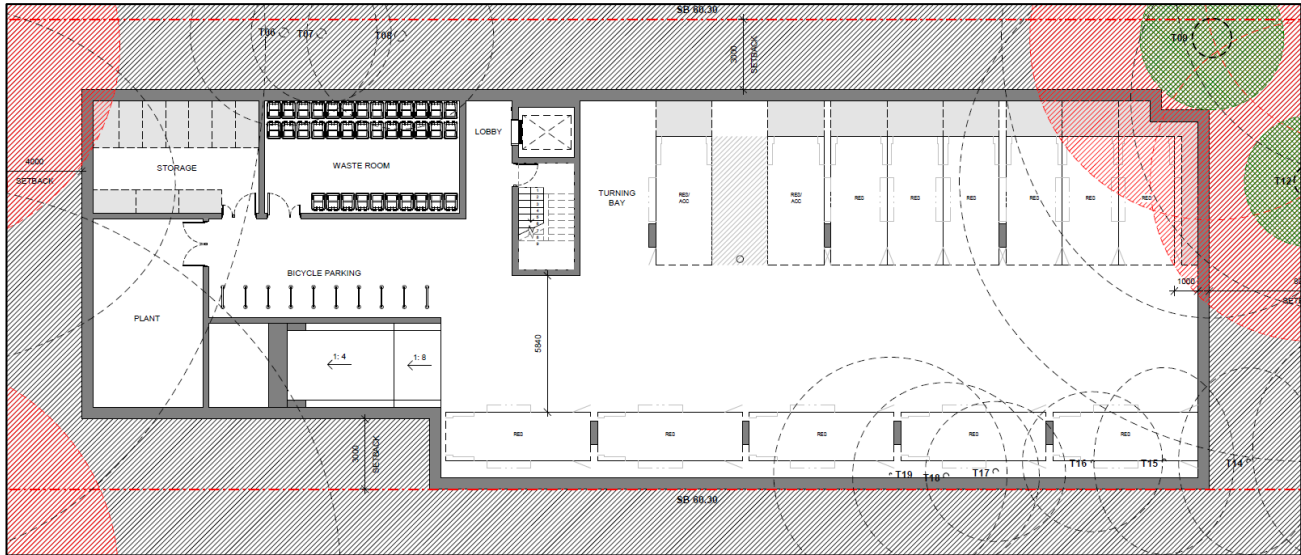


Figure 6: Basement parking arrangement

### 3.3.5 Amenity

The development provides excellent amenity to all residents:

- The organisation is capable of supporting apartments with all living rooms achieving the minimum recommended width of 3.6m for 1 bed apartments and 4.0m for 2 bed apartments.
- All apartments have a private open space accessed directly from the living area and can meet the minimum area guidelines of the ADG. Private open spaces are capable of achieving an external area of 8m<sup>2</sup> for 1 bed apartments, 10m<sup>2</sup> for 2 bed apartments and larger private open spaces at Level 1, meeting the guidelines of the ADG.
- Visual and acoustic privacy is achieved through orientation, internal layouts and acoustic treatment internally and between communal open spaces.
- 72.2% (13/18) of apartments are capable of achieving in excess of 2 hours of direct sunlight to all to living rooms and private open spaces at mid-winter which meets the guidelines of the ADG.
- 72.2% (13/18) of apartments are capable of being naturally cross ventilated utilising corner ventilation or through ventilation. The ADG guidelines recommend 10.8/18 apartments are naturally cross ventilated. The gallery is screen and considered as an internal space.
- A minimum of 4/18 (20% min) of apartments will be designed as adaptable apartment and achieve compliance with AS 4299, in excess of the SSDCP2015 requirement of 10%.
- All adaptable apartments will also meet the Specialist Disability Accommodation (SDA) design requirements under the National Disability Insurance Scheme (NDIS).
- Communal open space of 368.69m<sup>2</sup> (30.4% of the site area) is provided within the side and rear setback zones which exceeds the minimum recommendation of the ADG for 25% communal open space.

### **3.3.6 Infrastructure and Services**

The site is part of a long established residential urban area, which is well served by all urban services and infrastructure. The site is well serviced by utilities infrastructure required to support residential land uses in accordance with the Housing SEPP.

Notwithstanding, utilities, infrastructure and services will be addressed and relevant utility providers consulted as part of future development applications for the site to support the provision of gas, water, sewer and electricity.

## 4 Statutory Context

### 4.1 Environmental Planning & Assessment Act 1979

The proposal is consistent with the objects of the Environmental Planning & Assessment (EP&A Act 1979 as it is considered to promote the orderly and economic use and development of land without resulting in an adverse impact on the environment while promoting the delivery and maintenance of affordable rental housing.

Relevant objectives under Section 1.3 Objects of the Act of the EP&A Act 1979 include:

- (d) to facilitate ecologically sustainable development by integrating relevant economic, environmental and social considerations in decision-making about environmental planning and assessment,*
- (c) to promote the orderly and economic use and development of land,*
- (d) to promote the delivery and maintenance of affordable housing,*
- (g) to promote good design and amenity of the built environment,*

The development is consistent with the above objectives as follows:

- The application for a SCC will facilitate the orderly and economic development of a site that currently contains a single dwelling house adjoining 4 storey residential flat development and the Heathcote town centre, which contains major rail infrastructure.
  - The development is orderly in that it is generally compliant with the maximum building height, with the exception of the Rosebery Street frontage which is the same height as adjoining development.
  - The existing height limit of 9 metres and the adjoining height limit of 13 metres, is a reflection of the existing and preferred future heights within the surrounding area, and given the proximity to major public transport infrastructure the proposed development will contribute to meeting the needs of the community within a medium density environment.
  - The development is economic in that the site adjoins the Heathcote town centre and is within short walking distance of the Heathcote train station. Given the connectivity of the site to Sutherland, Wollongong and the Sydney CBD, the site could be considered underutilised in its ability to support a social and community need for affordable housing without the need for private transport use.
  - At the scale and yield proposed future development can provide additional affordable housing supply to meet the social needs of the community.
  - The development proposition seeks the orderly and efficient use of land to assist the housing needs of those in need. The proposal is aimed to be sustainable through an appropriate balance of social, economic and ecological considerations.
- The Development will directly achieve the objectives of Section 1.3 of the EP&A Act 1979 to promote the delivery and maintenance of affordable rental housing. It does this by facilitating the development of 18 dwellings, of which a minimum of 9 will be affordable homes in accordance with the Housing SEPP 2021 in an area of Sydney with increasingly significant housing stress;

- The design, layout and bulk of future development facilitated by this application has been advanced with particular attention to the following:
  - Compatible height with existing and future development surrounding the site;
  - An architectural response to the site's location within a residential environment, near the Heathcote town centre and train station;
  - The architectural character is compatible with the existing developments in the immediate context, but is clearly defined to give a variety of grain and character within this framework. Its limited palette of materials and simple form gives the building its own strength without attempting to mimic the existing context; and
  - Layout and orientation of apartments have been designed to maximise amenity.

## 4.2 State Environmental Planning Policies

### 4.2.1 Housing SEPP 2021

The Housing SEPP commenced on 26 November 2021 consolidating five existing housing-related policies, with the intention of delivering more affordable, more diverse forms of housing and create new types of homes to meet the changing needs of people across NSW.

Division 5 of Part 2 of the Housing SEPP applies to land in the Greater Sydney region within 800 metres of a public entrance to a railway station of light rail station but *“does not apply to land on which development for the purposes of a residential flat building is permitted under another environmental planning instrument”*.

The principles of the Housing SEPP are as follows:

- (a) *enabling the development of diverse housing types, including purpose-built rental housing,*
- (b) *encouraging the development of housing that will meet the needs of more vulnerable members of the community, including very low to moderate income households, seniors and people with a disability,*
- (c) *ensuring new housing development provides residents with a reasonable level of amenity,*
- (d) *promoting the planning and delivery of housing in locations where it will make good use of existing and planned infrastructure and services,*
- (e) *minimising adverse climate and environmental impacts of new housing development,*
- (f) *reinforcing the importance of designing housing in a way that reflects and enhances its locality,*
- (g) *supporting short-term rental accommodation as a home-sharing activity and contributor to local economies, while managing the social and environmental impacts from this use,*
- (h) *mitigating the loss of existing affordable rental housing.*

This application is made pursuant to the provisions of Division 5 Part 2 to enable affordable housing to meet the needs of the more vulnerable members of the community, providing residents with a reasonable level of amenity in a location where it will make good use of existing and planned infrastructure and services. The development directly meets the principles of the Housing SEPP listed above.

The critical provision of Division 5 Part 2 of the Housing SEPP is clause 39(6), which provides:

- (6) *The Planning Secretary must not issue a certificate unless the Planning Secretary—*
- (a) *has taken into account comments, if any, received from the council within 14 days after the application for the certificate was made, and*
  - (b) *is of the opinion that the residential flat building is compatible with the surrounding land uses considering the following matters—*
    - (i) *the existing uses and approved uses of land in the area,*
    - (ii) *the impact that the residential flat building, including its bulk and scale, is likely to have on the existing uses, approved uses and uses that, in the opinion of the Planning Secretary, are likely to be the preferred future uses of the land,*
    - (iii) *the services and infrastructure that are or will be available to meet the demands arising from the development, and*
  - (c) *is of the opinion that the development is not likely to have an adverse effect on the environment and will not cause unacceptable environmental risks to the land.*

There are six express factors for consideration. First the Planning Secretary must take into account any comments received from the Council. The second matter is under the general rubric of compatibility with surrounding land uses. This is an opinion which must be formed before the certificate can be issued.

In forming the opinion about compatibility, the SEPP requires the Secretary to have regard to three matters: existing and approved neighbouring uses, the impact of the development on those uses and "*uses that, in the opinion of the Planning Secretary, are likely to be the preferred future uses of that land*" and the availability of services and infrastructure. By far the most important matter in this context is the likely preferred future uses of neighbouring land. Subclause (7) provides that the certificate if issued may certify that the development is only compatible if it satisfies the requirements specified in the certificate.

Finally, another opinion must be formed, that the development is not likely to have an adverse effect on the environment or cause any unacceptable environmental risks to the land.

What is a mandatory consideration is the question of compatibility. It is unnecessary to imply any further factors for consideration and it would seem to be contrary to the scheme of compatibility certification that other issues should interfere with the express statutory purpose, which clearly is not to set aside existing prohibitions unless the Secretary considered that the proposal was or could be made compatible with surrounding land uses.

The opinion of compatibility is wholly concerned with surrounding land, not the land proposed for development. Paragraph (b)(ii) requires regard to be had to the impact of the development including its bulk and scale "... on the existing uses, approved uses and uses that... are likely to be the preferred uses of **that land**". The reference to existing and approved uses picks up the reference in the preceding paragraph to the uses of land "in the vicinity of the development". The reference in paragraph (ii) to "that land" is to the land referred to in paragraph (i), and there can be no other construction of that provision, given that the opinion to be formed related to compatibility with "the surrounding land uses".

Compatibility is not a question of how well the proposed development measured up against the standards and requirements of the LEP for the subject land. Rather, it was a comparison between the proposed development and the surrounding land, including existing and future uses.

In this context, the surrounding land contains a four-storey residential flat building that defines the character of the area. Further, the majority of the block contains a maximum height limit of 13 metres (on B2 Local Centre zoned land) with a small component of 9 metres (on R3 Medium Density Residential zoned land). The adjoining land to the north contains a dual occupancy development and the land to the east contains 2 storey townhouses. It is reasonable to anticipate therefore, that a single dwelling house is not the preferred future use of that land, given the objectives for the R3 zone, which include:

- *To provide for the housing needs of the community within a medium density residential environment.*
- *To provide a variety of housing types within a medium density residential environment.*

A detailed consideration of Division 5 of the Affordable Housing SEPP is included below:

Housing SEPP 2021	
Clause	Comment
<u>3 Principles of Policy</u>	
(a) enabling the development of diverse housing types, including purpose-built rental housing,	<p>The SCC will facilitate the development of 9 affordable dwellings (50% of the development) to be managed by a community housing provider for a minimum of 15 years in an area where it is urgently required.</p> <p>The NSW Communities &amp; Justice Local Government Housing Kit database, states that as of September 2017, only 14.9% of rental stock was affordable for low income housing households and 1.1% of rental stock was affordable for very low-income households. As a comparison to NSW standards as a whole, 54.1% of rental stock was affordable for low income housing households and 1.1% of rental stock was affordable for very low-income households. The comparison to NSW as a whole paints a very bleak future for low income families in the Sutherland Shire.</p> <p>Further, the 'Supporting Economic Recovery in NSW' report, released on 14 May 2020 to help the state recover from the COVID-19 pandemic argues the most immediate challenges are rapidly rising unemployment, the widespread failure of small and medium enterprises, falling incomes and wealth, and rising inequality and disadvantage. The ideal policy response would simultaneously address these issues, with greater investment in social and affordable</p>
(b) encouraging the development of housing that will meet the needs of more vulnerable members of the community, including very low to moderate income households, seniors and people with a disability,	
(c) ensuring new housing development provides residents with a reasonable level of amenity,	
(d) promoting the planning and delivery of housing in locations where it will make good use of existing and planned infrastructure and services,	
(e) minimising adverse climate and environmental impacts of new housing development,	
(f) reinforcing the importance of designing housing in a way that reflects and enhances its locality,	
(g) supporting short-term rental accommodation as a home-sharing activity and contributor to local economies, while managing the social and environmental impacts from this use,	
(h) mitigating the loss of existing affordable rental housing.	



	<p>housing presenting a possible solution, the report states.</p> <p>In response to this, the development facilitated by the subject SCC supports the principles of the Housing SEPP by providing affordable dwellings next to the Heathcote town centre, within walking distance of the Heathcote train station, connecting future residents to places of work, services and amenities and entertainment and recreation.</p> <p>The subject site is such land that the Housing SEPP contemplates for such a development. A site within the middle of an industrial area for example, surrounded by industrial land would not necessarily be the right location for affordable housing under the SEPP as it is not compatible with the surrounding land. The subject site, however, is zoned residential, adjoins a residential flat building and is within walking distance of major transport infrastructure. The ability to gain the additional permitted use not available to other market sectors specifically supports the project financial model to deliver the social need.</p> <p>The proposed development is therefore consistent with the principles, and meets the locational requirements for compatibility.</p>
<p><u>36 Land to which Division applies</u></p> <p>(1) This Division applies to the following land—</p> <p>(a) land in the Greater Sydney region within 800m of—</p> <p>(i) a public entrance to a railway station or light rail station, or</p> <p>(ii) for a light rail station with no entrance—a platform of the light rail station,</p> <p>(b) land in the following towns within 400m of land in Zone B3 Commercial Core or Zone B4 Mixed Use, or an equivalent land use zone—</p> <p>Albury, Ballina, Batemans Bay, Bathurst, Bega, Bowral, Cessnock, Charlestown, Coffs Harbour, Dapto, Dubbo, Glendale–Cardiff, Gosford, Goulburn, Grafton, Lismore, Maitland, Morisset, Newcastle, Nowra, Orange, Port Macquarie,</p>	<p>As illustrated in Figure 1 on page 2, the land is within 800 metres of the entrance to Heathcote train station.</p> <p>The site is zoned R3 Medium Density Residential under the Sutherland LEP 2015 under which <i>‘residential flat buildings’</i> are prohibited.</p> <p>Therefore, Division 5 of Part 2 of the Housing SEPP applies to the subject site.</p>



<p>Queanbeyan, Raymond Terrace, Shellharbour, Tamworth, Taree, Tuggerah–Wyong, Tweed Heads, Wagga Wagga, Warrawong, Wollongong.</p> <p>(2) This Division does not apply to land on which development for the purposes of residential flat buildings is permitted under another environmental planning instrument.</p>	
<p><u>37 Development to which Division applies</u></p> <p>(1) This Division applies to development for the purposes of residential flat buildings carried out on land to which the Division applies —</p> <p>(a) by or on behalf of a public authority or social housing provider, or</p> <p>(b) by a person who is carrying out the development with the Land and Housing Corporation.</p> <p>(2) The Division does not apply to —</p> <p>(a) development to which this Part, Division 1 applies, or</p> <p>(b) development to which Chapter 3, Part 4 applies.</p>	<p>Future development will be on behalf of Pacific Community Housing who will manage the affordable housing component of the future development for a period of 15 years.</p> <p>See Appendix E for communication from the community housing provider.</p>
<p><u>38 Development may be carried out with consent</u></p> <p>(1) Development to which this Division applies may be carried out with consent.</p> <p>(2) Development consent must not be granted under this Division unless the consent authority is satisfied that—</p> <p>(a) the Planning Secretary has certified in a site compatibility certificate that, in the Planning Secretary’s opinion, the residential flat building is compatible with the surrounding land uses, and</p> <p>(b) if the development relates to a building on land in a business zone—no part of the ground floor of the building that fronts a street will be used for residential purposes unless another environmental planning instrument permits the use.</p> <p>(3) Nothing in this section prevents a consent authority from—</p> <p>(a) consenting to development on a site by reference to site and design features that are more stringent than the ones</p>	<p>This application seeks a SCC for land at 26 Rosebery Street, Heathcote for the purpose of a residential flat building with a 50% component of affordable housing in accordance with the provisions of the Housing SEPP.</p> <p>‘Residential flat buildings’ are prohibited in the existing R3 Medium Density Residential zone under the Sutherland LEP 2015.</p> <p>The development outcome facilitated by the SCC application seeks to provide a part 3 storey and part 4 storey building. The development seeks to provide 18 units (9 affordable units), 368sq.m of open space, a landscaped ground floor setback of 6.2 metres to Rosebery Street, 12 parking spaces, and a bicycle space for every unit.</p> <p>This application specifically considers the compatibility of residential flat buildings within the context of the surrounding area. A 4 storey residential flat building adjoins the site, which is within a large area of B2 Local Centre zoned land within which 4</p>

<p>identified in a site compatibility certificate for the same site, or</p> <p>(b) refusing consent to development by reference to the consent authority's own assessment of the compatibility of the residential flat building with the surrounding land uses, or</p> <p>(c) considering another matter in determining a development application.</p> <p>(4) Car parking is not required to be provided in relation to development to which this Division applies.</p>	<p>storey residential flat development is permitted. Therefore, the use itself is not uncommon in the area, and this also informs the anticipated future uses in the area.</p> <p>In terms of the compatibility of the bulk and scale, the proposed future development facilitated by the SCC generally complies with the maximum height limit under the Sutherland LEP 2015, with the exception of the Rosebery Street frontage which increases to 13 metres. The 4 storey element replicates the 4 storey residential flat building to the south, while transition in height and bulk to the dwellings to the north and townhouses to the east. The development has been specifically designed to respond to its context and surroundings to ensure compatibility.</p> <p>The density is slightly above that permitted under the Sutherland LEP 2015. The density is 1.2:1 incorporating 1,455.516sq.m of residential GFA, noting the control applying to the land is 0.7:1. The adjoining land to the south, and all the nearby B2 zoned land has an FSR control of 2:1. The additional density sought through the SCC process is 0.5:1 to facilitate a minimum of 9 affordable homes for a minimum of 15 years. In the context of the site's location, surrounding controls and existing adjoining development, the proposal is considered compatible.</p> <p>Having addressed the issues of compatibility, the proposed development will be subject to further assessment and refinement at the development application stage.</p> <p>Finally, noting the location of the site to the train line and local bus network, active transport is encouraged. The development seeks to provide one basement level that will support 12 car parking spaces (plus 1 visitor space) with each unit allocated a bicycle space in the bicycle storage area.</p>
<p><u>39 Site compatibility certificates</u></p> <p>(1) An application for a site compatibility certificate under this Division may be made to the Planning Secretary:</p>	<p>This report supports the application for a SCC to facilitate the development of affordable housing, in an area, being the Sutherland Shire, in urgent need, on land within an established residential area on a site near a town centre and train station.</p>

<p>(a) by the owner of the land on which the development is proposed to be carried out, or</p> <p>(b) by any other person with the consent of the owner of that land.</p> <p>(2) An application under this clause:</p> <p>(a) must be in a written form approved by the Planning Secretary, and</p> <p>(b) must be accompanied by the documents and information required by the Planning Secretary, and</p> <p>(c) must be accompanied by the fee, if any, prescribed by the regulations.</p> <p>(3) The Planning Secretary may request further documents and information to be furnished in connection with an application.</p> <p>(4) Within 7 days after the application is made, the Planning Secretary must provide a copy of the application to the council for the area in which the development is proposed to be carried out, unless the Planning Secretary refuses, before those 7 days have elapsed, to issue a certificate.</p> <p>(5) The Planning Secretary may determine the application by issuing a certificate or refusing to do so.</p> <p>(6) The Planning Secretary must not issue a certificate unless the Planning Secretary—</p> <p>(a) has taken into account comments, if any, received from the council within 14 days after the application for the certificate was made, and</p> <p>(b) is of the opinion that the residential flat building is compatible with the surrounding land uses considering the following matters—</p> <p>(i) the existing uses and approved uses of land in the area,</p> <p>(ii) the impact that the residential flat building, including its bulk and scale, is likely to have on the existing uses, approved uses and uses that, in the opinion of the Planning Secretary, are likely to be the preferred future uses of the land,</p>	<p>The report addresses in detail the issues of compatibility with the surrounding uses, the impact the development may have on surrounding approved uses and uses that, in the opinion of the Planning Secretary, are likely to be the preferred future uses of that <i>surrounding</i> land. In summary, the key findings of the assessment of compatibility with surrounding development include:</p> <ul style="list-style-type: none"> <li>• The site is ideally situated next to the Heathcote local centre, and within 270 metres of the entrance to the Heathcote train station.</li> <li>• The existing character of the area is already defined by the “Horizon Heathcote” residential flat development adjoining the site to the south.</li> <li>• While there are a number of single storey dwelling houses in proximity of the site (mainly opposite on R2 Low Density zoned land), the proposed development is generally within the height limit of 9 metres, which is also the height limit of adjoining land to the north. The land to the south has a height limit of 13 metres with an approved development of 15.8 metres. It is therefore reasonable to assume that future surrounding development could be of a medium and high density character with heights of up to 15 to 16 metres.</li> <li>• A shadow analysis has also been prepared to assess the solar impacts to the “Horizon Heathcote” development to the south. At mid-winter, all existing apartments receive 2 hours solar access to private open space and living rooms. Living areas and private open spaces to apartments at Level 1 receive 2 hours of solar access either in the morning or afternoon. It is also noted that 65% of apartments in this development receive 2 hours of solar access to living rooms and private open space and Council, in their assessment of the approved application considered that this meets the minimum guideline of the Apartment Design Guide (JRPP, Sydney East Region, Business Paper, 10 December 2015 – 2015SYE108, p. 10).</li> </ul>
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<p>(iii) the services and infrastructure that are or will be available to meet the demands arising from the development, and</p> <p>(c) is of the opinion that the development is not likely to have an adverse effect on the environment and will not cause unacceptable environmental risks to the land.</p> <p>(7) A certificate may certify that development is compatible with the surrounding land uses only if it satisfies certain requirements specified in the certificate.</p> <p>(8) A certificate continues to apply to the land in relation to which it was issued despite any change in the ownership of that land.</p> <p>(9) A certificate is valid for—</p> <p>(a) 5 years, or</p> <p>(b) otherwise—the period specified in the certificate.</p>	
<p><u>40 Must be used for affordable housing for 15 years</u></p> <p>(1) Development consent must not be granted under this Division unless the consent authority is satisfied that, for at least 15 years from the date of the issue of an occupation certificate—</p> <p>(a) at least 50% of the dwellings to which the development relates will be used for affordable housing, and</p> <p>(b) the dwellings used for affordable housing will be managed by a registered community housing provider.</p> <p>(2) Subclause (1) does not apply to development on land owned by the Land and Housing Corporation or to a development application made by a public authority.</p>	<p>It is proposed that 50% of the accommodation of the future development will be used for the purpose of affordable housing.</p> <p>The community housing provider that will manage the affordable housing is Pacific Community Housing. See Appendix E for confirmation.</p>
<p><u>41 Continued application of SEPP 65</u></p> <p>Nothing in this Policy affects the application of <i>State Environmental Planning Policy No 65—Design Quality of Residential Flat Development</i> to development to which this Division applies.</p>	<p>It is noted that SEPP 65 applies to any DA lodged against the site compatibility certificate as it relates to the land.</p> <p>While this application is for a SCC and is not for development, the development of the site has been refined to a level where compliance with SEPP 65 will be achieved.</p>

	<p>The SCC application is supported by a Design Statement prepared by Stanisic Architects that addresses the principles of the SEPP relevant to the assessment of the SCC application that relates to context, neighbourhood character, built form and scale, and density.</p> <p>The Design Statement is included at Appendix C and discussed in more detail under section 4.2.4.</p>
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**Table 3:** Assessment of Affordable Housing SEPP

#### 4.2.2 Relationship with other environmental planning instruments

This application demonstrates the proposed development of a residential flat building at the controls sought, is compatible with the existing and future surrounding uses of the land. Further, the development is consistent with the objectives of the SEPP as follows:

- (a) *enabling the development of diverse housing types, including purpose-built rental housing,*
- (b) *encouraging the development of housing that will meet the needs of more vulnerable members of the community, including very low to moderate income households, seniors and people with a disability,*
- (c) *ensuring new housing development provides residents with a reasonable level of amenity,*
- (d) *promoting the planning and delivery of housing in locations where it will make good use of existing and planned infrastructure and services,*
- (e) *minimising adverse climate and environmental impacts of new housing development,*
- (f) *reinforcing the importance of designing housing in a way that reflects and enhances its locality,*
- (g) *supporting short-term rental accommodation as a home-sharing activity and contributor to local economies, while managing the social and environmental impacts from this use,*
- (h) *mitigating the loss of existing affordable rental housing.*

#### 4.2.3 SEPP 55 Remediation of Land

The site is currently utilised for residential purposes, and there is no evidence to suggest that the site was ever historically utilised for any other use except residential.

The development proposal facilitated by the SCC involves the continuation of residential uses on the site. While a single basement level is proposed, any potential contamination will be investigated at this time.

Given the historical residential land uses the possibility of contamination is very low, and the department can be satisfied that issuing a site compatibility certificate will not have any adverse environmental impact or cause any unacceptable environmental risks to the land.

The certificate can be conditioned accordingly if this is of concern, but further assessment can also occur in relation to this matter at development application stage.

#### 4.2.4 SEPP 65 Design Quality of Residential Apartment Development

Compliance with SEPP 65 and the Apartment Design Guidelines informed the building footprint and proposed massing envelope sought by the proposed development outcome.

The architectural design concept illustrates how the design decisions have been based on opportunities and constraints of the site conditions and their relationship to the surrounding context. This is included in the Architectural Design Concept at Appendix B and supports the layout and orientation of buildings.

A Design Statement is included that considers the key criteria of SEPP 65 in support of the application. This is attached to this SCC application at Appendix C. The Statement demonstrates that the future development of the site can comply with the SEPP 65 Design Principles. This is also demonstrated by the indicative floor plans attached at Appendix B. Additional detailed assessment against SEPP 65 and the Apartment Design Guidelines will support future applications for development.

### 4.3 Sutherland LEP 2015

Sutherland Local Environmental Plan (LEP) commenced on the 23 June 2015 when it was published on the NSW Government Legislation website.

Table 4 below summarises the Sutherland LEP 2015 principal development standards that currently apply to the subject site:

Land Zoning	Maximum Building Height	Maximum Floor Space Ratio (FSR)	Minimum Lot Size
R3 Medium Density Residential	9 metres	0.7:1	550sq.m

**Table 4:** Site Development Standards

The development is consistent with the objectives of the Sutherland LEP 2015. The following are of relevance:

- (a) *to deliver the community's vision for Sutherland Shire by achieving an appropriate balance between development and management of the environment that will be ecologically sustainable, socially equitable and economically viable,*
- (b) *to establish a broad planning framework for controlling development, minimising adverse impacts of development, protecting areas from inappropriate development and promoting a high standard of urban design,*
- (c) *to protect and enhance the amenity of residents, workers and visitors in all localities throughout Sutherland Shire,*
- (e) *to concentrate development in localities with adequate infrastructure that is accessible to transport and centres,*
- (i) *to meet the future housing needs of the population of Sutherland Shire.*

In particular, (e) and (i) above are of most relevance. The site is within close proximity to the Heathcote town centre and train station entrance so is perfectly located with regards to access to public transport infrastructure and services and public amenities. This also connects residents to, Sutherland, Wollongong, the Sydney CBD and Greater Sydney. Concentrating development, such as that proposed, in such a location, that is compatible with its surroundings therefore directly achieves this objective, while also providing housing choice for residents within the Sutherland Shire.

#### 4.3.1 Zoning

The site is zoned R3 Medium Density Residential under the Sutherland LEP 2015. 'Residential flat buildings' are prohibited in the R3 Medium Density Residential zone. Therefore, Division 5 of Part 2 of the Housing SEPP applies.

### R3 Medium Density Residential

#### 1 Objectives of zone

- To provide for the housing needs of the community within a medium density residential environment.
- To provide a variety of housing types within a medium density residential environment.
- To enable other land uses that provide facilities or services to meet the day to day needs of residents.
- To encourage the supply of housing that meets the needs of the Sutherland Shire's population, particularly housing for older people and people with a disability.
- To promote a high standard of urban design and residential amenity in a high quality landscape setting that is compatible with natural features.
- To allow development that is of a scale and nature that provides an appropriate transition to adjoining land uses.

#### 2 Permitted without consent

Home occupations

#### 3 Permitted with consent

Attached dwellings; Bed and breakfast accommodation; Boarding houses; Centre-based child care facilities; Community facilities; Dual occupancies; Dwelling houses; Environmental protection works; Flood mitigation works; Group homes; Home businesses; Home industries; Hostels; Multi dwelling housing; Neighbourhood shops; Oyster aquaculture; Places of public worship; Recreation areas; Respite day care centres; Roads; Semi-detached dwellings; Seniors housing; Shop top housing; Tank-based aquaculture

#### 4 Prohibited

Pond-based aquaculture; Any other development not specified in item 2 or 3



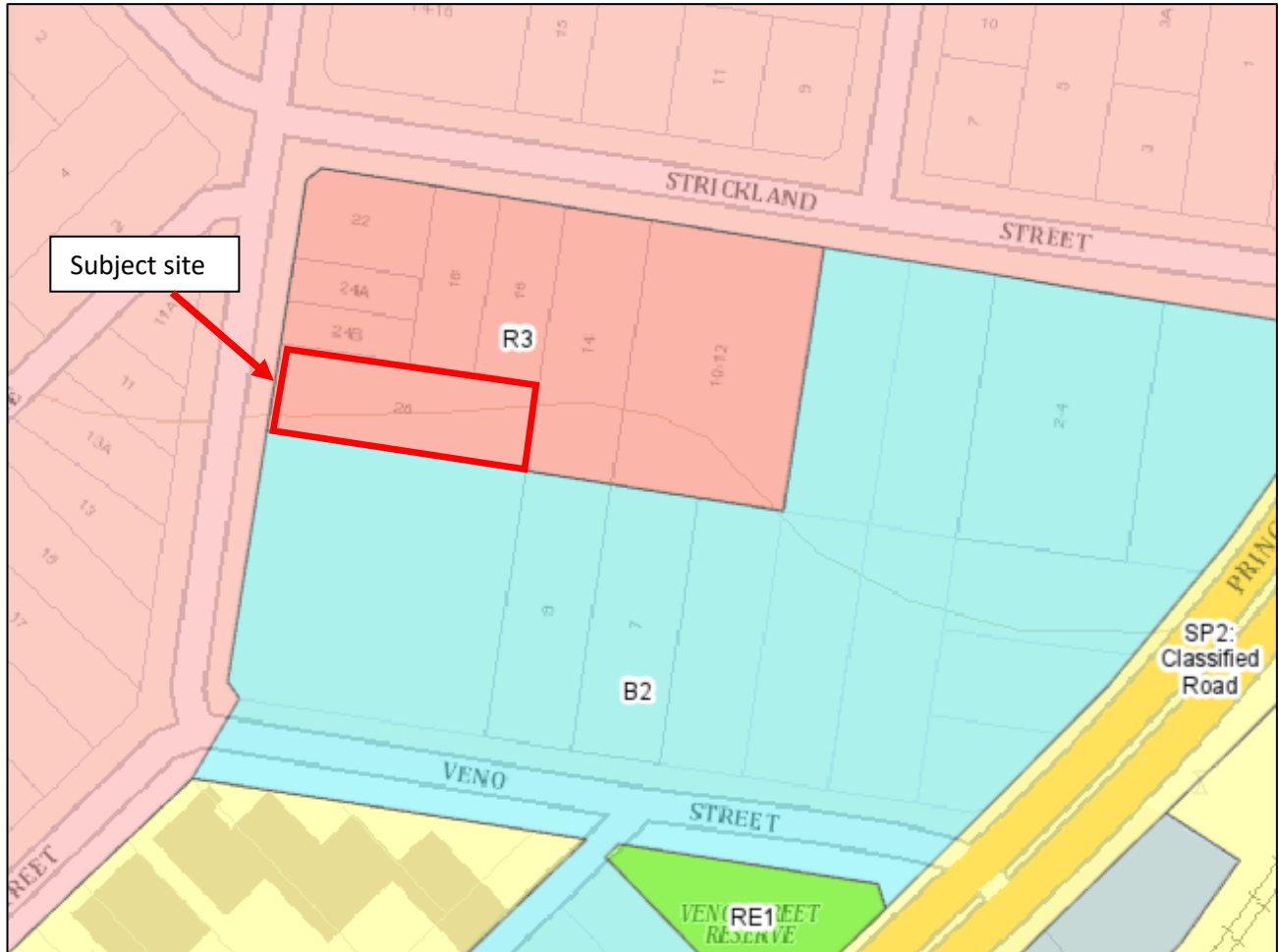


Figure 7: Sutherland LEP 2015 Land Zoning Map

Clause 36 of Division 5 of Part 2 of the Housing SEPP states:

*This Division applies to the following land:*

- (a) *land in the Greater Sydney region that is within 800 metres of:*
  - (i) *a public entrance to a railway station or light rail station, or*
  - (ii) *for a light rail station with no entrance—a platform of the light rail station,*

*This Division does not apply to land on which development for the purposes of residential flat buildings is permitted under another environmental planning instrument.*

As discussed, residential flat buildings are not permitted in the R3 Medium Density Residential zone. The site adjoins B2 Local Centre zoned land, part of the Heathcote town centre, where heights range from 4 to 5 storeys. The Heathcote train station is 272 metres away being the main public transport hub serving the centre.

The site currently includes a single detached dwelling house and is within an established residential area, adjoining the four-storey residential flat building ‘horizon’ development. The broader block bound by Strickland Street, Princes Highway, Veno Street and Rosebery Street is zoned B2 Local Centre with a small part, within which the site is located, zoned R3 Medium Density Residential.

In this regard, the extension of permissibility of ‘residential flat building’ development to this site would be consistent with existing adjoining development to the south and the broader block, and consistent with the anticipated future development and character of the area.



**Figure 8:** Adjoining ‘horizon’ residential flat development

Therefore, considering the objectives of the R3 zone, the development achieves the following:

To provide for the housing needs of the community within a medium density residential environment.

- The application will facilitate a future development that provides for the housing needs of the community, as identified by the Greater Sydney Plan, the South District Plan and the Sutherland Shire Local Strategic Planning Statement.

To provide a variety of housing types within a medium density residential environment.

- The application will facilitate a housing product which is currently very short on supply but high in demand. The provision of affordable housing directly supports the need to supply housing that meets the needs of the Shire’s population.

To enable other land uses that provide facilities or services to meet the day to day needs of residents.

- The site adjoins B2 Local Centre zoned land and the Heathcote town centre, which accommodates all the goods, services and convenience shops associated with a local centre. This includes a local pharmacy, newsagent, dental surgery, vet, an IGA convenience store and a pub. The site therefore achieves many of the locational attributes identified by the objectives having excellent proximity to public transport, jobs and employment opportunities within a walkable catchment area.

To encourage the supply of housing that meets the needs of the Sutherland Shire’s population, particularly housing for older people and people with a disability.

- A minimum of 4/18 (20% min) of apartments will be designed as adaptable apartment and achieve compliance with AS 4299, in excess of the SSDCP2015 requirement of 10%.
- All adaptable apartments will also meet the Specialist Disability Accommodation (SDA) design requirements under the National Disability Insurance Scheme (NDIS). From 1 July 2021, all dwelling enrolment applications for SDA will be required to include a certificate from an Accredited SDA assessor, nominating the Design Category the dwelling to be enrolled satisfies based upon Design Standards in the NDIS Specialist Disability Accommodation Design Standard.

To promote a high standard of urban design and residential amenity in a high-quality landscape setting that is compatible with natural features.

- While the development will be subject to a separate development assessment process, Stanisic Architects (of whom the principle of the firm is the immediate past Chair of the Sutherland Architectural Design Excellence Panel) have prepared a detailed design and treatment to demonstrate compatibility of future built form and design with the surrounding area. This includes a high standard of urban design, landscaped setbacks, softened facades through greenery and treatment, and high standards of amenity for future residents.
- The application is also supported by an assessment of the SEPP 65 design principles as part of the attached Design Statement prepared by Stanisic Architects.

To allow development that is of a scale and nature that provides an appropriate transition to adjoining land uses.

- The proposed development has been designed to specifically transition from the adjoining four storey development to the south to the two storey attached dual occupancy to the north and two storey townhouses to the east. It achieves this by massing greatest height to the Rosebery Street frontage and increasing setbacks to the north and east as the building increases in height.
- The following design features have been applied to ensure a transition:
  - The side setback to the southern boundary is 3 to 4 metres. The existing residential apartment development is setback 8 metres from the common boundary, which achieves building separation of 11 to 12 metres. This setback is significantly greater than the existing site setback on the site at 0.9 metres at Level 1, increasing to 1.5 metres at Level 2.
  - The side setback to the northern boundary is 3 to 6 metres. Where the side setback is 3 metres, it is anticipated that these walls are blank or non-habitable. Nevertheless, if there are openings, they could be oriented to the street to satisfy the guidelines of the Apartment Design Guide and meet visual privacy recommendations. Where the side setback is 6 metres, neighbouring dwellings are setback 11.2 to 13.5 metres, achieving separation of 17.2 to 19.5 metres which exceeds the guidelines of the ADG which recommend 12 to 15 metres separation.
  - Along Rosebery Street (north west corner), the proposed built form at level 4 has been setback 6 metres from the northern boundary, presenting as a part-3 storey form.
  - Towards the centre of the site, the proposed built form is generally below the maximum building height, except for the parapet and roof slab i.e. no GFA is above the maximum building height.
  - Along the eastern boundary, the built form is well below the maximum building height, with Level 3 setback 12 metres from the rear boundary and 8 metres at Levels 1-2.
  - The proposed building is 4 storeys to Rosebery Street adjacent to the neighbouring 4 storey residential apartment development “Horizon Heathcote” and reduces in height to 3 storeys

adjacent to the neighbouring dual occupancy at 24a + 24b Roseberry Street that is 2 storeys in height.

- “Horizon Heathcote” has a maximum building height of 15.8 metres and is 2.8 metres higher than the maximum height of building permitted by the Sutherland LEP of 13 metres. The proposed maximum height of building is 13 metres, except for the lift overrun which is 13.6m and well below the height of “Horizon Heathcote.
- The massing form comprises a modulated and stepped form to the west, a gallery to the south, terraced form to the east, unified by a flat roof with a low profile.
- The area is characterised by a mix of zones and therefore development, with residential flat development in the B2 Local Centre zone, and single storey dwellings in the opposite R2 Low Density zoned land. The development has been designed to transition in height and scale from the existing residential flat building to lower built forms nearby.
- The development has been designed to respond to the existing adjoining development in addition to the likely preferred uses of adjoining land in accordance with Clause 39(6)(b)(ii) of the AFH SEPP.

#### 4.3.2 Height of Buildings

Under the Sutherland LEP 2015, the maximum height of building control that applies to the subject site is 9 metres, as illustrated in Figure 9 below.



Figure 9: Sutherland LEP 2015 Building Height Map



The site adjoins land to the south, at 30 Rosebery Street, which has a maximum building height of 13 metres. This site contains two four-storey residential flat buildings. The subject site has therefore been designed having regard to the existing development to the south and the two-storey development to the north. It should also be noted that the R3 Medium Density zone permits shop top housing, and combined with a maximum height limit of 9 metres, could facilitate similar future development on surrounding land.

The proposed development facilitated by the SCC is a part three-storey and part four-storey development. The four-storey component is located at the front of the site addressing Rosebery Street. The remainder of the development is three-stories, to provide a transition to surrounding development to the north and the east.

In this respect, part of the development exceeds the maximum height limit. The height and exceedance is illustrated in Figure 10 below. The adopted heights and elevation is designed specifically for this site, to provide a transition from the four-storey development to the south, to the existing two-storey development to the north (noting the potential for 3-storey development to the north in the future). Importantly, the built form for the back two thirds of the site and the north is three-storeys to provide the transition.



Figure 10: Height of Building 'FOG' diagram

Therefore, in relation to compatibility of the height to surrounding development, the development is compatible with the *“existing uses and approved uses of land in the area”* and *“the impact that the residential flat building, including its bulk and scale, is likely to have on the existing uses, approved uses and uses that, in the opinion of the Planning Secretary, are likely to be the preferred future uses of the land”*, in accordance with Clause 39(6) of the Housing SEPP.

#### 4.3.3 Floor Space Ratio

Under the Sutherland LEP 2015, the maximum floor space ratio (FSR) control that applies to the subject site is 0.7:1, as illustrated in Figure 1. The development concept that supports this SCC application provides for 16 units at a density of 1.2.

To put the density in context, if an affordable housing application were made under Division 1 of Part 2 of the Housing SEPP, the maximum floor space ratio could be increased by 0.5:1 to 1.2:1. Notwithstanding, it is important to consider the building form, bulk, and scale of the proposed development to ascertain its compatibility with the surrounding area. The objectives of Clause 4.4 Floor space ratio of the Sutherland LEP 2015 are therefore worth considering:

#### 4.4 Floor space ratio

(1) *The objectives of this clause are as follows—*

- (a) *to ensure that development is in keeping with the characteristics of the site and the local area,*
- (b) *to ensure that the bulk and scale of new buildings is compatible with the context of the locality,*
- (c) *to control development density and intensity of land use, taking into account—*
  - (i) *the environmental constraints and values of the site, and*
  - (ii) *the amenity of adjoining land and the public domain, and*
  - (iii) *the availability of infrastructure to service the site, and*
  - (iv) *the capacity of the road network to accommodate the vehicular and pedestrian traffic the development will generate, and*
  - (v) *the desirability of retaining the scenic, visual, and landscape qualities of the area.*

The application is supported by an Architectural Design Statement prepared by Stanisic Architects, which considers the compatibility of the development with the existing and future context and character of the area, and the design criteria and guidance for the siting, design, amenity of apartment development under Parts 3 and 4 of the ADG and SEPP 65.

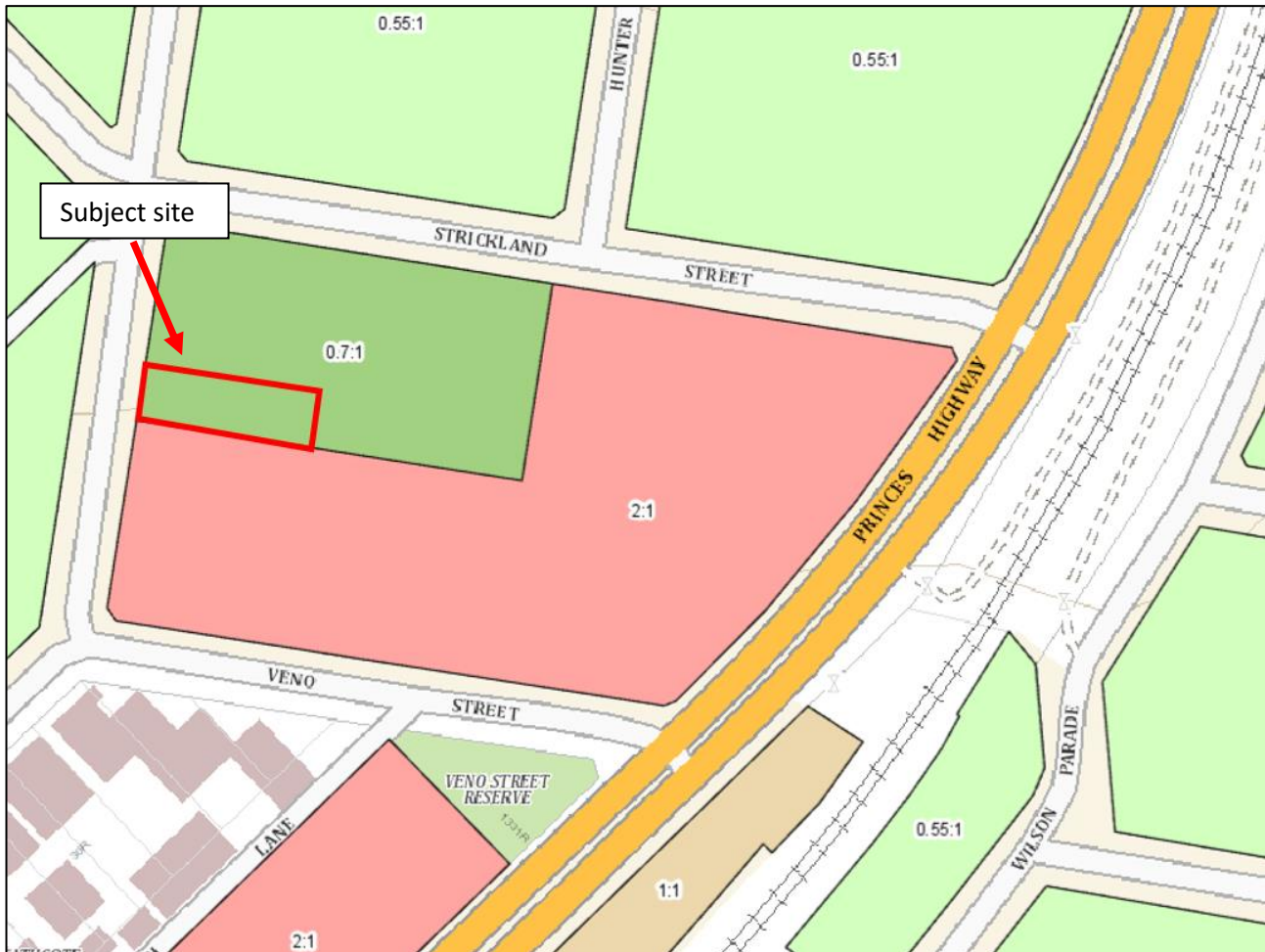


Figure 11: Maximum Floor Space Ratio Map

In this regard, the following observations are made:

#### 4.3.4 Heritage

The subject site is not located within a heritage conservation area, is not identified as a heritage item, and is not affected by any nearby heritage.

The nearest item is the heritage listed 'former railway cottage' located at 1328 Princes Highway, which is approximately 200 metres from the subject site. The cottage is identified as a local heritage item (1706). The cottage is located between the railway corridor and the Princes Highway.

To the east of the railway corridor, a further heritage item is located, approximately 250 metres from the subject site. Heritage item 1706 is a locally listed house.

The proposed development has no impact on any heritage values of nearby listed items.



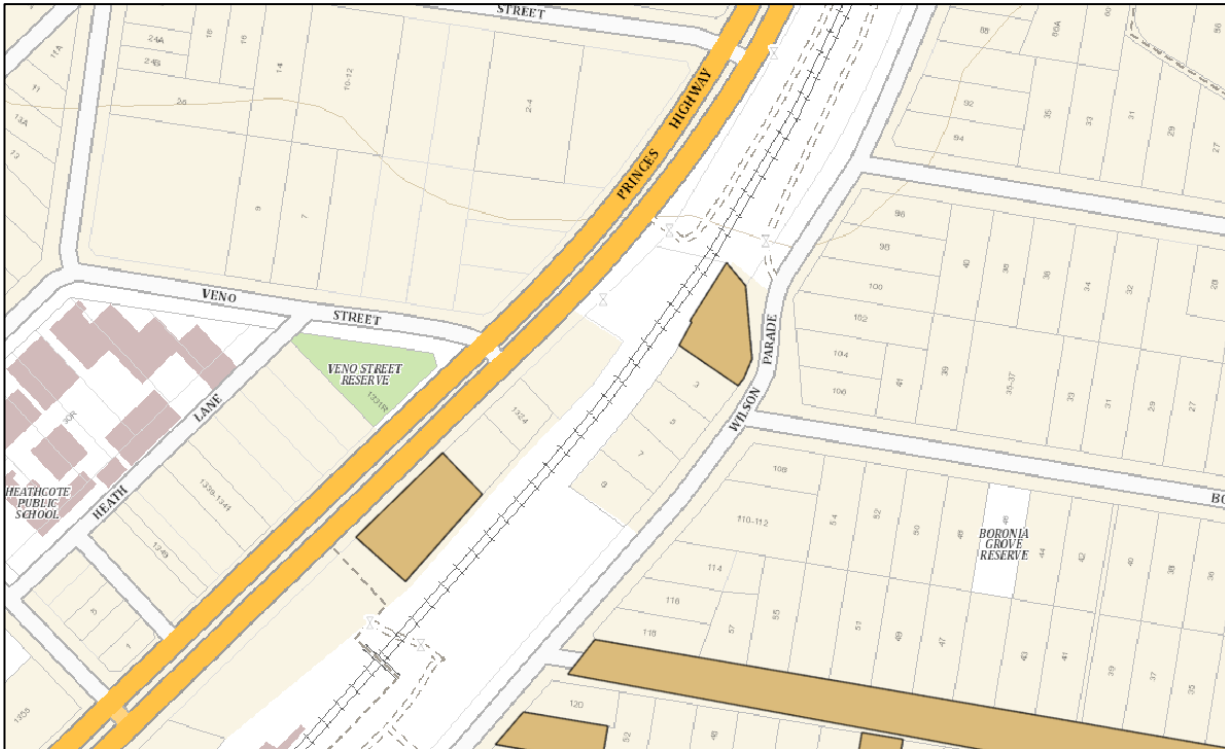


Figure 12: Heritage Map

#### 4.3.5 Terrestrial Biodiversity

The site is listed as *environmentally sensitive land* on the terrestrial biodiversity map. The site contains a substantial dwelling on the site with some vegetation, however any application will be supported by a detailed consideration of biodiversity values and impact in accordance with Clause 6.5 of the LEP.



Figure 13: Sutherland LEP 2015 Terrestrial Biodiversity Map

#### **4.3.6 Other Provisions**

The site is also not listed as being flood prone, as being affected by acid sulfate soils, or as bushfire prone land.

## 5 Strategic Context

This section considers the strategic planning framework relevant to the subject site. The strategic context is considered having regard to the existing zone, the surrounding zones and development patterns, and the proposal for the site that seeks to facilitate a part three and part four storey residential flat building supporting an important affordable housing contribution to the Sutherland Shire.

### 5.1 A Metropolis of Three Cities – The Greater Sydney Region Plan

In March 2018, the NSW Government published A Metropolis of Three Cities – The Greater Sydney Region Plan (The Plan). The Plan is built on a vision of three cities where most residents live within 30 minutes of their jobs, education and health facilities, services and great places. This is consistent with the 10 Directions in Directions for a Greater Sydney which establish the aspirations for the region over the next 40 years and are a core component of the vision and a measure of the Plan's performance.

To meet the needs of a growing and changing population the vision seeks to transform Greater Sydney into a metropolis of three cities:

- the Western Parkland City
- the Central River City
- the Eastern Harbour City.

The site is located in the Eastern Harbour City. The population of the Eastern Harbour City is projected to increase from 2.4 million people to 3.3 million people over the next 20 years.

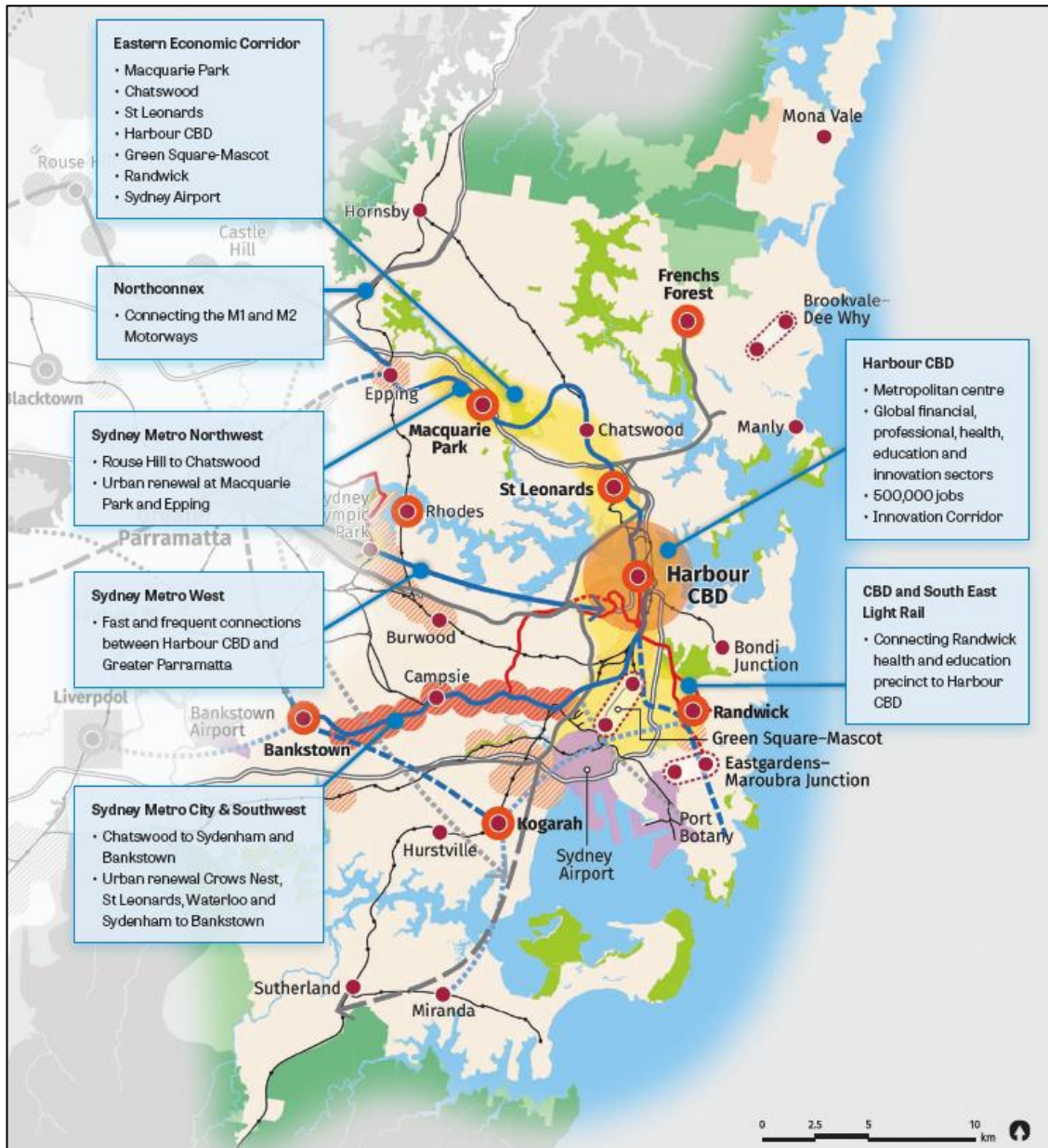
The subject site is within 200 metres of the entrance to the Heathcote train station. The T4 Eastern Suburbs and Illawarra Line and the South Coast Line (SCO) connects the site to Sutherland in approximately 9 minutes, the Sydney CBD in approximately 45-50 minutes, and Wollongong in approximately an hour.

The site also essentially borders the Heathcote town centre, with all the goods, services and convenience shops associated with a local centre. This includes a local pharmacy, newsagent, dental surgery, vet, an IGA convenience store and a pub. The site therefore achieves many of the locational attributes identified in the Plan having excellent proximity to public transport, jobs and employment opportunities within a walkable catchment area.

The Plan further projects the population of Greater Sydney to grow to 8 million over the next 40 years. The Plan seeks to rebalance the economic and social opportunities and leverage that growth and deliver the benefits more equally across Greater Sydney. The goals are for:

- residents to have quick and easy access to jobs and essential services;
- housing supply and choice to increase and meet the growing and changing needs of the community;
- the environment and precious resources to be protected; and

- Infrastructure to be sequenced to support growth and to be delivered concurrently with new homes and jobs.



**Figure 14:** Eastern Harbor City Structure Plan

To achieve the objectives for the Eastern Harbor City, the plan includes 10 directions and 40 objectives, supporting actions and priorities for each “City”.

To improve liveability, The Plan seeks to create new great places, with well-connected communities which have access to a range of jobs and services, starting with public places, open spaces and transit-oriented developments. This SCC application seeks to deliver affordable housing close to public transport connecting residents to a network of jobs and opportunities.

Direction 4 “Housing the City” of the Greater Sydney Plan seeks to provide housing choice for people, which can be achieved through “greater housing supply”, “increased housing completions” and “more diverse and affordable” housing.

The NSW Communities & Justice Local Government Housing Kit database, states that as of September 2017, only 14.9% of rental stock was affordable for low income housing households and 1.1% of rental stock was affordable for very low-income households. As a comparison to NSW standards as a whole, 54.1% of rental stock was affordable for low income housing households and 1.1% of rental stock was affordable for very low-income households. The comparison to NSW as a whole paints a very bleak future for low income families in the Sutherland Shire.

This application for a SCC will facilitate and contribute 18 dwellings increasing housing supply, 50% of which will be affordable homes. The site benefits from its location close to Heathcote train station connecting the site to Sutherland and other parts of the Sutherland Shire within a matter of minutes.

The site is underutilised in its context of being zoned for medium density residential development, located near a train station connecting the site to Sydney, and the adjoining high density development. The site has the ability to redevelop in the short term, meeting the desire and strategic planning framework of urban renewal in this location, connecting new residents with other parts of the Sutherland Shire, the Harbour CBD and nearby residents with new jobs. The site is within the 30-minute city objective.

The purpose of the Housing SEPP is to promote the delivery of housing in locations where it will make good use of existing and planned infrastructure and services and to meet the needs of more vulnerable members of the community, including very low to moderate income households. Division 5 of Part 2 of the Housing SEPP seeks to achieve this purpose by supporting affordable housing in locations where development is compatible with its surroundings and context.

The site is adjoined by high density residential development in a B2 Local Centre zone, and located within an established and evolving residential environment. It can be concluded that the application for an SCC meets a key objective of the Act, meets the objectives of the SEPP, and is consistent with the provisions of the LEP; which contemplates provisions of a SEPP that may prevail over the LEP under Section 3.38 of the EP&A Act 1979.

While the subject SCC application does not seek consent for any development, it will facilitate the provision of additional housing while balancing this with high standards of amenity and design. The actions of the Greater Sydney Region Plan will be realised through future applications for development.

## 5.2 South City District Plan

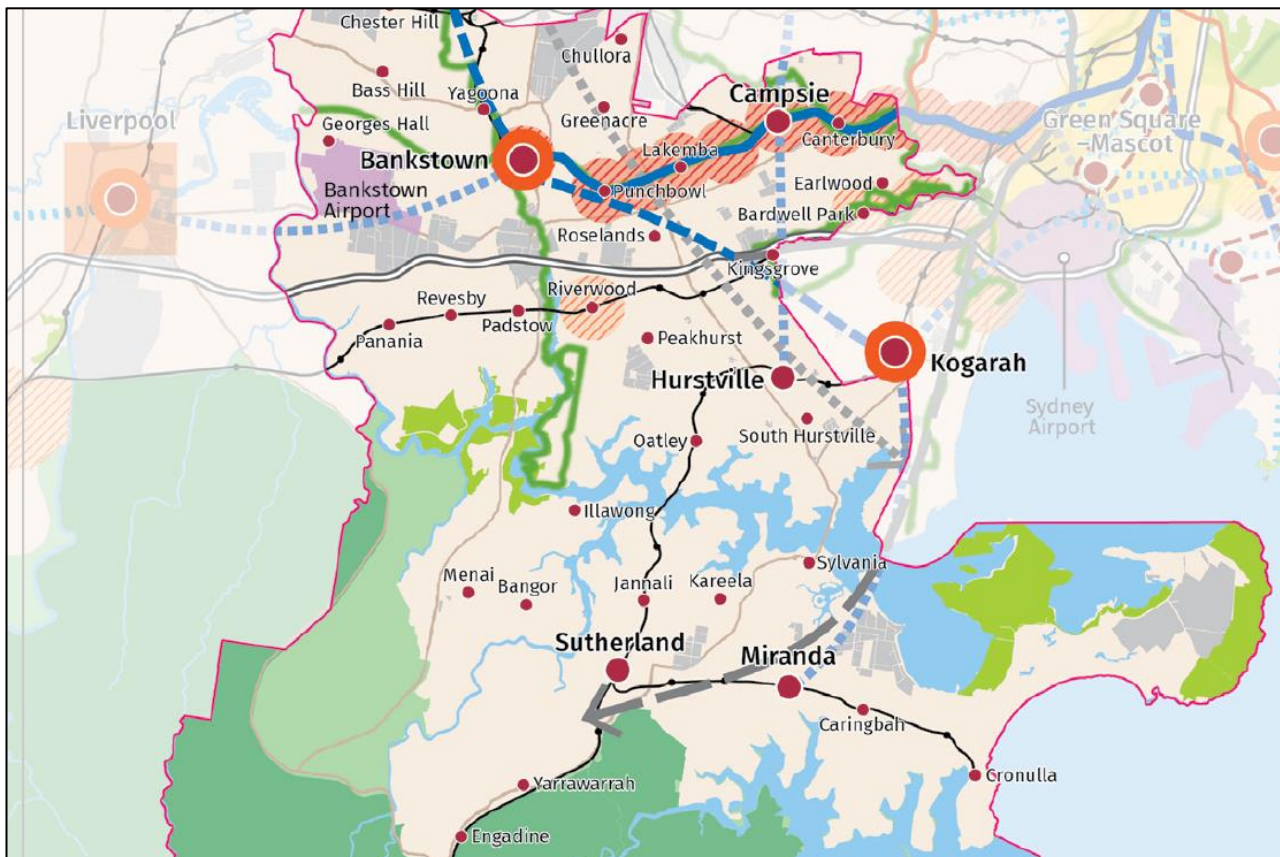
Greater Sydney’s three cities identified in the Greater Sydney Region Plan – A Metropolis of Three Cities reach across five districts. The South District covers the Canterbury- Bankstown, Georges River and Sutherland local government areas. The District connects to the Central River City through Bankstown and to the Western Parkland city through Liverpool.



The South District Plan is a 20-year plan to manage growth in the context of economic, social and environmental matters to achieve the 40-year vision for Greater Sydney. The goal of the Plan is to “*have well-coordinated, integrated and effective planning for land use, transport and infrastructure*”. The District Plan provides the means by which the Greater Sydney Region Plan can be put into action at the local level.

*“The South District will continue to grow over the next 20 years with demand for an additional 83,500 dwellings. This will be provided through urban renewal, around new and existing infrastructure, and infill developments. The focus of growth will be on well-connected, walkable places that build on local strengths and deliver quality public places.”*

In undertaking strategic planning processes, and/or preparing or considering planning proposals, planning authorities must give effect to the District Plan, specifically the Planning Priorities and Actions. While this application is not for development and does not seek to amend the Sutherland LEP 2015, it does seek to facilitate a significant benefit of affordable rental housing through the provisions of the Housing SEPP, which will be realised through future DAs.



**Figure 15:** Extract from South District Structure Plan

In the South District the greatest increase in population is expected in Canterbury-Bankstown Local Government Area, where 70 per cent of new residents (142,450 additional people by 2036) will be accommodated due to anticipated urban renewal. The next largest increase is anticipated to be in the Sutherland Local Government Area, where the population will increase by 13 percent. “*The South District will*

*continue to grow over the next 20 years with demand for an additional 83,500 dwellings. This will be provided through urban renewal, around new and existing infrastructure, and infill developments.”*

Further, the Plan sets a 0-5 year housing target for the District of 23,250, with 5,200 of these new dwellings targeted to be built in the Sutherland Shire. The SCC application will facilitate future development applications that support an additional 18 dwellings of which 50% will be affordable.

### 5.3 Sutherland Shire Local Strategic Planning Statement

The Sutherland Shire Local Strategic Planning Statement (LSPS) sets out a coordinated vision for how places in the Sutherland Shire are to be planned and managed in the future.

The Planning Statement was publicly exhibited from September to October 2019. Following receipt of written support from the Greater Sydney Commission, Council’s Local Strategic Planning Statement (LSPS) was made (finalised) by the CEO of Sutherland Shire Council on 15 September 2020.

The LSPS articulates the vision of how places and land use in Sutherland Shire will be described in 20 years’ time. Of particular relevance is Council’s vision that *“young people can start families in more affordable houses close to where they grew up. There are opportunities for residents to live in homes that suit their family structures, lifestyle and income”*.

Planning Priority 10 of the LSPS addresses the need for housing choice in order to ensure the Sutherland Shire community is provided with a choice of housing by making available opportunities for a range of housing sizes and types within each community. The NSW Communities & Justice Local Government Housing Kit database, states that as of September 2017, only 14.9% of rental stock was affordable for low income housing households. As a comparison to NSW standards as a whole, 54.1% of rental stock was affordable for low income housing households. The comparison to NSW as a whole paints a very bleak future for low income families in the Sutherland Shire.

Further, the ‘Supporting Economic Recovery in NSW’ report, released on 14 May 2020 to help the state recover from the COVID-19 pandemic argues the most immediate challenges are rapidly rising unemployment, the widespread failure of small and medium enterprises, falling incomes and wealth, and rising inequality and disadvantage. The ideal policy response would simultaneously address these issues, with greater investment in social and affordable housing presenting a possible solution, the report states.

Opportunities are therefore required to facilitate the provision of affordable housing where appropriate. Specifically, Action 10.4 seeks to ensure Council *“collaborate with the Community Housing Providers Industry Association, Community Housing Providers and charities to deliver affordable rental housing and to explore ways that supply can be enhanced”*.

Provision of affordable housing through the incentives of the Housing SEPP directly seek to support Action 10.4 while also achieving the objectives of Council’s policy and strategic outcomes for the Sutherland Shire.



## 5.4 Sutherland Shire Housing Strategy 2020

The Sutherland Shire Housing Strategy is the Sutherland Shire Council's commitment to guide future housing supply to 2031. The Housing Strategy seeks to *"increase the potential for small dwellings to be developed, particularly in locations close to centres with good access to jobs, shops, public transport, health facilities, community centres, and parks"*. It is intended to create the framework that will deliver housing to meet the needs of today's community and the needs of future generations.

Council's goal is to ensure that there is a sufficient supply of housing over time so that residents will have comfortable and lively neighbourhoods with good access to jobs, shops, public transport, health facilities, community centres, and open space.

Through the Housing Strategy it is Council's objective to make it *"easier for younger people leaving home and young families to set up home in the Sutherland Shire. Young families need affordable houses or larger flats to buy or rent. Many younger people want to live in smaller dwellings close to centres, for reasons of cost, convenience and access to social activities"*.

The Housing Strategy's aims are:

1. To meet the needs of an ageing population, creating opportunities for people who want to downsize to small dwellings close to shops and services
2. To consider environmental constraints when locating additional housing
3. To provide suitable dwellings for an increasing number of small households
4. To increase housing choice
5. To revitalise town centres
6. To promote the efficient use of public transport and existing infrastructure
7. To retain the established residential character of mostly low density housing in landscaped settings

This application supports the provision of affordable housing next to major transport infrastructure.

## 6 Need for Affordable Housing

### 6.1 Social and Economic Impact

The proposed development would be built under the Housing State Environmental Planning Policy (SEPP) 2021. The Housing SEPP requires that 50 per cent of the units in a development are rented out as affordable housing by a community housing provider (CHP) for no less than 15 years. Under the proposed scheme, 9 apartments would be leased and managed by Pacific Community Housing.

The proposed development is likely to have few negative social impacts. It is likely that the positive impacts will far outweigh the negative impacts, with affordable housing need significantly increased in the Sutherland Shire.

#### 6.1.1 Strategic Context

An examination of housing needs reaffirms the critical importance of providing a diversity of housing across the housing continuum in Greater Sydney. The continuum recognises the fundamental importance of household income on the ability to access housing of different types, cost and tenure. Households on moderate, low or very low incomes, who spend more than 30 per cent of their income on housing, are impacted in their ability to pay for essential items like food, clothing, transport and utilities.

Lower income households (earning up to approximately \$67,600 per annum) without other financial support cannot afford the average rental cost for even more moderately priced areas of Greater Sydney, which are generally on the outskirts of Greater Sydney.

Cities require a range of workers to be close to centres and jobs. An absence of affordable housing often results in workers having to commute for long distances.

Many moderate-income households face housing diversity and affordability challenges – typically households with incomes of \$67,400–\$101,400 per annum. Recent research indicates that about half of young Greater Sydney residents are considering leaving Greater Sydney within the next five years, with housing affordability being a key issue. It also highlights that smaller well-located dwellings are considered an acceptable approach to reducing housing cost.

As previously discussed, the NSW Communities & Justice Local Government Housing Kit database, states that as of September 2017, only 14.9% of rental stock was affordable for low income housing households and 1.1% of rental stock was affordable for very low-income households. As a comparison to NSW standards as a whole, 54.1% of rental stock was affordable for low income housing households and 1.1% of rental stock was affordable for very low-income households. The comparison to NSW as a whole paints a very bleak future for low income families in the Sutherland Shire.

Further, the ‘Supporting Economic Recovery in NSW’ report, released on 14 May 2020 to help the state recover from the COVID-19 pandemic argues the most immediate challenges are rapidly rising unemployment, the

widespread failure of small and medium enterprises, falling incomes and wealth, and rising inequality and disadvantage. The ideal policy response would simultaneously address these issues, with greater investment in social and affordable housing presenting a possible solution, the report states.

"This is a prime opportunity for the NSW government to work with the community housing sector and the construction industry to invest in social and affordable housing, and support jobs, SMEs and NSW's vulnerable citizens," NCOSS chief executive Joanna Quilty is quoted as saying when the report was released. .

The Equity Economics modelling was commissioned by the NSW Council of Social Service, Homelessness NSW, Shelter NSW, the Community Housing Industry Association and the Tenants' Union of NSW.

Further, the council has a deliberate policy consideration process and implementation relating to the delivery of affordable housing. The Sutherland Shire Local Strategic Planning Statement, notes the important role of community housing providers and the private sector in the delivery of affordable housing in the region, going some way to reversing the trend of extremely limited supply in the Sutherland Shire of rental accommodation of low and very low-income households.

Specifically, Action 10.4, under Planning Priority 10 Housing Choice, states:

*"Collaborate with the Community Housing Providers Industry Association, Community Housing Providers, not-for-profit housing providers, charities and the broader industry to deliver affordable rental housing and to explore ways that supply can be enhanced".*

This is identified as a short-term goal, for council to work with industry and providers to realise the goal. This is a unique opportunity to support the supply of affordable housing, near a major piece of transport infrastructure in an area that already accommodates a number of residential flat buildings. The primary LEP land use controls specifically assist the economic dynamics of the project to support a significant local social need.

If the proposed use of a residential flat building was able to be provided without the incentives of an additional permitted use under Division 5 of Part 2 of the Housing SEPP, the ability to provide the social need in the form of lower cost housing for those in the community that qualify would not be possible. History shows that new housing supply generated in the local market is targeted at significantly higher cost housing. The increased value created through the additional use, specifically enables those gains of increased value into the financial model of the project to support the provision of the social need without the burden of a specific levy that transfers those deadweight costs to other market sectors.

The proposal is compatible within its context and supports the Government's and Council's objectives to increase the provision of affordable housing while promoting the efficient use of public transport and existing infrastructure.

### 6.1.2 Affordable Housing Taskforce Report

The NSW Affordable Housing Taskforce released their interim report in March 2012. In this report, the Taskforce said that, *“Housing NSW has strategically facilitated the growth of the community housing sector in recent years, providing a range of capacity building opportunities. NSW government now has the opportunity to benefit from this increased capacity.”*

Furthermore, the Taskforce said that inclusionary zoning policies do not work to provide affordable housing in all markets. While these policies provide a level of certainty about the type of contribution required for affordable housing and avoid the need for site based negotiation processes and the mandatory nature of the provisions support the delivery of scale, they have been shown to work most effectively in very high value land locations and have limited application in lower cost markets.

Inclusionary zoning provisions may be considered to increase the costs of development which may be passed on to individual home purchasers. The application of such policy is complicated and can lead to a lowering of dwelling supply and an increase in market costs as suppliers seek to pass on the inclusion cost by raising general market prices or lowering delivery costs or both which can lead to lower supply and higher costs thus exacerbating the affordability problem.

### 6.1.3 Housing Affordability Report to the Premier

In 2017 the Governor of the Reserve Bank of Australia (RBA) Mr Glenn Stevens AC was asked by the Premier of NSW to provide a Report to the Premier of NSW on the issue of Housing Affordability including any recommendations that he advised should be implemented into the NSW Planning system. It is noted that report and recommendations were accepted by the NSW Government.

On the challenge of affordability Mr Stevens noted:

*“Certainly, if our objective is housing being “affordable” in an environment of growth in population and income, we need to have the market clearing at lower prices for dwellings. This means we need to have the supply side able to respond to demand in a more elastic way. The only alternative would be to find other, non-price, ways of rationing demand. Tempting as these might be at times, they are likely to have serious unintended consequences. Even if they did not, suppressing demand at any given price level is surely inferior to meeting genuine demand through higher productivity.”*

Stevens progresses to state that Sydney has attributes and challenges that work against affordability.

*“So if government is serious about tackling the issues at the heart of the ‘affordability’ problem, and not just responding to symptoms, it needs a plan for growth. It also needs to articulate to a sometimes-sceptical populace – those who are already here - what we need to do to accommodate more people, why growth without a plan is not a good outcome but also why an even worse outcome would be stagnation. After all, houses tend to be quite affordable in locations that are declining - because people don’t want to live there.”*

*“To be sure, Sydney has geographical challenges that some other capitals do not. But it is worth asking the question why land has to be so expensive. Are there artificial constraints to land supply that may be exacerbating this problem? The costs are compounded by unwillingness to contemplate smaller lot sizes, in contrast to some other cities. If land is genuinely scarce, then we need to be prepared to use it more efficiently.”*

This application in using the planning systems policy for a change in land use and more efficient assessment systems that seeks to supply increases of density in an area where people want to live assists directly to provide a scheme that is responding to the challenges of affordability.

#### **6.1.4 Development Under the Housing SEPP**

The proposed development would be built under the Housing SEPP. The Housing SEPP requires that 50 per cent of the units in a development are rented out as affordable housing by a community housing provider for no less than 15 years (which allows for asset recycling). Under the proposed scheme, 8 apartments would be leased and managed by Pacific Community Housing.

The Housing SEPP gives the state and council the opportunity to work with a community housing providers to get an affordable outcome that provides housing choice and access for housing singles, families and couples. Specifically, the Sutherland Local Strategic Planning Statement observes:

*“Community Housing Providers such as St George Community Housing and charities play an important role in the delivery of affordable rental housing. NSW Land and Housing Corporation is the agency responsible for social housing provision. Ways to enhance housing supply can be explored through greater collaboration with these stakeholders.”*

The subject site is underutilised in its locational context next to the Heathcote town centre and near the Heathcote train station, which connects to the site to other centres, including Sutherland, Miranda, Wollongong and the Sydney CBD.

This application has demonstrated that the development will avoid any perceived land use conflict, is a logical residential development, and enables the capture of the increased permissibility gains to be deliberately and directly applied to support the provision of affordable housing in an unaffordable area for low and very low income families.

#### **6.1.5 Objectives of the EP&A Act**

When performing functions under the Act, authorities will be guided by three additional new objects promoting:

- good design and amenity of the built environment
- the sustainable management of built and cultural heritage (including Aboriginal cultural heritage)
- the proper construction and maintenance of buildings, including the protection of the health and safety of their occupants.



- to promote the delivery and maintenance of affordable housing

The new objects of the Act commenced from 1 March 2018.

The objects of the Act are guiding principles that need to be considered by planning authorities, such as councils and Local Planning Panels, when making decisions under the Act.

According to the Department's own explanatory notes guiding how the new objects are to be interpreted, *"promoting social equity through the provision of Affordable Housing and directly dealing with the issues of housing stress in Sydney is already a relevant consideration that may be considered by decision-makers."*

The explanation goes on to highlight the increased importance of affordable housing as a consideration: *"Having an affordable housing object elevates the importance of promoting and facilitating the provision of Affordable Housing as part of the planning system as a whole and will ensure that affordable housing provision is considered and balanced with the other objects of the Act."*

As noted earlier, the Affordable Housing Taskforce report that was released in 2012, provides further evidence analysis of the need for the planning system to support the delivery of Affordable Housing.

It is clear that, the new Housing SEPP 2021 seeks to implement a critical key objective of the Act. Therefore, it can be seen that there is a deliberate planning approach applied about the practical application of the objectives of the Act and the use of an EPI to achieve the objective.

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## 7 Conclusion

This report supports an application to the NSW DPI&E for a SCC under Division 5 Part 2 of the Housing SEPP 2021. The subject site is at 26 Rosebery Street, Heathcote.

The SCC supports the development of the site which will facilitate 18 dwellings, of which 50% (9 dwellings) will be designated affordable housing units, managed by Pacific Community Housing, for a period of 15 years in accordance with the provisions of the Housing SEPP.

The subject site is zoned R3 Medium Density Residential within which development for the purpose of a 'residential flat building' is prohibited. Further, the site is approximately 270 metres from the entrance to the Heathcote train station and is therefore within the 800 metres requirement and as per Section 36(a) the provisions of Division 5 of Part 2 of the Housing SEPP.

Due to the high unmet demand for affordable housing in the Sutherland Shire, the site at 26 Rosebery Street, Heathcote offers a real opportunity in a suitable/compatible location to support the provision of affordable housing. The subject site is underutilised in its locational context near a train station entrance that connects the site to a number of centres within a short time, directly achieving the aims and objectives of the strategic planning framework, including the Greater Sydney Plan, South City District Plan, the Sutherland Housing Strategy and the Sutherland Local Strategic Planning Statement.

As discussed in this report, the purpose of the Housing SEPP is to incentivise the supply of affordable and diverse housing in the right places and for every stage of life. This application demonstrates that proposed residential flat development at the height and density proposed will not have any unacceptable environmental impact and is compatible with the surrounding land uses having regard to existing and approved land uses and the bulk and scale and the preferred future land uses on land surrounding the subject site.