

Report to the Acting Secretary on an application for a Site Compatibility Certificate
State Environmental Planning Policy (Affordable Rental Housing) 2009

SITE: 677, 687 Canterbury Road and 48 Drummond Street, Belmore
(Lots 1 and 2 in DP 533919, Lots A and B in DP952115, Lot 91 in DP3862)

APPLICANT: Stimson Consultant Services (on behalf of Evolve Housing)

PROPOSAL

The proposal is for a mixed use development over 3 buildings comprising ground floor commercial space (798m²) along Canterbury Road and residential development (222 dwellings) offering affordable housing pursuant to the State Environmental Planning Policy (Affordable Rental Housing) 2009 (the SEPP) (Tag F).

Local Government Area (LGA): Canterbury City Council

SITE DESCRIPTION

The site comprises 5 lots (Lots 1 and 2 in DP 533919, Lots A and B in DP952115, and Lots 91 in DP3862) and is located at 677, 687 Canterbury Road and 48 Drummond Street, Belmore. A location plan is attached (**Attachment 1**).

The application states the land is under single ownership and has a total area of 7,070 square metres. The site has a 100m frontage to Canterbury Road, and is bounded by Anderson and Drummond Streets, Belmore. Vehicular access is currently to the rear of the site over Lot 91 DP3862, which is known as 48 Drummond Street.

The site sits along the Canterbury Road Corridor and is currently occupied by a 2-3 storey Sandler shoe factory with associated car parking and a 2 storey residential apartment. There are a mix of uses surrounding the land including car yards, commercial developments and industrial/warehouse type uses that are generally 2 storeys in scale. The property adjoins a medium density residential area to the north, comprising mostly single storey dwelling houses and 2 storey residential flat buildings.

PERMISSIBILITY STATEMENT

Requirement for Site Compatibility Certificate

The application seeks a Site Compatibility Certificate (Certificate), under clause 50(2A) of the *Environmental Planning and Assessment Regulation 2000*, to allow the submission of a development application (DA) to Canterbury City Council in respect of the development proposed pursuant to the SEPP.

Clause 34 of SEPP

The proposal meets the requirements of Clause 34 of the SEPP as residential flat buildings are currently not permissible on the land under an environmental planning instrument and the applicant has addressed and demonstrated that the site is located within 800m of the public entrance of a railway station. As a straight line, the distance from the site to Belmore Railway Station entrance is approximately 780 metres. The proposal therefore complies with the 800 metre distance requirement.

The subject site is currently zoned B6 Enterprise Corridor and R3 Medium Density Residential under Canterbury Local Environmental Plan 2012 (the LEP). Residential flat buildings are not a permissible use in the B6 Enterprise Corridor or R3 Medium Density Residential zone under the LEP.

Clause 35 of the SEPP

The subject proposal is a joint venture between Evolve Housing, a Class 1 Community Housing Provider and the applicant. A letter has been submitted with the application from Evolve Housing in support of this arrangement, and is accompanied by owner's consent to lodge the application. The application complies with the requirement under clause 35 of the SEPP that the development is for the purposes of a residential flat building by or on behalf of a public authority, social housing provider or the Land and Housing Corporation. The application also states that the proposal will ensure at least 50% of the accommodation is used for the purposes of affordable housing for 10 years from the date of the issue of the occupation certificate. However, it is the responsibility of the consent authority to impose conditions to this effect.

Requests for further information/clarification (cl 37(3))

The original application lacked detail and further information was requested with regard to a site and streetscape analysis to support the site context; proposed building envelopes, building footprints, height of buildings, front, rear and side setbacks from property boundaries, an indication of the number of units within the proposed building envelopes, indicative shadow diagrams and a statement addressing matters outlined in cl 37(6) of the SEPP including compatibility with surrounding land uses. Some further information was provided however details regarding building envelopes, separation of buildings, setback distances, proposed active uses and proposed number of dwellings remained outstanding.

The applicant requested the assessment of the Certificate be placed on hold on 15 September 2013, pending the outcome of Council's meeting to consider the Residential Development Strategy (the Strategy) which had implications for the future development of the subject site. The Strategy was considered by Council on 10 November 2013 and Council submitted a planning proposal (PP_2014_CANTE_001_00) to implement key aspects of the Residential Development Strategy on 3 February 2014. The planning proposal includes changes to the zoning of the subject site to B5 Business Development (to permit residential development) and to increase the maximum building height to 18 metres.

A Gateway determination was issued for the planning proposal to implement the Residential Development Strategy on 8 May 2014 (**Tag H**). The Gateway determination requires amendments including the removal of the proposed 'residential flat buildings' as a permitted use in the B5 Business Development zone and requires that Council undertake further strategic work to address the impact on land available for employment purposes if residential flat buildings were allowed as a permitted use on all B5 zoned land.

Addendum to Application - Proposal

On 21 March 2014, an addendum to the application was submitted. This information provides more detail with regard to the proposal including a clear description, proposed elevations and floor plans and a *State Environmental Planning Policy No. 65 - Design Quality of Residential Flat Development* review of the proposal.

The proposal is for a mixed use development over 3 blocks A, B & C (**Tag F**) as follows:

- Block A is proposed to be a residential flat building of 6 storeys (18m) in height, stepping down to 2 storeys (8.5m) to the north. It will comprise 78 units.
- Block B is proposed to be located on the corner of Drummond Street and Canterbury Road, with a ground floor commercial tenancy (386 sq m) and 78 residential apartments. It is proposed to be 6 storeys (18m) in height, with four units partially providing a 7th storey (up to 21m).

- Block C is proposed to be located on the corner of Anderson Street and Canterbury Road with a ground floor commercial tenancy (412 sq m) and 66 residential apartments. It is proposed to be 6 storeys (18m) in height, with four units partially providing a 7th storey (21m).

The proposed development will provide approximately 798 sq m of ground floor commercial tenancies and 222 residential units. The residential component will comprise 36 studios, 104 x 1 bedroom units, 70 x 2 bedroom units, and 12 x 3 bedroom units. A laneway is proposed to divide the site into 2 parts, which will provide access to basement parking and improve connectivity through the site. The massing of the additional units in Blocks B & C is proposed as an urban design response to the corner locations along Canterbury Road and will provide access to communal roof top terraces and gardens.

Clause 36 of SEPP

A consent authority must not consent to development pursuant to the SEPP unless it is satisfied that the Acting Secretary has certified that the development is compatible with the surrounding land uses. This report undertakes an assessment of the compatibility of the proposal in accordance with criteria outlined in clause 37(6) of the SEPP.

Assessment under Clause 37(6) of the SEPP

In accordance with clause 37(6) of the SEPP, *the Director General must not issue a certificate unless the Director General:*

- (a) has taken into account any comments received from the council within 14 days after the application for the certificate was made; and*
- (b) is of the opinion that the development concerned is compatible with the surrounding land uses having regard to the following matters:*
 - (i) the existing uses and approved uses of land in the vicinity of the development,*
 - (ii) the impact that the development (including its bulk and scale) is likely to have on the existing uses, approved uses and uses that, in the opinion of the Director General, 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 concerned is not likely to have an adverse effect on the environment and does not cause any unacceptable environmental risks to the land.*

Note: Although the references in the SEPP require the Director General to issue a certificate, the Director General's role has now been replaced by the Acting Secretary of the Department of Planning and Environment.

(A) COMMENTS FROM COUNCIL

The application was referred to Canterbury City Council on 19 August 2013. Council responded on 20 November 2013 (**Tag B1**) with the following comments:

- A report on the Residential Development Strategy relevant to the subject site, was considered by Council and it was resolved to initiate a planning proposal:
 - to rezone the subject site to B5 Business Development, including the parcel of land known as 46 Drummond Street, which is currently zoned R3 Medium Density Residential;
 - increase the height limit to 18m on the subject site, with the exception of the land known as 46 Drummond Street which will retain a 8.5m height limit; and
 - amend the land use table for the B5 zone to permit residential flat buildings.
- There is a lack of detail on the proposed ground floor uses. The SEPP requires activation on ground floor frontages, however retail premises are prohibited under the LEP.
- There is an overall lack of detail on the proposed building envelopes. Council expect any DA to show a stepping down in height towards adjoining low density residential zones to the north.

- The lack of scaled or dimensioned drawings make it difficult to determine appropriate distances for building separation both within the site and to adjoining sites. This has the potential to impact on development yield.
- The site is at the edge of the requirement to be less than 800m from a railway station.
- Council's Development Control Plan (DCP) requires a minimum setback from Canterbury Road of at least 3m and this increases to 9m for any building which proposes ground floor residential apartments.
- Matters relating to final design of any proposal for this site would be expected to be resolved through the formal DA process and not necessarily through the process of whether or not to issue a Certificate.

The addendum to the application was referred to Council on 31 March 2014. Council provided comments on 8 April 2014 (**Tag B2**). Council advised that its comments of 20 November 2013 remain relevant and provided the following supplementary comments:

- The planning proposal is currently awaiting a Gateway determination;
- No assessment on the merits of the application has been made however it is noted that the proposal partially exceeds the proposed building heights, which will be assessed in the determination of any future DA;
- It is noted that the proposed through block laneway and associated at grade parking represents an improvement to the previous plans and a 3m setback has been provided to Canterbury Road;
- 'Activation' on ground floor frontages is required in the SEPP, however retail premises are prohibited in the current and proposed zone under the LEP.

As discussed in the 'Permissibility Statement' section of this report, it is considered that the applicant has adequately addressed the locational requirements of the SEPP by providing a straight line measurement to demonstrate the site is located within 800m of a railway station entrance. The site also has good access to bus routes along Canterbury Road.

Council has not raised objections to the nature of the proposal, however has raised concerns that can be addressed in the detailed assessment of a development application. The proposal does display non-compliances with the height limits as proposed under the draft planning proposal. The assessment of building height, building separation distances, solar access and details of ground floor uses will be considered by Council as part of a development application.

Council has raised concern that retail premises are prohibited in the zone and would not be supported as a use in the ground floor commercial tenancies. Council has noted that the addendum drawings have addressed concerns previously raised including the provision of setbacks from Canterbury Road, a proposed stepping down of the residential flat building to 2 storeys to the north of the site and the improved accessibility with the provision of a laneway.

The proposed development is considered to be reasonably consistent with Council's Residential Development Strategy and its draft planning proposal. This has assessed the suitability of the additional uses on the site, including residential development, and recommends an increased height on the site to 18m.

(B) COMPATIBILITY WITH SURROUNDING LAND USES

The Acting Secretary must not issue a certificate unless she is of the opinion that the development concerned is compatible with the surrounding land uses, having regard to the following matters:

i. The existing uses and approved uses of land in the vicinity of the development

The Canterbury Road Corridor is an area undergoing change. The *draft Canterbury Road Master Plan (2010)* envisages the transformation of this section of the corridor from existing

industrial landholdings into mixed use development, with high quality public domain areas. This area provides opportunities for improvements to Canterbury Road, to create a small mixed use centre and has an important role to play in providing additional residential accommodation for the Canterbury LGA, subject to amenity requirements being met. The site is identified in the 'Urban General' category of uses in the Master Plan. This category provides for mixed use development and specifies a height of 3-6 storeys.

The *South Subregion - Draft Subregional Strategy* recognises Canterbury Road as an enterprise corridor for local employment. Redevelopment within the corridor may include residential uses where they can be designed with good amenity and minimal impact on the residential units from road noise and pollution.

Properties along Canterbury Road are zoned for a mix of uses including B2 Local Centre, B6 Enterprise Corridor, B5 Business Development and R4 High Density Residential under Canterbury Local Environmental Plan 2012. There are also a number of key sites, within close vicinity of the subject site, that are zoned B5 Business Development which allow residential accommodation as an additional permitted use but only as part of a mixed use development (under Schedule 1 of the LEP). These key sites also have a maximum height limit of 18m.

As previously discussed, Council has submitted a planning proposal to implement the recommendations of its Residential Development Strategy. This includes rezoning the subject site from B6 Enterprise Corridor to B5 Business Development and permitting residential flat buildings in the B5 zone. It is noted that concerns have been identified in the Gateway determination regarding the appropriateness of residential flat buildings being listed as permissible development in the B5 Business Development zone. Council has been required to undertake further strategic work to justify permitting residential flat buildings on all B5 zoned land. Council has been requested to identify proposed design measures to ameliorate bulky development that may result from the proposal and to address potential impacts of permitting residential flat buildings in the B5 zone, including the amount of land to remain for employment purposes to meet current and future employment forecasts.

The Gateway determination issued on 8 May 2014, requires the planning proposal to be amended to remove the proposal to permit 'residential flat buildings' in the consolidated B5 zone from this planning proposal and that Council undertake further strategic work to support the proposed changes. These are to be the subject of a separate planning proposal once the work has been carried out.

Notwithstanding the identified concerns, the change to allow residential flat buildings on this site alone has been addressed in the Residential Development Strategy. This land is currently zoned B6 Enterprise Corridor rather than B5 Business Development zone. The Strategy states that this B6 zoned land was not included as contributing to Council's industrial and employment generating uses and therefore this site is not considered critical for maintaining sufficient employment land in the LGA. The Strategy considers that the Canterbury Road Corridor's role has changed in line with broader economic trends and that there has been a proliferation of mixed use development (including high density residential) along the corridor. The proposed 18m building height limit for the subject site was considered under the Strategy as being consistent with surrounding sites and will blend with the surrounding area once developed. The main concern in not allowing part of the planning proposal to progress is largely a policy issue about the implications of allowing residential flat buildings as permissible development on all land in the B5 zone rather than the suitability of residential development on this site.

The addendum to the application for a Certificate states that commercial tenancies will be provided in the buildings with frontages to Canterbury Road. The specific uses will be determined as part of the development application. Council has noted in its submission that it will not support retail uses as they are prohibited in this zone under the LEP. Council, as the

consent authority, is responsible for ensuring that the proposed development meets the requirement of the SEPP, which requires that on land zoned primarily for commercial purposes, no part of the ground floor of a building fronting a street will be used for residential purposes unless another environmental planning instrument permits such a use.

The proposed mixed use development comprising commercial and residential uses with an affordable housing component will be generally compatible with the existing and future surrounding land uses in the vicinity of the development.

ii. The impact that the development (including its bulk and scale) is likely to have on the existing uses, approved uses and uses that, in the opinion of the Acting Secretary, are likely to be preferred future uses of that land

The information provided with regard to bulk and scale in the initial application was limited to concept drawings which provided little detail with regard to the massing of the development. The addendum to the application however, provides a clearer description and improved detail as to the built form that is proposed on the site.

The proposed development provides for a mix of dwelling types including the affordable housing component and proposes commercial tenancies along the ground floor of the buildings with a frontage to Canterbury Road. The current maximum building height is 12m under the LEP. Council's planning proposal provides for an increased height of 18m on the site, except for an area to the north of the site which retains a height limit of 8.5m. The site is zoned B6 Enterprise Corridor and part of it is zoned R3 Medium Density Residential under the LEP. The planning proposal also proposes to allow residential flat buildings as a permissible use on the site.

With regard to the impact of the proposed development including bulk and scale, it is considered that the proposal will generally be compatible with current and approved surrounding uses and the proposed height limits, particularly the heights under the planning proposal. It is noted however, that part of the development proposes to exceed the proposed height limits by up to 3m for two of the buildings. As part of the development will not comply with the proposed height limits under the planning proposal, the likely impacts of the non-compliances will be assessed as part of the development application. The addendum drawings also show a stepping down in height to the rear of the site which is consistent with Council's planning proposal.

The proposed mixed use development will generally be compatible with the existing uses, approved uses and the future uses of the land. The bulk and scale of the development generally complies with the proposed controls under the planning proposal and as outlined in Council's Residential Development Strategy for the future uses and development of the Canterbury Road Corridor, with the exception of minor height limit exceedances.

iii. The services and infrastructure that are or will be available to meet the demands arising from the development

The proposal provides for a well located affordable housing development opportunity. The site is located and in close proximity to existing education and health facilities, transport networks, retail and other services. The site is located along the Canterbury Road Corridor which is well serviced by strategic bus services. These services provide connections to the Sydney CBD, Bondi Junction, Burwood, Hurstville and Bankstown. The subject site is located in close proximity to Belmore Railway Station providing access to the Bankstown and East Hills lines.

The application proposes to incorporate a laneway to the rear of the site, in accordance with Council's DCP, which identifies the need for a rear access to the site to improve vehicular circulation and site servicing.

It is considered that existing services and infrastructure are available to meet the demands arising from the development. The Residential Development Strategy identifies the Canterbury LGA as an area where there is a need to increase the supply of affordable housing.

(C) EFFECT ON THE ENVIRONMENT

The Acting Secretary must not issue a Certificate unless she is of the opinion that the development concerned is not likely to have an adverse effect on the environment and does not cause any unacceptable environmental risks to the land (clause 37(6)(c)).

The applicant has advised that there are limited environmental risks associated with the proposed development. The application proposes to retain existing trees along the Canterbury Road frontage near the corner of Drummond Street, subject to an arborist report. The applicant will address any potential contamination issues as required under State Environmental Planning Policy No. 55 as part of the development application process. The proposed development does not cause any unacceptable environmental risks to the land and is therefore consistent with the requirements of clause 37(6)(c) of the SEPP.

CONCLUSION

The proposed development will provide a well located affordable housing development in the Canterbury Local Government Area. The site is located in close proximity to existing rail and bus transport networks, education and health facilities, retail and other services.

The proposed development is considered to be compatible with the surrounding land uses and generally in accordance with strategic planning for the Canterbury Road Corridor and Council's Residential Development Strategy.

Canterbury Council did not raise significant objections to the nature of the proposal which will be subject to a detailed assessment at the development application stage.

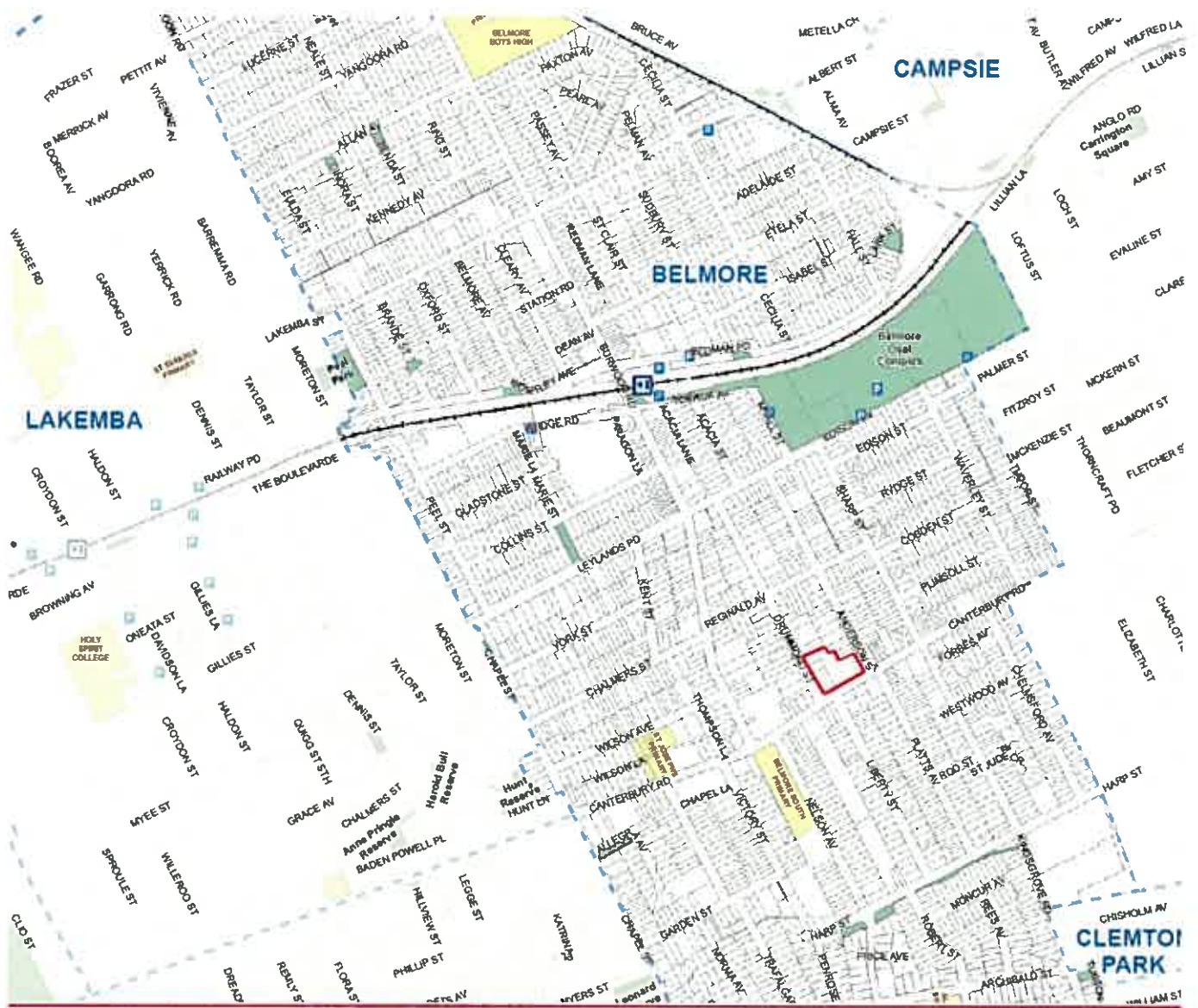
It is recommended that the Site Compatibility Certificate be issued.



Neil McGaffin
General Manager
Metropolitan Delivery

Richard Pearson
Deputy Secretary
Growth Planning

Carolyn McNally
Acting Secretary



Attachment 1: Location Map



Subject site – 677-681, 687 Canterbury Road & 48 Drummond St, Belmore



**State Environmental Planning Policy (Affordable Rental Housing) 2009
Certificate of Site Compatibility**

I, the Acting Secretary of the Department of Planning and Environment, determine the application made by Stimson Consulting Services on 25 June 2013, by issuing this Certificate under clause 37(5) of the *State Environmental Planning Policy (Affordable Rental Housing) 2009*.

I certify that in my opinion, the development of the site described in Schedule 1:

- is compatible with the surrounding land uses, having had regard to the matters specified in clause 37(6)(b), only if it satisfies certain requirements specified in Schedule 2 of this certificate; and
- is not likely to have an adverse effect on the environment and does not cause any unacceptable environmental risks to the land.

**Carolyn McNally
Acting Secretary**

15.7.14

Date certificate issued:

Please note: This certificate will remain current for 5 years from the date of this certificate (clause 37(9)).

SCHEDULE 1

Site description: The subject site is 677, 687 Canterbury Road and 48 Drummond Street, Belmore (Lots 1 & 2 DP533919, Lots A & B, DP952115, and Lot 91 in DP3862) in the Canterbury LGA.

Project description: The demolition of all existing buildings on the site and the construction of a mixed use development comprising three (3) buildings, with ground floor commercial space along Canterbury Road and residential development pursuant to the provisions of the *State Environmental Planning Policy (Affordable Rental Housing) 2009*.

Mr Warwick Stimson
Stimson Consultant Services
PO Box 4308
WINMALEE NSW 2777

Our ref: 13/16553
Your ref:

Dear Mr Stimson

Determination of application for a site compatibility certificate for 677 Canterbury Road, Belmore - *State Environmental Planning Policy (Affordable Rental Housing) 2009*

I refer to your application of 25 June 2013 for a site compatibility certificate under clause 37(1) of *State Environmental Planning Policy (Affordable Rental Housing) 2009* (the SEPP) in relation to 677 Canterbury Road, Belmore.

I have determined the application for a site compatibility certificate under clause 37(5) of the SEPP by issuing a certificate subject to satisfaction of certain requirements specified in the certificate (clause 37(7)). I have attached the Certificate of Site Compatibility.

If you have any questions in relation to this matter, please contact Mr Lee Mulvey, Director, Metropolitan Delivery (CBD) of the Department of Planning and Environment on (02) 8575 4140.

Yours sincerely



**Carolyn McNally
Acting Secretary**

15-7-14

Enc: Site Compatibility Certificate



Mr Jim Montague
General Manager
Canterbury City Council
PO Box 77
Campsie NSW 2194

Our ref: 13/16553
Your ref:

Attention: Mr Warren Farleigh

Dear Mr Montague

Determination of application for a site compatibility certificate for 677 Canterbury Road, Belmore - *State Environmental Planning Policy (Affordable Rental Housing) 2009*

I have determined the application for a site compatibility certificate under clause 37(5) of the *State Environmental Planning Policy (Affordable Rental Housing) 2009* (the SEPP) by issuing a certificate subject to satisfaction of certain requirements specified in the certificate (clause 37(7)). I have attached the Certificate of Site Compatibility.

If you have any questions in relation to this matter, please contact Mr Lee Mulvey, Director, Metropolitan Delivery (CBD) of the Department of Planning and Environment on (02) 8575 4140.

Yours sincerely

Carolyn McNally
Acting Secretary

15-7-14

Enc: Site Compatibility Certificate