

Public Exhibition - Draft Waterloo Estate (South) Development Control Plan and Submission - Waterloo Estate (South) Planning Proposal and Draft Waterloo Estate (South) Design Guide

File No: X030481

Summary

The Department of Planning and Environment (Department) has placed the Waterloo Estate (South) Planning Proposal (planning proposal) and draft Waterloo Estate (South) Design Guide (draft design guide) on public exhibition and is seeking comment.

Waterloo Estate (South) is bounded by Raglan Street in the north, Cope Street in the west, McEvoy Street in the south, and Waterloo Park, Kellick Street, Gibson Street, Wellington Street and George Street to the east. It is approximately three kilometres south of Sydney Town Hall, one kilometre north of Green Square Town Centre and adjacent the future Waterloo Metro station and Waterloo Metro Quarter development.

The NSW Land and Housing Corporation (LAHC) submitted a planning proposal request to the City in May 2020 to change the planning controls for Waterloo Estate (South) to allow for its redevelopment.

The City assessed the planning proposal request and associated technical studies and prepared a planning proposal and draft design guide. Subject to an agreement being reached for the provision of public infrastructure, Council and the Central Sydney Planning Committee (CSPC) approved the proposal for public exhibition in February 2021.

However, the City and Land and Housing Corporation were unable to reach a suitable agreement about the provision of public infrastructure, and in March 2021 the Department resumed planning authority for the Waterloo Estate (South). The Department now has responsibility for exercising those functions that would usually be undertaken by council as the planning proposal authority, including public exhibition.

Following a Gateway Determination being issued, the Department has revised the City's planning proposal and has now placed it on public exhibition. The planning proposal and the draft design guide provide new planning controls for Waterloo Estate (South) to allow redevelopment of the site and its 749 social housing dwellings. The proposed planning controls facilitate the following development outcomes:

- on Land and Housing Corporation owned sites, about 251,000 square metres of floor space (excluding future design excellence floor space if it applies), facilitating:
 - about 234,000 square metres of residential floor space, facilitating 3,012 dwellings, including 847 social housing dwellings (28.2% of dwellings and 26.5% of residential floor space), about 227 affordable dwellings (7.5% of dwellings and 7% of residential floor space) and about 1,938 (64% of dwellings and 66% of residential floor space); and

- about 17,000 square metres of non-residential floor space, including 12,000 square metres for retail and commercial uses and 5,000 square metres for community and ancillary facilities on Land and Housing Corporation owned sites;
- on privately owned sites, about 23,000 square metres of floor space (excluding future design excellence floor space if it applies), facilitating 127 additional dwellings, above the 120 existing dwellings;
- contrary to our alternate planning proposal, up to an additional 25,000 square metres of floor space for design excellence on Land and Housing Corporation owned sites, and up to an additional 4,200 square metres on privately owned sites, facilitating up to an additional 385 dwellings;
- a large park adjoining Waterloo Metro station of more than two hectares and a small park in the south;
- 10 per cent of the affordable housing component on Land and Housing Corporation-owned land being provided exclusively for Aboriginal and Torres Strait Islander households, with existing proportions of Aboriginal and Torres Strait Islander households being maintained or increased in social housing;
- four towers between 27 and 33 storeys and most other buildings generally around 8 storeys (with some 4 storeys and others up to 13 storeys where development fronts parks or George Street);
- new streets and through-site links; and
- a new cycleway along Wellington Street.

The planning proposal and the draft design guide is on public exhibition until 29 April 2022. The public exhibition also includes a draft infrastructure schedule, which outlines the public infrastructure to be provided in conjunction with redevelopment.

The City's draft submission to the public exhibition materials is shown at Attachment A. The key issues raised in the draft submission include:

- the apparent 10% increase in floor area proposed above that in the City's planning proposal adopted by Council and CSPC in February 2021. This could result in floor area in Waterloo Estate (South) than will not fit within the envelopes of the planning proposal;
- the amount of social and affordable housing proposed, that reduces the City's requirement that 30 per cent of residential floor space be social housing and 20 per cent affordable housing, to 26.5 percent and 7 per cent respectively;
- changes to the built form, including an additional tower form in the north-east of the precinct, and some untested impacts arising from it, including unaddressed noise and wind impacts;
- lack of commitment to higher sustainability targets, noting the publicly exhibited planning proposal removes the requirement to exceed the BASIX commitments for water and energy by not less than 10 points for energy and 5 points for water; and
- identification of the City as an authority to acquire new roads.

This report recommends the Council endorse the draft submission to be sent to the Department.

This report also recommends Council endorse the draft Sydney Development Control Plan - Waterloo Estate (South) (draft DCP), shown at Attachment B, for public exhibition. The draft DCP is to amend the Sydney Development Control Plan 2012 so it is consistent with the planning proposal and draft design guide. The design guide will only apply if subsequent Development Applications are of sufficient value to be declared State Significant Development. If applications are below State Significant Development value the matching DCP will apply.

Recommendation

It is resolved that:

- (A) Council note the Department of Planning and Environment has placed the Waterloo Estate (South) Planning Proposal and draft Waterloo Estate (South) Design Guide on public exhibition for the period between 3 March 2022 and 29 April 2022;
- (B) Council endorse the draft City of Sydney submission to the public exhibition of the Waterloo Estate (South) Planning Proposal and draft Waterloo Estate (South) Design Guide, provided at Attachment A to the subject report;
- (C) Council note additional technical advice may be submitted to the Department of Planning and Environment, prior to the close of the public exhibition period on 29 April 2022, should additional issues be identified or further information be requested by the Department;
- (D) Council approve the draft Sydney Development Control Plan - Waterloo Estate (South), shown at Attachment B to the subject report, for public exhibition for a period of 28 days;
- (E) authority be delegated to the Chief Executive Officer to make any minor variations to the Sydney Development Control Plan - Waterloo Estate (South), shown at Attachment B to the subject report, to correct any drafting errors or inconsistencies, or to ensure consistency with the Waterloo Estate (South) Planning Proposal and draft Waterloo Estate (South) Design Guide;
- (F) authority be delegated to the Chief Executive Officer to adopt the Sydney Development Control Plan - Waterloo Estate (South), shown at Attachment B to the subject report, following public exhibition, if no significant public submissions are received; and
- (G) Council does not give the concurrence required under Regulation 10 of the Environmental Planning and Assessment Regulation 2000 to the reservation of any land under this planning proposal and instructs the Chief Executive Officer to communicate this to the Department of Planning and Environment.

Attachments

- Attachment A.** Draft City of Sydney Submission to the Public Exhibition of the Waterloo Estate (South) Planning Proposal and Draft Waterloo Estate (South) Design Guide
- Attachment B.** Draft Sydney Development Control Plan 2012 Amendment - Waterloo Estate (South)

Background

1. In November 2019, the NSW Government announced a new approach to precinct planning putting greater responsibility for planning in the hands of councils and giving councils and communities a greater say. The renewal of several social housing estates in the city, including the Waterloo Estate, were identified as council-led rezonings, being projects where councils are best placed to deliver the detailed planning within their locale.
2. The NSW Land and Housing Corporation (LAHC) submitted a planning proposal request to the City in May 2020 to change the planning controls for Waterloo Estate (South) to facilitate its redevelopment. The proposed redevelopment is part of the NSW Government Communities Plus program, a large scale \$22 billion scheme to renew its social housing portfolio.
3. The City assessed the planning proposal request and associated technical studies and prepared a planning proposal and draft design guide, which, subject to an agreement being reached for the provision of public infrastructure, was approved by Council and the Central Sydney Planning Committee (CSPC) for public exhibition on 22 February 2021 and 18 February 2021 respectively.
4. The City and the Land and Housing Corporation were unable to reach a suitable agreement about the provision of public infrastructure, and in March 2021 the Department resumed planning authority for the Waterloo Estate (South).
5. The Department now has responsibility for exercising those functions that would usually be undertaken by council as the planning proposal authority, including public exhibition.
6. The then Minister for Planning and Public Spaces announced an independent assessment (IAG) of the planning proposal that had been approved by the Council and CSPC.
7. The Waterloo Estate (South) Independent Advisory Group (IAG) referred its findings to the Department in May 2021 and the Department issued a gateway determination for the planning proposal. Key conditions of the gateway determination, that needed to be satisfied prior to the planning proposal being publicly exhibited, include the requirement for:
 - (a) updates to the planning proposal to reflect the recommendations of the IAG;
 - (b) a feasibility analysis of the capacity for the redevelopment to provide affordable housing;
 - (c) updated studies and technical reports where the planning proposal is to be updated;
 - (d) requirement for consultation with the City and the Land and Housing Corporation prior to public consultation commencing; and
 - (e) other various changes.

8. The Department has now responded to the conditions of the gateway determination and have placed the planning proposal and draft design guide on public exhibition, together with a draft public infrastructure schedule. The public exhibition commenced on 3 March 2022 and will close on 29 April 2022.
9. The City has reviewed the planning proposal and draft design guide and have prepared a draft submission to the Department. This report summarises the key issues raised in the draft submission, with the draft submission in full at Attachment A.
10. In addition to endorsing the draft submission, this report recommends Council approve the draft Sydney Development Control Plan - Waterloo Estate (South) (draft DCP), shown at Attachment B, for public exhibition. It also recommends Council resolve to not give the concurrence required by Regulation 10 of the Environmental Planning and Assessment Regulations to be identified as the acquiring authority for new roads.

Renewal of the Waterloo Estate

11. The Land and Housing Corporation aims to rezone and redevelop the whole of Waterloo Estate over three stages and has identified three precincts: Waterloo Central and Waterloo North and Waterloo South. The three precincts within Waterloo Estate, and the adjoining Waterloo Metro Quarter are shown in Figure 1. Waterloo Estate (South) is the first of the precincts to be master planned and developed. Proposals for the remaining precincts will come forward in the future.

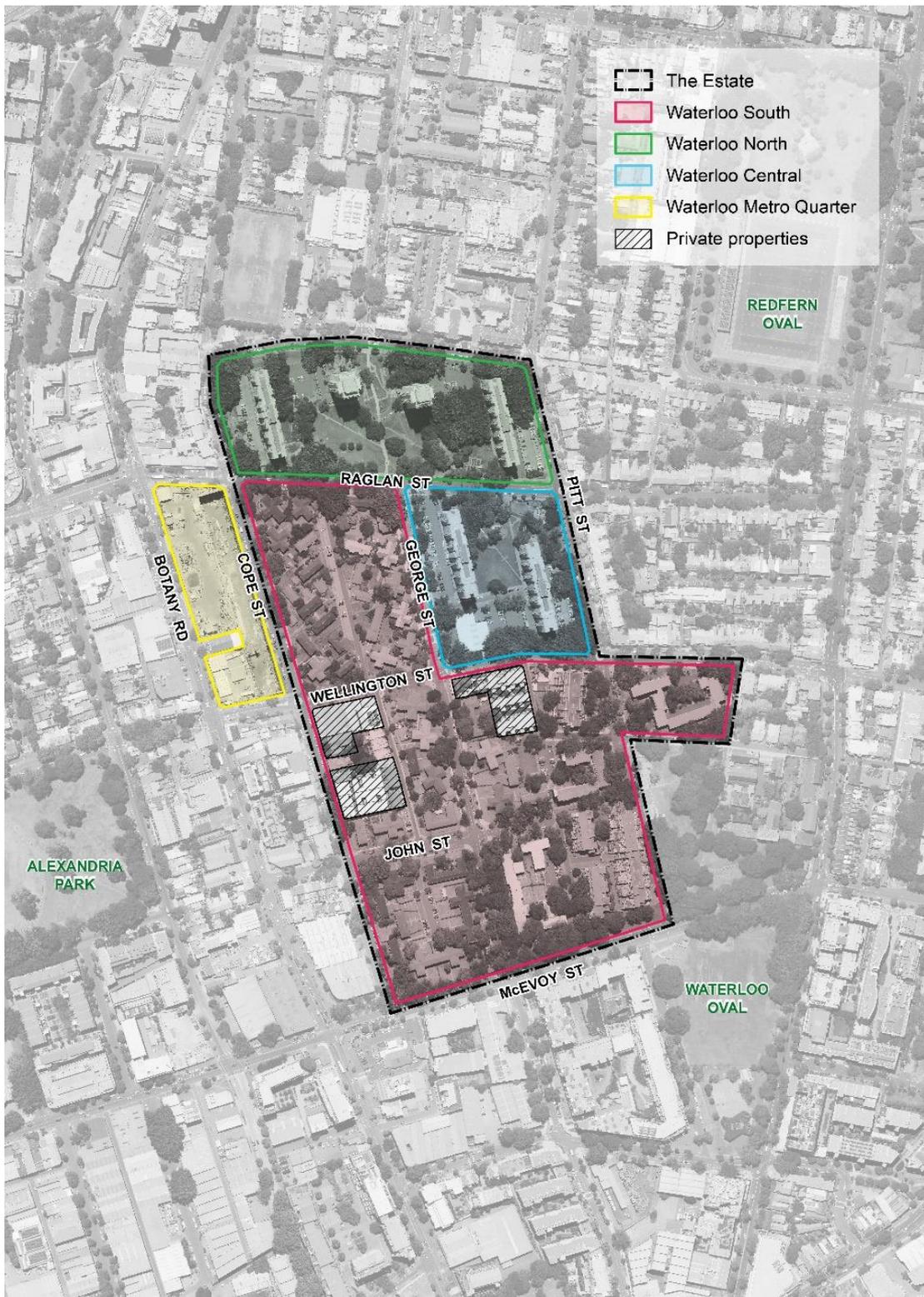


Figure 1: Waterloo Estate precincts

12. Waterloo Estate (South), shown in red, is bounded by Raglan Street in the north, Cope Street in the west, McEvoy Street in the south, and Waterloo Park, Kellick Street, Gibson Street, Wellington Street and George Street to the east. It is approximately three kilometres south of Sydney Town Hall, one kilometre north of Green Square Town Centre and adjacent to the future Waterloo Metro station and Waterloo Metro Quarter development.

13. The site comprises 21 separate land holdings, including seven privately-owned properties comprising residential, light industrial and commercial development; two infrastructure sites owned by the NSW Government; and 12 Land and Housing Corporation-owned properties containing social housing apartment blocks. The site currently contains:
 - (a) approximately 80,000 square metres of existing residential floor area on Land and Housing Corporation-owned land, comprising of 749 social housing dwellings;
 - (b) approximately 12,000 square metres of existing residential floor area on privately-owned sites, comprising 120 private dwellings;
 - (c) approximately 3,000 square metres of existing non-residential floor area on privately-owned sites; and
 - (d) approximately 60 workers as recorded in the City of Sydney's 2017 Floor Space and Employment Survey.

14. There are currently no formalised public parks within the whole of Waterloo Estate. Existing open space areas are Land and Housing Corporation owned and predominantly private or communal open space for residents. The northern open lawn areas are publicly accessible providing facilities such as bench seating co-located under or near tree clusters. Waterloo Green is part of the open space network within the Estate, and is a publicly accessible, Land and Housing Corporation-owned space. Semi-enclosed open space to the west and east of the open lawn areas provide facilities such as community gardens, barbecue areas, outdoor fitness equipment and play spaces for local residents. These open space areas are not Council-owned and are not maintained consistent with Council's levels of service but function as de facto local or neighbourhood parks.

Key Implications

City of Sydney draft submission

15. The City has reviewed the planning proposal and draft design guide and prepared a draft submission to the Department, shown at Attachment A. The key issues identified in the draft submission include:
 - (a) a 10% increase in floor space proposed above that in the City's planning proposal adopted by Council and CSPP in February 2021. This could result in additional floor area that will not fit within the planning envelopes;
 - (b) the amount of social and affordable housing proposed, that reduces the City's requirement that 30 per cent of residential floor space be social housing and 20 per cent affordable housing, to 26.5 per cent and 7 per cent respectively;
 - (c) changes to the built form, including an additional tower form in the north-east of the precinct, and untested impacts arising from it, including unaddressed noise and wind impacts;

- (d) lack of commitment to sustainability targets, noting the publicly exhibited planning proposal removes the requirement to exceed the BASIX commitments for water and energy by not less than 10 points for energy and 5 points for water; and
- (e) identification of the City as an 'authority' to acquire new roads.

Draft DCP

16. The draft Sydney Development Control Plan - Waterloo Estate (South) (draft DCP), shown at Attachment B, is required to amend Sydney DCP 2012. This is necessary because private sites within Waterloo Estate (South) will continue to be subject to the Sydney DCP 2012 where development applications are assessed by the City or Land and Housing Corporation stages are less than the State Significant Development threshold. Proposed amendments include a provision that the design guide will apply to all sites, updates to maps, incorporation of the locality statement for Waterloo Estate (South) and adjustment of other locality statements affected by the changes in the area.
17. Given the minor nature of the draft DCP, which refers to the Design Guide as being the document that contains the planning controls for all land in Waterloo Estate (South), this report recommends that authority be delegated to the Chief Executive officer to adopt the draft DCP following public exhibition.

Public infrastructure

18. The public exhibition of the planning proposal and the draft design guide also includes a draft infrastructure schedule that has been jointly prepared by the City and the Land and Housing Corporation. The purpose of the schedule is to provide the community with a summary of proposed public infrastructure that will be provided to support the redevelopment of the Waterloo Estate (South).
19. The draft infrastructure schedule has been established following extensive investigation into community infrastructure and open space needs undertaken by the City and the Land and Housing Corporation. Public infrastructure identified on the schedule includes:
 - (a) over 2 hectares of public open space;
 - (b) new roads; and
 - (c) 2,400 square metres of community facilities.
20. The public infrastructure items identified in the draft infrastructure schedule are intended to be formalised in a deed or a voluntary planning agreement (VPA) between the City and the Land and Housing Corporation. The VPA is anticipated to set out how and when the public infrastructure will be delivered. It will also establish how the provision of public infrastructure by the Land and Housing Corporation will be offset against any contribution requirement payable under the City of Sydney Contribution Plan 2015, if it applies.
21. The City is working with the Land and Housing Corporation to finalise a draft voluntary planning agreement for public exhibition. Following public exhibition, and assuming no substantive changes are made, the Chief Executive Officer may execute the planning agreement.

22. The VPA will not establish terms for the provision of social or affordable housing.

Land acquisition

23. The City's planning proposal did not identify new roads to be provided as part of the Waterloo Estate (South) redevelopment on the land acquisition map and did not identify any additional requirement to be an authority to acquire land.
24. While new land is indeed required for roads in Waterloo Estate (South), the City's usual practice in securing roads reserves in any large-scale redevelopment where master-planning and significant development uplift is provided, for example in the Green Square Urban Renewal Area, is to secure it in a planning agreement, either in conjunction with the planning proposal or later development applications. The location of the roads to be dedicated are set out in a development control plan and are not identified in an LEP.
25. The publicly exhibited planning proposal identifies some road reserves (but not all) on the Land Acquisition map and proposes City of Sydney as the acquiring authority.
26. As above, a planning agreement between the City and the Land and Housing Corporation is intended to be prepared for the dedication of new finished roads by the Land and Housing Corporation to the City free of cost, and as such the requirement in the LEP is unnecessary. Moreover, it exposes the City to the risk that, should a planning agreement not be agreed to, the Land and Housing Corporation or any a future landowner / developer of the site might require the City to acquire its land under the Land Acquisition (Just Terms Compensation Act). This is a significant financial risk to the City, which is already making a substantial contribution to the development by agreeing to offset the landowners payable development contributions for the provision of public infrastructure as well as other ongoing costs the City will bear, such as the upkeep and maintenance of parks and community facilities.
27. Regulation 10 of the Environmental Planning and Assessment Regulation 2000 provides that Council's concurrence would be required prior to being identified as an acquiring authority.
28. While Council resolution is not necessary to give concurrence, or withhold it, this report recommends that for absolute clarity, Council resolve to not give (withhold) concurrence to the reservation of any land under this planning proposal.

Human services plan

29. In August 2017, the NSW Government made a commitment to undertake human services planning for Waterloo. After initial consultations led by NSW Land and Housing Corporation, there was a hiatus until August 2020 when this planning work resumed..
30. In 2020, the Waterloo Human Services Collaborative Group and two coordination groups were established to assist with engagement, planning and coordinated responses by human services agencies to support the Waterloo community, especially in advance of the Waterloo Estate (South) redevelopment, to address current and future community needs, specifically of those living in public housing.

31. Staff from the City are participating in the development of the human services plan, which is to focus on six priority areas: safety, health and wellbeing, communication and consultation and community participation, customer service, service integration and service accessibility for all service users, and responses to systemic issues (and accountability) on an ongoing basis. The Department of Communities and Justice is responsible for the endorsement, publication and delivery of the plan. The City may have a lead or supporting role in carrying out actions under the plan.

Support for of existing tenants

32. The City is supporting Waterloo residents' advocacy through key staff participation in the Waterloo Redevelopment Group and other community forums and through the provision of a three year grant to Counterpoint Community Services to fund capacity building and information sessions and provision of tailored support to individual tenants who wish to make submissions on the planning proposal to the Department.
33. The Department of Communities and Justice is responsible for relocating current residents of the Waterloo Estate during any redevelopment period. The Land and Housing Corporation (the property owner) and the Department of Communities and Justice (the tenancy manager) have advised that residents are given choice wherever possible about where they will be located during the redevelopment, and that all residents in social housing have a right to return to the Waterloo Estate, if that is their preference.
34. The Land and Housing Corporation has said that there will be a six-month notice period for residents including the assignment of a Department of Communities and Justice relocation officer to assist them in the process.

Relevant Legislation

35. Environmental Planning and Assessment Act 1979.
36. Environmental Planning and Assessment Regulation 2000.

Critical Dates / Time Frames / Next steps

37. The public exhibition period for the planning proposal and the draft design guide closes 29 April 2022.
38. Following public exhibition, public submissions will be considered by the Department and changes to the planning proposal and draft design guide may be made.
39. Noting the changes to the planning controls proposed in the planning proposal and draft design guide are subject to change following the Departments consideration of submissions, the Land and Housing Corporation have advised they are now considering in more detail the delivery phase of the redevelopment. This includes preparing for procurement processes.
40. Given the complexity the redevelopment, it is unlikely development applications would be made in the short terms.

Public Consultation - Draft DCP

41. This report recommends the draft DCP be placed on public exhibition for a period of 28 days. The consultation will be in accordance with the requirements of:
- (a) the Environmental Planning and Assessment Regulation 2000;
 - (b) the City of Sydney Community Participation Plan 2019; and
 - (c) the principles identified by the community engagement described above.

GRAHAM JAHN AM

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