ITEM-5 INTRODUCTION OF LOW RISE MEDIUM DENSITY HOUSING CODE (FP58)

THEME: Balanced Urban Growth.

OUTCOME: 7 Responsible planning facilitates a desirable living environment and meets growth targets.

STRATEGY: 7.2 Manage new and existing development with a robust framework of policies, plans and processes that is in accordance with community needs and expectations.

MEETING DATE: 10 JULY 2018

COUNCIL MEETING

GROUP: STRATEGIC PLANNING

AUTHOR: STRATEGIC PLANNING COORDINATOR

REBECCA TEMPLEMAN

RESPONSIBLE OFFICER: MANAGER FORWARD PLANNING

STEWART SEALE

EXECUTIVE SUMMARY

This report recommends that a planning proposal be prepared to amend Clause 4.1A of The Hills Local Environmental Plan 2012, to include a minimum lot size for Manor Houses in the R3 Medium Density Residential zone. In addition, it is recommended that a draft Development Control Plan for Manor Houses be exhibited for a period of 28 days.

The Department of Planning and Environment have introduced the Low Rise Medium Density Housing Code (the Code) for complying development which was intended to come into force from 6 July 2018. The Code provides complying development standards for Dual Occupancies, Terraces and Manor Houses. Associated amendments to the Environmental Planning and Assessment Regulations, the Standard Instrument Local Environmental Plan and the new Low Rise Medium Density Design Guide also form part of the legislative package. These amendments introduce new definitions for Multi-dwelling Housing (Terraces) and Manor Houses into the LEP and mandate compliance with the design guide for complying development.

While Council has long advocated for the importance of housing diversity, the proposed amendments will place further pressure on already strained infrastructure and could compromise desired built form outcomes. Following consideration of a Mayoral Minute 4/2018 on 22 May 2018 a letter was sent to the Minister for Planning requesting deferral of implementation of the Code to allow time for holistic consideration as part of Council’s Housing Strategy and new LEP.

The Department of Planning and Environment has indicated that deferral from the commencement of the Code has been supported by the Minister for Planning, the Hon. Anthony Roberts MP. It is unknown at this stage if all parts of the legislative package will be deferred or just the commencement of the Code. The changes to the Standard Instrument LEP to introduce two new land use terms is a particular concern as it would enable lodgement development applications for Manor Houses or Multi Dwelling housing
(Terraces) in the short term without sufficient supporting controls in the LEP and DCP to assist assessment.

Discussions are continuing with the Department to confirm the deferral approach and mechanisms. In the interim it is prudent to commence the preparation of ‘stopgap’ measures to amend Council’s LEP and DCP 2012 to respond to any development applications for the new dwelling types that could potentially be lodged after 6 July 2018. Should the full requested deferral be granted at some point in the future, the planning proposal can be discontinued to allow the desired level of strategic investigations.

HISTORY

09/02/2016 Council made a submission responding to a Discussion Paper issued by the Department on the draft Code raising concerns with character, zone hierarchy and infrastructure provision.

22/11/2016 Council considered a report on the draft Design Guide and Explanation of Intended Effect and resolved to make submission on a number of matters including inappropriate extension of the role of private certifiers, impact on existing local character, impact on established zone hierarchy, Code not necessary to meet housing targets, impact of increased dwelling yield on planned infrastructure and inadequacy of proposed car parking standards.

06/04/2018 Department issued notice that the Low Rise Medium Density Code and accompanying administrative amendments will come into force on 6 July 2018.

18/05/2018 Further amendment notified to Low Rise Medium Density Code that has had the effect of extending the permissibility of Manor Houses to the Growth Centres State Policy, enabling Manor Houses as a permitted use in certain zones in North Kellyville and Box Hill.

22/05/2018 Mayoral Minute considered by Council outlining the implications of the introduction of the Code. Council resolved:

1. The Mayoral Minute be received.

2. The attached letter be forwarded to the Hon. Anthony Roberts MP seeking deferral of the implementation of the Code until such time as Council has developed its new Local Housing Strategy and Local Environmental Plan (LEP).

A copy of the Mayoral Minute and letter sent to the Minister is included as Attachment 1.

05/06/2018 Briefing for Councillors on the implications of the Code and the request for deferral.

12/06/2018 Council considered Government’s invitation to apply for LEP Review funding and committed to undertake the required review within two years, subject to receiving funding from the Department of Planning and Environment. The report outlined a
program where this work would be completed by December 2019.

22/06/2018

Letter received from the Department of Planning & Environment in response to the Mayor’s request for deferral advising in part:

*The Minister has asked the Department to prepare a recommendation to defer application of the code to the Hills Shire local government area to allow council time to consider the application of the code to your residential zones.*

A copy of the response letter is included as Attachment 2.

26/06/2018

Additional information provided to the Department of Planning and Environment to support Council’s deferral request, detailing the specific strategic and operational implications arising from the legislative changes.

BACKGROUND

The development of the Low Rise Medium Density Housing code commenced in late 2015. Council has made numerous submissions to the Department of Planning and Environment detailing concerns related to character, density, zone hierarchy and infrastructure provision. Despite the submissions made, the new Code and associated legislation were set to commence from 6 July 2018.

Following reports mid-May that the Minister for Planning had suspended the legislative changes in some other Local Government Areas, the Minister indicated that the offer was extended to other Councils looking to rectify their planning instruments to meet the strategic intent of Council. In response Council considered Mayoral Minute 4/2018 and asked for deferral of the changes until Council has developed its new Local Housing Strategy and Local Environmental Plan.

Apart from the significant strategic implications for infrastructure capacity across established areas and release areas and envisaged built form and public domain in planned precincts of the Sydney Metro Northwest, the amendments also have considerable operation implications. A table detailing key changes and the strategic and operational implications is included as Attachment 3.

At the time of report preparation, the response received from the Department in regard to the request for deferral, whilst a positive step, does not provide sufficient certainty that all aspects of the legislative package will be deferred. In addition the letter points to issues being resolved within 12 months which does reflect the Mayor’s request for deferral until Council has developed its new Local Housing Strategy and Local Environmental Plan (LEP).

If full deferral is not granted, it is necessary for Council to prepare amendments to LEP 2012 and DCP 2012 to ensure that controls are in place to accommodate any development applications lodged.
REPORT
The purpose of this report is to provide an overview of the Low Rise Medium Density Housing Code and discuss required amendments to LEP 2012 and DCP 2012.

1. THE NEW CODE AND DESIGN GUIDE
Amendments to State Environmental Planning Policy (Exempt and Complying Development Codes) (the SEPP) to introduce the Low Rise Medium Density Housing Code were published on the NSW legislation website on 6 April 2018. The commencement date for the policy is currently 3 months from the date of publication being 6 July 2018. At this time associated amendments to the Environmental Planning and Assessment Regulations, the Standard Instrument Local Environmental Plan and the new Low Rise Medium Density Design Guide are also legislated to come into effect.

The Code amendments provide a suite of complying development controls for the following types of 1-2 storey development:

- Dual Occupancy – two dwellings whether detached or attached on one lot;
- Manor Houses – a building containing 3 or 4 dwellings where at least one dwelling is located above another dwelling;
- Terraces – attached multi-dwelling housing; and
- Torrens and Strata Title Subdivision of dwelling types described above.

The Code is supported by the Medium Density Design Guide which seeks to ensure good design outcomes are achieved. Applications for complying development must demonstrate compliance with the design guide and be accompanied by a design verification statement prepared by a registered building designer or architect.

Implications of dual occupancy changes
Dual Occupancy development is permitted as complying under the Code in the R1 General Residential and R3 Medium Density Residential zones. This applies to development under LEP 2012 as well as development in North Kellyville and Box Hill under the Growth Centres State Policy.

Table 1 below compares the necessary minimum lot size for both approval pathways under LEP 2012.

<table>
<thead>
<tr>
<th>Zone</th>
<th>Minimum Lot Size</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Complying Development</td>
</tr>
<tr>
<td>R1 General Residential</td>
<td>1,800m²</td>
</tr>
<tr>
<td>R2 Low Density Residential</td>
<td>600m²</td>
</tr>
<tr>
<td>R3 Medium Density Residential</td>
<td>600m²</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Zone</th>
<th>Minimum Lot Size</th>
</tr>
</thead>
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<tr>
<td></td>
<td>Complying Development</td>
</tr>
<tr>
<td>R1 General Residential</td>
<td>1,800m²</td>
</tr>
<tr>
<td>R2 Low Density Residential</td>
<td>700m²</td>
</tr>
<tr>
<td>R3 Medium Density Residential</td>
<td>700m²</td>
</tr>
</tbody>
</table>

Table 1
Comparison of minimum lot size required for dual occupancy - LEP 2012
A local provision in LEP 2012 prohibits the subdivision of dual occupancies. Complying Development must be permissible with consent under the relevant environmental planning instrument; therefore subdivision of dual occupancies will not be permissible as Complying Development. For the Growth Centres Precincts, subdivision of dual occupancies is permitted and will now be permitted as complying development.

The complying development criteria will enable dual occupancies on narrower lots with greater floor space and less landscaping than would be achieved under Council’s DCP however should a development application be required, controls for dual occupancy contained in Council’s Development Control Plans will continue to apply. Therefore, no changes are recommended to Council’s LEP 2012 or DCPs in response to this section of the legislative package.

**Implications of Multi-Dwelling Housing (Terraces) changes**

Changes to the Standard Instrument LEP will introduce Multi Dwelling Housing (Terraces) as a new land use term to LEP 2012. As the changes stand the definition is not introduced to the North Kellyville and Box Hill Precinct under the Growth Centres State Policy.

Complying development for terraces may be undertaken in the R1 General Residential and R3 Medium Density Residential zones. The minimum lot size for Terraces reverts to the relevant minimum lot size for multi-dwelling housing in LEP 2012. The minimum lot sizes in Clause 4.1A that will apply are shown in Table 2.

<table>
<thead>
<tr>
<th>Zone</th>
<th>Minimum Lot Size</th>
<th>Minimum Lot Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>R1 General Residential</td>
<td>1,800m²</td>
<td>1,800m²</td>
</tr>
<tr>
<td>R3 Medium Density Residential</td>
<td>1,800m²</td>
<td>1,800m²</td>
</tr>
</tbody>
</table>

Table 2
Comparison of minimum lot size required for terraces - LEP 2012

Council’s LEP already allows for essentially the same built form as Multi Dwelling Housing (Terraces) by way of clause 4.1B that allows for small lot housing (be it attached or detached) on lots down to 240m² where a development application is lodged for both the subdivision and erection of dwellings at the same time.

Following consideration on 13 February 2018, Council has forwarded a planning proposal seeking gateway determination to amend Clause 4.1B of LEP 2012. This will apply a new minimum lot size of 1,800m² for small lot housing and allow lots down to 180m² where rear lane access is provided.

Complying Development for terraces will result in a small increase in density on what is envisaged under the planning proposal. A Development Application under Council’s new controls will result in 7 dwellings on an 1,800m² lot, where complying development may result in a maximum of 9 dwellings on an 1,800m² lot.

The pending planning proposal is accompanied by a draft Development Control Plan which contains a suite of controls applicable to Terrace style housing. It is anticipated that these controls will be suitable to assess a development application lodged for Multi Dwelling Housing (Terraces), subject to possible minor changes following exhibition.

Given the foregoing, no changes are recommended to Council’s LEP 2012 or DCP at this time in response to this section of the legislative package.
Implications of Manor House changes
Changes to the Standard Instrument LEP will introduce Manor Houses as a new land use term. Complying development for Manor Houses may be undertaken in the R1 General Residential and R3 Medium Density Residential zones. The minimum lot size for Manor Houses is set in the Code at 600m², however there is currently no specific minimum lot size in LEP 2012.

As a form of Residential Flat Building, the minimum lot size for Residential Flat Buildings may be applied to a Development Application lodged for a Manor House in zones where Residential Flat Buildings are permissible with consent. As this is not the case in the R3 Medium Density Residential zone there is currently no applicable minimum lot size, therefore a Development Application could be lodged on a lot of any size in this zone.

<table>
<thead>
<tr>
<th></th>
<th>Manor Houses – LEP2012</th>
<th>Manor Houses – GROWTH CENTRES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zone</td>
<td>Minimum Lot Size</td>
<td>Minimum Lot Size</td>
</tr>
<tr>
<td></td>
<td>Complying Development</td>
<td>Development Application</td>
</tr>
<tr>
<td>R1 General Residential</td>
<td>600m²</td>
<td>4,000m²</td>
</tr>
<tr>
<td>R3 Medium Density Residential</td>
<td>600m²</td>
<td>None Specified</td>
</tr>
<tr>
<td>North Kellyville</td>
<td>2,000m² (density 20 dwg/ha)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>4,000m² (density 12.5 dwg/ha)</td>
<td></td>
</tr>
<tr>
<td>Box Hill</td>
<td>1,000m² (density 30 dwg/ha)</td>
<td></td>
</tr>
<tr>
<td>North Kellyville</td>
<td>2,000m² (density 20 dwg/ha)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>4,000m² (density 12.5 dwg/ha)</td>
<td></td>
</tr>
<tr>
<td>Box Hill</td>
<td>Not specified</td>
<td></td>
</tr>
</tbody>
</table>

Table 3
Comparison of minimum lot size required for manor houses

It is necessary for LEP 2012 and DCP 2012 to respond to the introduction of Manor Houses to ensure that a suite of suitable controls is available to guide this form of development in the event that all aspects of the legislative package is not deferred for an appropriate timeframe. Suggested amendments to LEP 2012 and DCP 2012 are discussed in Sections 2 and 3 of this report.

Whilst there is also no minimum lot size specified for Manor Houses in the Growth Centres State Policy, the Code changes would necessitate additional review of the Growth Centres State Policy to reconcile definitions of Manor Houses currently in the Growth Centres SEPP with Manor Houses and to reconcile the new housing opportunity with exhibited density bands. This will require liaison with, and involvement of, the Department of Planning and Environment’s Land Release Team to suitably resolve issues. In any case, given the implications for infrastructure and density already previously raised for Growth Centres, an exemption of the growth centres from the code is entirely warranted and it is recommended that this be pursued.

Likewise significant master-planning has been undertaken in Station Precincts such as Showground Precinct and Castle Hill North where terrace outcomes have featured in both and are seen as an appropriate edge treatment providing a transition between higher density housing forms and surrounding low density residential development. The Code will require complying development for Terraces to meet Council’s minimum lot size of 1,800m², which in most cases would require the consolidation of lots. Permitting Manor
Houses in these locations could inhibit the ability to deliver the desired terrace housing outcomes.

Furthermore more detailed precinct planning is underway (or proposed) across all Sydney Metro Station Precincts that examines more specifically the desired diversity of housing and how that is able to be delivered. In some cases land currently zoned R3 Medium Density Residential may be suitable for change to higher density outcomes and opportunity for proper and orderly master planning will be lost if ad hoc development of Manor Houses occurs. Therefore it is recommended that a full exemption of station precincts from the Code and associated legislation be pursued.

2. AMENDMENTS TO LEP 2012

Council’s request for deferral from the Code details that the preferred approach is to consider medium density outcomes as part of the development of a Housing Strategy.

The response received from the Department in regard to the request for deferral thus far does not provide sufficient certainty that all aspects of the legislative package will be deferred and does not provide a clear timeframe that will enable the necessary holistic strategic review and any amendments as part of Council’s new Shire wide LEP (flagged for completion by December 2019).

Given the foregoing, it is necessary for Council to prepare amendments to LEP 2012 and DCP 2012 to ensure that controls are in place to accommodate any development applications lodged.

As outlined in Section 1 of this report, LEP 2012 currently contains minimum lot sizes for Dual Occupancies and Multi-Dwelling Housing in the relevant permissible zones. As Multi-Dwelling Housing (Terraces) are a form of Multi-Dwelling Housing, it is not considered necessary at this time to provide a specific minimum lot size for terraces in the table to Clause 4.1.

Manor Houses are a form of Residential Flat Building and as such will be permissible as a Development Application in all zones in which Residential Flat Buildings are permissible as per Table 3 of this report. If a minimum lot size for Manor Houses is not specified in these zones, the minimum lot size required to apply for a Manor House as a Development Application will revert to that applicable for Residential Flat Buildings, being 4,000m².

Unlike Residential Flat Buildings however, Manor Houses will be permissible in the R3 Medium Density Residential zone where there is currently no applicable minimum lot size either in established areas under LEP 2012 or Box Hill Precinct under the Growth Centres SEPP.

The following options are presented to Council for consideration in regards to a minimum lot size for Manor Houses in the R3 Medium Density Residential zone under LEP 2012.

Option 1 – 600m² Minimum Lot Size
Council prepare a planning proposal that adopts a minimum lot size of 600m² for Manor Houses within the R3 Medium Density Residential zone. This would make the minimum lot size in the LEP consistent with the minimum lot size in the Code. Adopting this lot size would result in a similar built form outcome and density to complying development. This option would provide an avenue for applicants who are not able to meet the requirements of the Code to still apply for a manor house on a similar sized parcel of land where dispensation to controls may be required.
This option is not recommended as it will not allow Council to respond to concerns for built form outcomes. The lot size does not allow for the provision of sufficient space for adequate setbacks, landscaping and communal open space which best reflect the garden character of the Hills.

Option 2 – 4,000m² Minimum Lot Size
Council prepare a planning proposal that adopts a minimum lot size of 4,000m² for Manor Houses within the R3 Medium Density Residential zone. This minimum lot size is consistent with that applied to Residential Flat Buildings under LEP 2012.

As Manor Houses are to be mandated as a permitted use in the R3 Medium Density Residential zone in the Standard Instrument LEP, Council is unable to class them as a prohibited use in the zone. However, setting the minimum lot size at 4,000m² may achieve a similar result. This option would effectively discourage construction of Manor Houses in the R3 Medium Density zone by way of a Development Application as consolidation of lots to achieve the site area required is unlikely to produce a profitable outcome.

Notwithstanding the above, an applicant may request a variation to the minimum lot size in accordance with Clause 4.6 of the LEP, which would be assessed on the individual merits of the application. However it is more likely that a complying development path will be pursued. For this reason, a minimum lot size of 4,000m² is not a recommended option.

Option 3 – 900m² Minimum Lot Size (Recommended Option)
Council prepare a planning proposal that adopts a minimum lot size of 900m² for Manor Houses within the R3 Medium Density Residential zone. This minimum lot size is in essence a compromise position between the minimum lot size specified in the Code and the minimum lot size for Residential Flat Buildings in the LEP.

A 900m² parent lot will allow for increased setbacks to create sufficient space for landscaping, communal and private open space, as well as improving solar access to adjacent properties and the public domain. With a carefully constructed suite of development controls, this lot size is likely to produce an outcome more in keeping with the garden character of the Hills.

It is noted that the majority of existing lots in land zoned R3 Medium Density Residential in established areas are generally less than 900m², therefore this option may still require the consolidation of lots. This may assist in discouraging construction of Manor Houses as a Development Application in areas which have been earmarked for terrace housing.

A revised clause is set out below with proposed changes in blue font:

**4.1A Minimum lot sizes for dual occupancy, multi dwelling housing, manor houses and residential flat buildings**

(1) The objective of this clause is to achieve planned residential density in certain zones.

(2) Development consent may be granted to development on a lot in a zone shown in Column 2 of the Table to this clause for a purpose shown in Column 1 of the Table opposite that zone, if the area of the lot is equal to or greater than the area specified for that purpose and shown in Column 3 of the Table.
Column 1 | Column 2 | Column 3
---|---|---
**Dual occupancy** | Zone RU1 Primary Production | 10 hectares
(attached) | Zone RU2 Rural Landscape | 10 hectares
 | Zone RU6 Transition | 2 hectares
 | Zone R1 General Residential | 1,800 square metres
 | Zone R2 Low Density Residential | 600 square metres
 | Zone R3 Medium Density Residential | 600 square metres
 | Zone R4 High Density Residential | 1,800 square metres
 | Zone E4 Environmental Living | 2,000 square metres

**Dual occupancy**
(detached)

 | Zone R1 General Residential | 1,800 square metres
 | Zone R2 Low Density Residential | 700 square metres
 | Zone R3 Medium Density Residential | 700 square metres
 | Zone R4 High Density Residential | 1,800 square metres

**Multi dwelling**

| Zone R1 General Residential | 1,800 square metres
 | Zone R3 Medium Density Residential | 1,800 square metres
 | Zone R4 High Density Residential | 1,800 square metres
 | Zone B2 Local Centre | 1,800 square metres

**Manor House**

| Zone R3 Medium Density Residential | 900 square metres
 | Zone R1 General Residential | 4,000 square metres
 | Zone R4 High Density Residential | 4,000 square metres
 | Zone B2 Local Centre | 4,000 square metres
 | Zone B4 Mixed Use | 4,000 square metres

This option is the recommended approach as it is likely to enable improved built form outcomes whilst not being so restrictive as to prohibit development or result in frequent requests to vary the minimum lot size.

3. AMENDMENTS TO DCP 2012

As Manor Houses will be permissible with consent as a Development Application, it is necessary to prepare amendments to DCP 2012 to provide a suite of development controls to guide this form of development. The below is a summary of key proposed controls as compared to the requirements of the Code:

<table>
<thead>
<tr>
<th>Low Rise Medium Density Housing Code</th>
<th>Comment on potential DCP controls</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Minimum Lot Width</strong></td>
<td>15m</td>
</tr>
<tr>
<td><strong>Primary street setback</strong></td>
<td>Average of adjoining buildings or if no buildings adjoin the site 4.5m</td>
</tr>
</tbody>
</table>
### Secondary street setback

<table>
<thead>
<tr>
<th>setback</th>
<th>Reason</th>
</tr>
</thead>
<tbody>
<tr>
<td>3m</td>
<td>A setback of 3m to a secondary frontage is considered to be reasonable and with heights capped at two storeys will ensure sufficient area to minimise overshadowing impacts to the public domain and provide suitable opportunities for landscaping.</td>
</tr>
</tbody>
</table>

### Rear boundary setback

<table>
<thead>
<tr>
<th>setback</th>
<th>Reason</th>
</tr>
</thead>
<tbody>
<tr>
<td>6m</td>
<td>An 8m rear setback is consistent with the 2 storey rear setback applied to detached dwellings. This setback provides improved opportunities for the provision of ground level private open space and improved solar access.</td>
</tr>
</tbody>
</table>

### Landscaped Area

<table>
<thead>
<tr>
<th>Area</th>
<th>Requirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>50% of the lot minus 100m² (For example on a 600m² lot would equate to 200m² or 33%)</td>
<td>Requiring a minimum 40% of the site as landscaped area, regardless of lot size, will result in improved opportunities for landscaping, solar access and private open space. This requirement is consistent with the landscaped area required for detached dwellings.</td>
</tr>
</tbody>
</table>

### Private Open Space

<table>
<thead>
<tr>
<th>Number of bedrooms</th>
<th>Minimum area</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 bedroom</td>
<td>8m²</td>
</tr>
<tr>
<td>2 bedrooms</td>
<td>12m²</td>
</tr>
<tr>
<td>3+ bedrooms</td>
<td>16m²</td>
</tr>
</tbody>
</table>

A larger minimum lot size presents opportunities to improve private open space outcomes. Providing private open space in a range of 12m² for upper storey dwellings and 24m² for ground floor dwellings is consistent with proposed small lot housing controls and will provide a greater level of amenity to residents whilst being more in keeping with the garden character of the Hills.

### Solar Access

- 2 hours to living room windows of adjoining dwellings
- 3 hours sunlight to 75% of dwellings

Solar access controls should consider both the subject and adjoining sites in regards to private open space and living areas. Controls which are consistent with those applied to detached dwellings are likely to be more appropriate and result in improved outcomes.

### Car parking

1 car space per dwelling

The car parking rates applied to Complying Development do not reflect the known car ownership levels in the Hills and are likely to result in impacts to local street networks. Car parking rates in a development control plan should include provision for appropriate on-site parking including visitor spaces to reduce pressure on surrounding streets.

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**Table 4**

Summary of suggested development controls for manor homes

**IMPACTS**

**Financial**

This matter has no direct financial impact upon Council’s adopted budget or forward estimates.

**Strategic Plan - Hills Future**

Community Strategic Direction 7.2 requires Council to manage new and existing development with a robust framework of policies, plans and processes that is in accordance with community needs and expectations.
RECOMMENDATION

1. A planning proposal be forwarded to the Department of Planning and Environment for a Gateway Determination to amend Clause 4.1A of LEP 2012 to include a minimum lot size of 900m² for Manor Houses in the R3 Medium Density Residential zone.

2. Amendments be prepared and exhibited for 28 days to amend The Hills Development Control Plan 2012 to include appropriate controls for Manor Houses as outlined in Table 4 of this report.

3. The above changes to Council’s planning framework be discontinued should the terms of deferral provided by the Department of Planning and Environment align with Council’s request that implementation be deferred until Council has developed its new Local Housing Strategy and Local Environmental Plan.

4. Council write to the Minister for Planning the Hon. Anthony Roberts MP and Chief Commissioner of the Greater Sydney Commission Lucy Turnbull AO raising the following matters:
   a) Reiterating the need for the deferral to align with the LEP review program to allow holistic and efficient review of the implications of the proposed new housing types.
   b) Seeking an exemption of the growth centres from the Code and associated legislation given that previously raised density and infrastructure concerns are yet to be resolved.
   c) Seeking exemption of Sydney Metro Station Precincts from the Code and associated legislation given the precinct planning process, has and will continue to, examine more specifically the desired diversity of housing and how that is delivered.

ATTACHMENTS

1. Mayoral Minute No.04/2018 (3 pages)
2. Response to Council’s request for deferral dated 22 June 2018 (1 page)
3. Strategic and Operational implications of Low Rise Medium Density Housing Code and associated changes (3 pages)
MAYORAL MINUTE NO. 4/2018

IMPLIEDIONS OF NEW MEDIUM DENSITY HOUSING CODE

22 MAY 2018

Councillors,

Recently, The Department of Planning and Environment introduced the Low Rise Medium Density Housing Code for complying development which will come into force from 6 July 2018. At this time, Manor Houses will be mandated as development that is permitted with consent in the R1 General Residential and R3 Medium Density Residential zones. As a type of residential flat building, they will also be permitted wherever Residential Flat Buildings are permitted, being the R4 High Density Residential, B2 Local centre and B4 Mixed Use zones.

The amendments apply to all land within The Hills, including the North Kellyville and Box Hill Growth Centres where density and infrastructure concerns have previously been raised with the Department of Planning and Environment. They will also apply to the newly gazetted Showground Station Precinct where a dwelling cap has been imposed due to infrastructure capacity issues. Allowing for manor houses in these locations and other parts of the Shire will place further pressure on already strained infrastructure.

Last week, The Minister for Planning, the Hon. Anthony Roberts MP, suspended the legislative changes for City of Ryde and the City of Canterbury Bankstown, after both Councils argued that it would allow densification in areas where infrastructure servicing is already a cause for concern. Mr Roberts has since said that he is prepared to extend this offer to other Councils looking to rectify their planning instruments to meet the strategic intent of the Council.

I am committed to looking at the issue of housing and the missing middle in a more holistic manner and ensuring that infrastructure keeps up with housing supply. A comprehensive Housing Strategy is a better mechanism for addressing these issues and allows detailed investigation into appropriate locations and the infrastructure needed to support it. We need to ensure this new policy is the right fit for the Hills before proceeding further.

The Greater Sydney Region Plan requires all Councils to review their Local Environmental Plans to align with the actions and priorities within the relevant District Plans. Should the Minister support Council’s request, we can continue with our planned development of the new Housing Strategy. This will then allow us to engage with the community to determine where different types of residential development can be supported by local infrastructure before we review our Local Environmental Plan.

Accordingly, I move that:

MOTION

1. The Mayoral Minute be received.

2. The attached letter be forwarded to the Hon. Anthony Roberts MP seeking deferral of the implementation of the Code until such time as Council has developed its new Local Housing Strategy and Local Environmental Plan (LEP).

Dr Michelle Byrne
MAYOR
Mayor, Dr Michelle Byrne
The Hills Shire Council
3 Columbia Court, Baulkham Hills NSW 2153
PO Box 7064 Baulkham Hills BC 2153
0448 268 140
mayor@thehills.nsw.gov.au

22 May 2018

The Hon. Anthony Roberts MP
Minister for Planning, Minister for Housing &
Special Minister for State
GPO Box 5341
SYDNEY NSW 2001

Our Ref: FP58

Dear Minister

Low Rise Medium Density Housing Code

I refer to the Low Rise Medium Density Housing Code and associated changes due to come into effect on 6 July 2018 and the deferral of the implementation of the Code in certain local government areas until 1 July 2019, or until such time as the Councils have undertaken the development of a new Local Housing Strategy and Local Environmental Plan (LEP).

I ask that the same deferral be provided to the Hills Shire so that the new housing opportunities identified under the Code are able to be holistically considered within the context of other residential growth anticipated in Shire. Whilst measures to increase the diversity of housing options are supported in principle, there is widespread community and Council concerns about the density of development proposed for parts of the Shire and the capacity of existing and planned infrastructure to cope with this extra demand. Allowing the completion of the housing strategy before adding more housing to the mix, will provide confidence about where different types of residential development are best located.

The Hills Shire has a strong record of contributing to housing supply and is proactively planning to accommodate additional population and support it with essential open space, community facilities, and roads and transport infrastructure. We have opportunity to meet and exceed our share of the housing growth identified for the Central City District to 2036, with long term capacity estimated at an additional 65,000 dwellings. However, like other councils in the District, we face a number of challenges in managing the anticipated population growth and securing the necessary infrastructure to support the expected growth.

With this in mind I recently met with the Chief Commissioner and Chief Executive Officer of the Greater Sydney Commission to discuss Council’s role in implementation of the District Plan. I was encouraged by the Commission’s understanding of our challenges, their interest in the work Council is doing and where we are heading in the future. Ongoing collaboration with the Greater Sydney Commission and the Department of Planning and Environment to complete the necessary strategic investigations will ensure an integrated solution is able to be developed as intended by the District Plan.
I commend your initiative in recognising the issues being faced by some councils and I look forward to our Council being provided with the same opportunity to take stock and comprehensively consider its housing strategy and LEP review before the implementation of the new Medium Density Code.

Should you require further information or wish to arrange a meeting to discuss the issues Council see with the Medium Density Code please contact Council’s General Manager Michael Edgar on 9843 0105.

Yours sincerely

Dr Michelle Byrne
MAYOR
Mr Cameron McKenzie
Group Manager, Environment and Planning
The Hills Shire Council
PO Box 7064
BAULKHAM HILLS NSW 2153

Dear Mr McKenzie

I refer to our recent conversations on the Low Rise Medium Density Housing Code. I also note Council’s letter to the Hon. Anthony Roberts MP, Minister for Planning, in which you have requested for a deferral to the commencement of the code for The Hills Shire local government area.

I can appreciate the issues you have raised over the implementation of the code and I am pleased to advise you that alternative arrangements are available to address your circumstances.

The Minister has asked the Department to prepare a recommendation to defer application of the code to The Hills Shire local government area to allow Council time to consider the application of the code to your residential zones.

A deferral provides Council the opportunity to review these areas and provide a planning proposal to the Department, if required. I look forward to resolving this matter with you over the coming 12 months.

I will contact you shortly to discuss how this matter can be progressed. If you have any questions in the interim, please don’t hesitate to contact me on 9274 6270, or ann-maree.carruthers@planning.nsw.gov.au.

Yours sincerely

Ann-Maree Carruthers
Director, Sydney Region West Planning Services

Our ref: IRF18/3475
### Implications of Low Rise Medium Density Housing Code and Associated Changes

<table>
<thead>
<tr>
<th>Legislative change</th>
<th>Strategic implications</th>
<th>Operational implications</th>
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</table>
| Amendment of Standard Instrument to introduce a new land use term 'Manor Houses' and require these as a permitted use in a number of zones. For The Hills LEP 2012 these are:  
- R1 General Residential  
- R3 Medium Density Residential  
- R4 High Density Residential  
- B2 Local Centre | Potential for additional unplanned residential density, particularly in the R3 Medium Density Residential zone, that has implications infrastructure planning and capacity. | No minimum lot size requirements for Manor Houses in the R3 Medium Density Residential zone.  
No Development Control Plan requirements for Manor Houses to support and guide the lodgement of a Development Application.  
Minimal developer contributions in established areas where only s94A plan (section 7.12) applies – requires review of likely uptake, demand and infrastructure needs. |
| Amendment of Standard Instrument to introduce a new land use term 'Multi Dwelling Housing (Terraces)' and require these as a permitted use in a number of zones. For the Hills LEP 2012 these are:  
- R1 General Residential  
- R3 Medium Density Residential  
- R4 High Density Residential  
- B2 Local Centre | Potential for additional unplanned residential density that has implications for infrastructure planning and capacity. | Minimum lot size requirements for multi dwelling housing will apply – therefore no change to LEP needed.  
No Development Control Plan requirements for Multi Dwelling Housing (Terraces) to support and guide the lodgement of a Development Application.  
Minimal developer contributions in established areas where only s94A plan (section 7.12) applies – requires review of likely uptake, demand and infrastructure needs. |

Note: A current Council initiated planning proposal to amend Clause 4.1B of LEP 2012 and associated DCP changes is awaiting Gateway Determination. This proposal will facilitate a terrace style product and associated subdivision and if necessary the DCP can be reviewed post exhibition to ensure it addresses the new land use term.
<table>
<thead>
<tr>
<th>Legislative change</th>
<th>Strategic implications</th>
<th>Operational implications</th>
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<tr>
<td>Amendment to SEPP (Exempt and Complying Development) to introduce Manor Houses as</td>
<td>- Potential for additional unplanned residential density that has implications</td>
<td>- Minimal developer contributions in established areas where only s94A plan (section 7.12)</td>
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<td>complying development in the following zones:</td>
<td>infrastructure planning and capacity, particularly in older established suburbs with</td>
<td>applies - requires review of likely uptake, demand and infrastructure needs.</td>
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<tr>
<td>• R1 General Residential</td>
<td>limited ability to adapt to increased densities.</td>
<td>- Potential monitoring and enforcement actions if certifiers fail to ensure developer</td>
</tr>
<tr>
<td>• R3 Medium Density Residential</td>
<td>- For Sydney Metro Northwest station precincts the new dwelling type are likely to</td>
<td>contribution conditions and payment.</td>
</tr>
<tr>
<td>The Code specifies a minimum lot size of 600m² for complying development.</td>
<td>compromise desired built form, public domain outcomes and lot consolidation.</td>
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<td>In particular envisaged terrace housing outcomes for Showground Station Precinct and</td>
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<td>Castle Hill North Precinct will be threatened by ad hoc development.</td>
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<tr>
<td>Amendment to SEPP (Exempt and Complying Development) to introduce Multi-Dwelling</td>
<td>- Potential for additional unplanned residential density that has implications</td>
<td>- Minimal developer contributions in established areas where only s94A plan (section 7.12)</td>
</tr>
<tr>
<td>Housing (Terraces) as complying development in the following zones:</td>
<td>infrastructure planning and capacity - Complying terraces will result in densities</td>
<td>applies - requires review of likely uptake, demand and infrastructure needs.</td>
</tr>
<tr>
<td>• R1 General Residential</td>
<td>higher than what is permitted under a Development Application for multi dwelling</td>
<td>- Potential monitoring and enforcement actions if certifiers fail to ensure developer</td>
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<tr>
<td>• R3 Medium Density Residential</td>
<td>housing.</td>
<td>contribution conditions and payment.</td>
</tr>
<tr>
<td>The minimum lot size is 1800m² for complying development based on LEP 2012 standard</td>
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<tr>
<td>Legislative change</td>
<td>Strategic implications</td>
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| Amendment to SEPP (Exempt and Complying Development) to introduce clause 3B.1A to the Low-Rise Medium Density Housing Code (18 May 2018 amendment). | • Growth Centres has previously been subject to Housing Diversity changes in 2014 and already provide a range of dwelling types and lot sizes. Further change is not warranted particularly given significant concerns with unsolicited density on infrastructure capacity.  
• The issue resulted in exhibition of a draft amendment to the Growth Centres SEPP that sought to apply maximum as well as minimum residential density bands. This is pending finalisation. | • The Growth Centres State Policy has a definition of Manor Homes that is different to the definition of Manor House.  
• Currently no applicable minimum lot size for Manor Houses.  
• No Development Control Plan requirements for Manor Houses to support and guide the lodgement of a Development Application.  
• If the legislative changes are intended to apply to the Growth Centres, review of the Growth Centres State Policy is needed to reconcile definitions, include necessary lot sizes for manor houses and ensure the changes do not compromise or confuse exhibited density bands. This will require involvement of the Department of Planning and Environment Land Release Team. |

Despite and other environmental planning instrument this change permits manor houses in certain zones if multi dwelling housing or residential flat building are permitted. In effect it extends part of the Low Rise Medium Density Code to the growth centres precincts of North Kellyville and Box Hill.

This will make manor homes permitted in the following zones:
- R1 General Residential
- R3 Medium Density Residential
- R4 High Density Residential (Box Hill only)
- B1 Neighbourhood Centre (North Kellyville only)
Being a planning matter, the Mayor called for a division to record the votes on this matter.

**VOTING FOR THE MOTION**
Mayor Dr M R Byrne
Clr Dr P J Gangemi
Clr B L Collins OAM
Clr R Jethi
Clr M G Thomas
Clr F P De Masi
Clr A N Haselden
Clr S P Uno
Clr A J Hay OAM

**VOTING AGAINST THE MOTION**
Clr R M Tracey

**ABSENT**
Clr R A Preston

**MEETING ABSENT**
Clr E M Russo

7.43pm Councilor Preston left the meeting and returned at 7.45pm during Item 5.

**ITEM-5 INTRODUCTION OF LOW RISE MEDIUM DENSITY HOUSING CODE (FP58)**

A MOTION WAS MOVED BY COUNCILLOR DR GANGEMI AND SECONDED BY COUNCILLOR HASELDEN THAT the Recommendation contained in the report be adopted.

THE MOTION WAS PUT AND CARRIED UNANIMOUSLY.

**357 RESOLUTION**

1. A planning proposal be forwarded to the Department of Planning and Environment for a Gateway Determination to amend Clause 4.1A of LEP 2012 to include a minimum lot size of 900m² for Manor Houses in the R3 Medium Density Residential zone.

2. Amendments be prepared and exhibited for 28 days to amend The Hills Development Control Plan 2012 to include appropriate controls for Manor Houses as outlined in Table 4 of this report.

3. The above changes to Council’s planning framework be discontinued should the terms of deferral provided by the Department of Planning and Environment align with Council’s request that implementation be deferred until Council has developed its new Local Housing Strategy and Local Environmental Plan.

4. Council write to the Minister for Planning the Hon. Anthony Roberts MP and Chief Commissioner of the Greater Sydney Commission Lucy Turnbull AO raising the following matters:

   a) Reiterating the need for the deferral to align with the LEP review program to allow holistic and efficient review of the implications of the proposed new housing types.
b) Seeking an exemption of the growth centres from the Code and associated legislation given that previously raised density and infrastructure concerns are yet to be resolved.

c) Seeking exemption of Sydney Metro Station Precincts from the Code and associated legislation given the precinct planning process, has and will continue to, examine more specifically the desired diversity of housing and how that is delivered.

Being a planning matter, the Mayor called for a division to record the votes on this matter.

VOTING FOR THE MOTION
Mayor Dr M R Byrne
Clr R A Preston
Clr Dr P J Gangemi
Clr B L Collins OAM
Clr R Jethi
Clr M G Thomas
Clr F P De Masi
Clr A N Haselden
Clr S P Uno
Clr R M Tracey
Clr A J Hay OAM

VOTING AGAINST THE MOTION
None

MEETING ABSENT
Clr E M Russo

CALL OF THE AGENDA
A MOTION WAS MOVED BY COUNCILLOR UNO AND SECONDED BY COUNCILLOR HASELDEN THAT items 8, 10, 12, 15, 16, 17, 18, 19, 20, 21 and 22 be moved by exception and the recommendations contained therein be adopted.

THE MOTION WAS PUT AND CARRIED.

358 RESOLUTION

Items 8, 10, 12, 15, 16, 17, 18, 19, 20, 21 and 22 be moved by exception and the recommendations contained therein be adopted.

ITEM-8 JUNE 2018 LTC - RUTHERFORD AVENUE AND HODGES ROAD, KELLYVILLE - PROPOSED 'NO PARKING EMERGENCY SERVICE VEHICLES EXCEPTED'

359 RESOLUTION

As detailed in Figure 5 of the report, approval be given for the installation of 10 metres of 'No Parking Emergency Vehicles Excepted’ restrictions on:

a) the southern side of the driveway to Gracewood Retirement Village on Rutherford Avenue, Kellyville;