

## TERMS OF REFERENCE

# WATERLOO SOUTH PLANNING PROPOSAL GATEWAY REVIEW

### BACKGROUND

On 12 May 2020, NSW Land and Housing Corporation (LAHC) lodged a planning proposal with the City of Sydney Council (Council) for the Waterloo South Precinct.

The Waterloo South Precinct is a component of the larger Waterloo precinct. 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. The site is located within the City of Sydney local government area, approximately 3 kilometres south of Sydney Town Hall, 1 kilometre north of Green Square Town Centre and adjacent the future Waterloo Metro station and Waterloo Metro Quarter development. A site map is shown in Appendix A.

The proposed redevelopment of Waterloo South is part of the NSW Government Communities Plus program, which involves partnering with the private and not for profit sectors to deliver mixed tenure, integrated developments close to transport, employment and community facilities

The Future Directions for Social Housing in NSW sets out the Government's vision for social housing over the next 10 years. A vision which will reduce homelessness, provide more housing and support for those needing social housing and provide more support to help people divert from or successfully transition out of the social housing system. The document sets out an objective to ensure large government redevelopments (such as Waterloo South) achieves a target a 70:30 ratio of private to social housing to enable more integrated communities (generally with an increased number of social housing where practicable).

The Waterloo precinct was previously investigated for rezoning through the State Significant Precinct process. In late 2019 the Waterloo precinct was returned to the Council following a Cabinet decision about rationalisation of the number of State-led precincts. The Cabinet expectations were Council and LAHC could resolve the planning process in a faster timeframe than a State-led process.

The planning proposal authority (being City of Sydney Council) in this instance is responsible for the preparation of the planning proposal. On 22 February 2021, Council resolved to support a revised planning proposal for a Gateway determination, different to the original planning proposal lodged by LAHC in May 2020.

The February 2021, Council resolved to:

- approve the Council's revised Waterloo South Planning Proposal to be sent to the Minister with a request for gateway determination, once the NSW Government has made an appropriate offer for the delivery of the necessary infrastructure.
- request the Lord Mayor write to the NSW Premier, Minister for Planning and Public Spaces and the Minister for Housing, requesting a commitment on behalf of the NSW Government to provide the necessary infrastructure to support the Council's revised planning proposal.
- request Council's CEO write to the Secretary of DPIE to request the repeal of the Redfern Waterloo Authority contributions plan as a matter of urgency.

LAHC have advised Council they do not support the amendments made to the original planning proposal request, citing feasibility impacts related to assumed revenue as their predominant concern.

In accordance with the plan making process stipulated in the *Environmental Planning and Assessment Act 1979*, the Gateway determination process involves the Minister for Planning and Public Spaces (or delegate) deciding whether the planning proposal submitted by the Council can proceed (with or without variation) and subject to other matters including further studies being undertaken, public consultation, public hearings, agency consultation and time frames.

The Minister (or delegate) will be required consider and determine the planning proposal forwarded by the City of Sydney Council. A Gateway determination may contain conditions which can seek to modify a planning proposal or require further information/justification to be prepared.

On Tuesday 23 February 2021, the Minister wrote to Hon. Melinda Pavey MP, Minister for Water, Property and Housing and Clover Moore Lord Mayor of City of Sydney Council, encouraging them to work together to resolve the deadlock over built form and LACH's infrastructure offer. If the deadlock between Council and LAHC is not resolved before 12 March, the DPIE Secretary will be directly appointed to progress the planning proposal.

Ms Kiersten Fishburn, Coordinator General of the Department's Planning Delivery Unit has been appointed to lead discussions with LAHC and the City of Sydney to break the deadlock between Council and LAHC to enable the planning proposal to be progressed to DPIE for Gateway determination.

After the 12 March deadline, the Minister has committed the Department to complete its Gateway assessment within 10 weeks. The assessment will be informed by the advice of independent experts along with all information provided by LAHC and the City of Sydney. The Gateway determination can be expected to include requirements for infrastructure provision to be fully investigated prior to finalisation.

## PURPOSE OF BRIEF

The purpose of the Waterloo South Precinct Planning Proposal Review is to provide independent advice to the Department to inform a Gateway determination and any recommended conditions, to allow the planning proposal to then proceed to public exhibition (with or without amendment).

The Minister for Planning and Public Spaces has made a commitment to issue a Gateway determination within a period of 10 weeks commencing from 12 March 2021.

Although Council's revised planning proposal is the subject of the Gateway determination, LAHC advised Council in a letter dated 21 January 2021 that Council's revised proposal is financially unviable and could not be delivered. The key areas of difference between the City and LAHC relate to the amount of social/affordable housing, built form, the number of towers and the heights of buildings.

A report is required to be produced following the review of the documentation and briefing meetings with Council, LAHC and the Department. The advice will also be informed by the outcomes of the mediation process now underway by the Department Planning Delivery Unit and whether resolution of any of the impediments has been achieved through that process by 12 March 2021. Where there remains an outstanding issue, the purpose of the advice is to help inform the Department's position on what is appropriate (such as the height and number of tall buildings and the housing mix).

The Department will be guided by the advice report which will be a key input in the Gateway determination assessment of the planning proposal.

## OBJECTIVES

The independent experts will include members with expertise in economics/development feasibility, strategic planning, public policy and urban design/architecture. The experts will include:

- Ms Sue Holliday (chair)
- Mr Geoffrey London
- Mr James Cain

The objectives of the expert review are to:

- Critically analyse Council's planning proposal to be submitted for Gateway determination and LAHC's planning proposal
- Assess the merits of key aspects of both planning proposals, in particular considering the financial viability of the two schemes and the balance of public benefits.
- Provide advice and recommendations to inform the Department's assessment and Gateway determination which will allow an acceptable planning proposal to be publicly exhibited.

- Recommend potential Gateway conditions to address changes (if any) to the planning proposal lodged by Council with DPIE.

## SCOPE

The scope includes, but is not limited to:

- Review of the Council report, planning proposal, supporting studies; LAHC's planning proposal, supporting studies and any other key documents nominated by the City of Sydney and LAHC;
- Interrogate LAHC's and Council's financial feasibility modelling and assumptions;
- Identify any site specific issues, provide advice and recommendations on the project:
  - Urban Design and place outcomes - including the appropriateness of building heights, distribution of floor space ratio, overshadowing, open space, street layout, and the mix of tall towers;
  - Housing mix – appropriateness and benefits/implications of the proposed housing mix (including the amounts of social/affordable housing to be delivered);
  - Public Benefits & Infrastructure Contributions – the appropriateness of the type and quantum of contributions when balanced against the development outcomes proposed;

Allowances should be made for LAHC and the Council to present to the independent experts; for briefings by DPIE; for the experts to consider Council's planning proposal and LAHC's alternate proposal and for advice to be prepared to inform the Department's gateway assessment.

## OUTPUTS SOUGHT

A joint advice report will be prepared as a result of the review and assessment of the Council's planning proposal, following meetings with both Council and LAHC. As a minimum the advice report will:

- Document the findings from the investigation of both Council's and LAHC's feasibility analysis;
- Identify issues around urban design, housing mix, feasibility, public benefits and infrastructure contributions and provide recommendations and actions to address the key issues;
- Provide recommendations for Gateway conditions, including whether any changes to the planning proposal lodged by Council are required prior to exhibition; and
- Identify where further work or additional information is required.

The timeframe of the review and preparation of the advice report will be 6 weeks, commencing from 15 March 2021. The Department will provide secretariat support to assist with the logistics of the review process.

It should be assumed the experts' joint advice will be made publicly available, as part of the Department's Gateway assessment package.

## APPENDIX A – Site Map



**Legend**

-  The Estate
-  Private Properties
-  Waterloo Metro Quarter
-  Waterloo Metro Station
-  Sydney Metro Alignment

**Subject to this planning proposal**

-  Waterloo South

**Subject to future planning and planning proposal**

-  Waterloo North
-  Waterloo Central