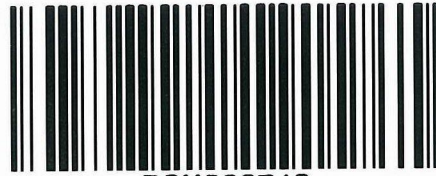




Sydney Metropolitan Development Authority



PCU033710

15 May 2012

Alan Bright
A/Director, Metropolitan and Regional Projects South
NSW Planning & Infrastructure
GPO Box 39
SYDNEY NSW 2001



Attention: Jane Flanagan

RE: EXHIBITION OF ENVIRONMENTAL ASSESSMENTS FOR PEMULWUY MIXED USE DEVELOPMENT, REDFERN (MP06_0101 Mod 1 & MP11_0093)

I refer to your letter of 13 January 2012 and the Environmental Assessments (EAs) regarding the exhibition of the above Project Application and associated modification to the approved concept plan submitted by the Aboriginal Housing Company Limited (AHC). I apologise for the delay in response.

The Sydney Metropolitan Development Authority (SMDA) has reviewed the Environmental Assessments and supporting documentation submitted with both applications. This review has involved consideration of the Director General Environmental Assessment Requirements (DGEARs).

Overall, the SMDA supports the proposal, which is an important component of the social and urban renewal of the area, and one where the former Redfern Waterloo Authority and now SMDA has assisted in its facilitation.

1. Introduction

It is noted that the project is for the development of a \$70 million mixed use development for the comprehensive redevelopment of land in Eveleigh, Vine, Louis, Caroline and Lawson Streets Redfern (formerly known as "the Block") for a mixed-use development that includes residential, commercial, retail, community and cultural facilities as well as public open space and landscaping.

For design purposes, the site has been divided into three development precincts:-

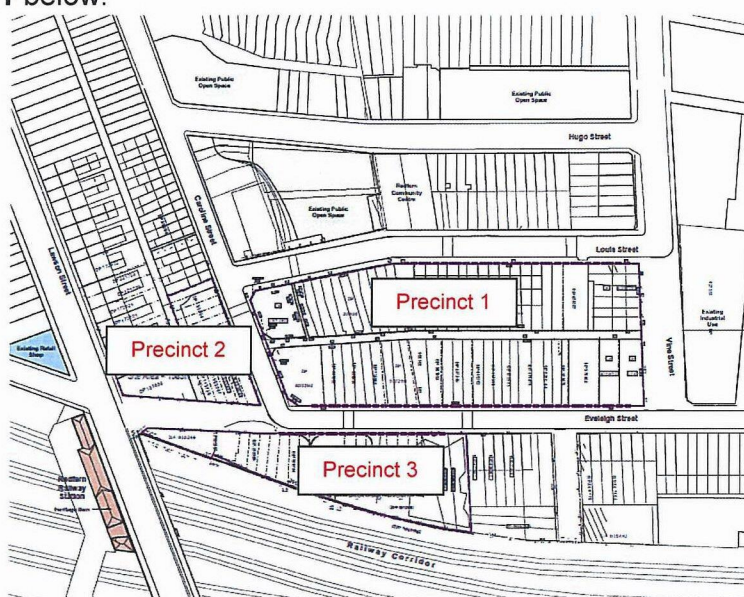
Precinct 1:- includes the land bounded by Eveleigh, Vine, Louis and Caroline Streets, and has a site area of 6,776sqm.

Precinct 2:- includes the land fronting Lawson, Eveleigh and Caroline Streets, and has an area of 1,303sqm.

Precinct 3:- includes the land bounded by Lawson and Eveleigh Streets and City Rail's Railway Corridor, and has an area of 2,385sqm.

It is also proposed to erect a structure over City Rail's Corridor next to the Lawson/Eveleigh Street intersection and to demolish a section of the wall on the northern side of the Lawson Street road bridge over the corridor to open up the vista in the development and to facilitate greater integration with the surrounding locality.

The site is currently occupied by various buildings/structures, which are described below and identified in **Figure 1** below.



The site comprises 45 individual allotments, which reflect a traditional Victorian subdivision pattern and land uses. The majority of the site is owned by the AHC. Part of the site, including Eveleigh Lane, part of Caroline Lane, 91-99 and 191-121 Eveleigh Street is in the City of Sydney's ownership and in the process of being transferred to the AHC.

2. Proposal

Demolition

All existing improvements on site will be demolished.

Redevelopment of Precinct 1

Involves the construction of a two (2)/part six (6) storey mixed-use building containing:

- Sixty-two (62) dwellings and their strata subdivision upon completion;
- 340sqm of retail/commercial space;
- 905sqm of gymnasium/fitness centre space;
- A car park accommodating a total of one hundred and fifteen (115) spaces in a basement level under the building, including ten (10) spaces capable of being used by people with a disability; and
- Provision 865sqm of publicly accessible open space.

Redevelopment of Precinct 2

Involves the construction of a two (2)/part three (3) storey mixed-use building containing:

- 1,465sqm of retail/commercial space; and
- a sixty (60) place child care centre.

Redevelopment of Precinct 3

Involves the construction of a three (3)/part six (6) storey mixed-use building containing:

- 1,100sqm of retail/commercial space;
- a 475sqm gallery; and

- Provision of student housing accommodating a total of one hundred and fifty four (154) beds in forty-two (42) units and a manager's flat.

Open Space and Public Domain Improvements

- The construction of a bridge over part of CityRail's Railway Corridor to enable part of the wall on the northern side of the Lawson Street overbridge to be demolished to enable that area to be used as a public open space and the project to be visually integrated into the surrounding locality.
- The establishment of open space areas:-
 - In Eveleigh Street between Lawson and Caroline Streets, to be known as *Pemulwuy*, "the meeting place" adjacent to the Eveleigh Street/Caroline Street intersection;
 - On land fronting Caroline Street between Eveleigh and Louis Streets in Precinct 1;
 - Other public domain improvements and associated road works.

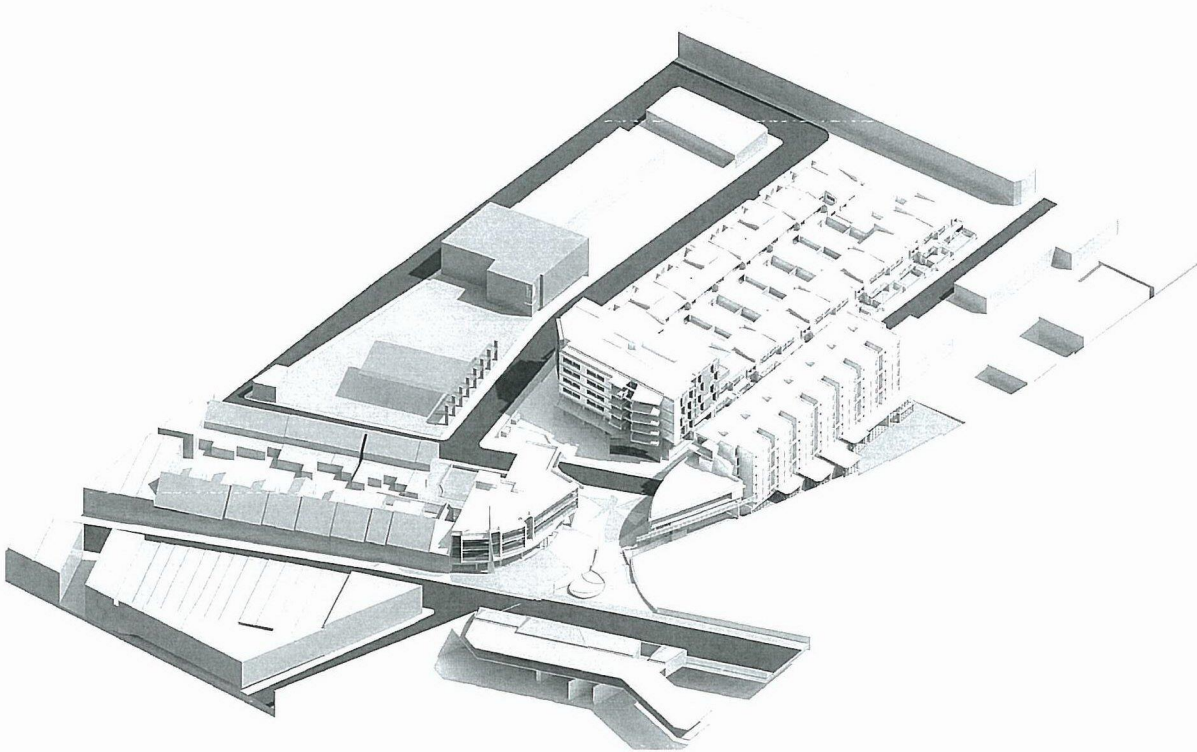


Figure 2: Computer Generated Model of Pemulwuy Development

The SMDA supports the proposed open spaces and public domain improvements.

Land Uses

The subject site is zoned *Business-Mixed Use Zone* under the Major Development SEPP (MDSEPP). The proposal is permissible within the land use zoning with consent within the business-Mixed Use zone. The SMDA supports the proposed use as it represents an appropriate and desirable balance between employment opportunities and housing supply and choice and community/social facilities.

The proposal is considered to comply with the aims and objectives of the Metropolitan Strategy, draft Sydney Sub-regional strategy and the Redfern Waterloo Plan, specifically BEP 1.

Construction

A detailed construction management plan has been prepared detailing the measures to be implemented to mitigate potential impacts on pedestrians and cyclists during the construction phase.

Staging

The project is to be developed in one stage.

Pedestrian Permeability and Access

The proposal has been designed to provide access for people with disabilities as required by the Disability Act 1992;

- To promote the concept of an accessible environment for the whole community ; and
- To be accessible by a people with a disability in accordance with Australian Standard – Design for Access and Mobility.

The development is designed to give pedestrians priority over vehicles. The entry approach over the railway corridor forms a strong connection to Redfern Railway Station and the Redfern Community Centre.

Vehicular access is maintained from Lawson Street to Eveleigh Street by a 10km proposed shared zone. Vehicular movement is controlled through this zone by bollards and fixed elements to control the circulation route. Access from Caroline Street to Eveleigh Street is promoted as a shared zone. Appropriate signage will be reinforce the shared zone.

The primary vehicular car park access to the residential car park is via Vine Street in order to minimise car movements through the urban plaza/shared zone.

The site is well serviced by the surrounding bicycle network. Additional bicycle parking facilities are to be provided next to the proposed retail/gym/residential building in Precinct 1.

The SMDA considers that site permeability is satisfactory and will ensure the development is well integrated into the surrounding pedestrian network.

Build Form and Design - Comparison with Approved Concept Plan

A comparison between the approved and modified concept plans in terms of building heights and FSR is provided below in table 1:-

Controls under MDSEPP				Approved Concept Plan				Current Proposed Modification		
Precinct	Building Height in storeys	Floor Space Ratio		Building Heights in Storeys	Floor Space Ratio		Building Height in Storeys	Floor Space Ratio		
		Maximum	Maximum Residential		Maximum	Maximum Residential		Maximum	Maximum Residential	
1	3	1.5:1	0.75:1	2 to 4	0.95:1	0.92:1	2 to 6	1.35:1	1.2:1	
2	3	1.5:1	0.75:1	3	2.25:1	Nil	2 to 3	1.4:1	Nil	
3	5	2:1	1:1	3	2.55:1	Nil	3 to 6	2.9:1	2.3:1	

Table 1: Summary of existing and proposed building height and FSR

Building heights across part of Precinct 1 and 3 have increased in height. The residential development in Precinct 1 maintains the same number of dwellings approved in the Concept Plan Approval.

The overall gross floor area of the buildings is to increase by some 1,865sqm from the approved Concept Plan to the modified proposal. This represents an increase of 12%.

The most significant modifications relate to increasing the proportion of residential development, particularly in relation to the incorporation of the student housing element into the development at the expense of commercial office space in precinct 3.

The western half of the Redfern Town Centre is currently undergoing urban renewal and will accommodate development up to 18 storeys in height. It is considered that the Pemulwuy development achieves an appropriate relationship with the surrounding development, Railway Station precinct and the western end of the Redfern Town Centre. Accordingly, the SMDA raises no objections to the proposed building heights.

Despite several departures from the Concept Plan and MD SEPP controls, the proposed built form and massing of the development is considered acceptable given the site's strategic location next to the Redfern Town Centre and Redfern Railway Station.

The SMDA supports the proposal, including the provision of student accommodation as part of the development and recognise the important contribution this will make to the revitalisation and renewal of the surrounding Redfern Town Centre and wider precinct.

The architect for the project has generally achieved a well-designed development that provides an appropriate response to the site's context in terms of:

- The height and massing of the development, which responds to the scale of surrounding development within the Conservation Area;
- Providing a barrier to the adjoining railway corridor thereby reducing noise levels across the site;
- Maintaining the amenity of surrounding development, while achieving a high level of amenity for future occupants of the development;
- Enhancing the surrounding public domain through new and innovative design treatments, including a 'splay' on Rail Corp land, and;
- Achieving sustainable building design.

Community Facilities

A range of community facilities is to be provided on site as part of the redevelopment. These are highlighted below:-

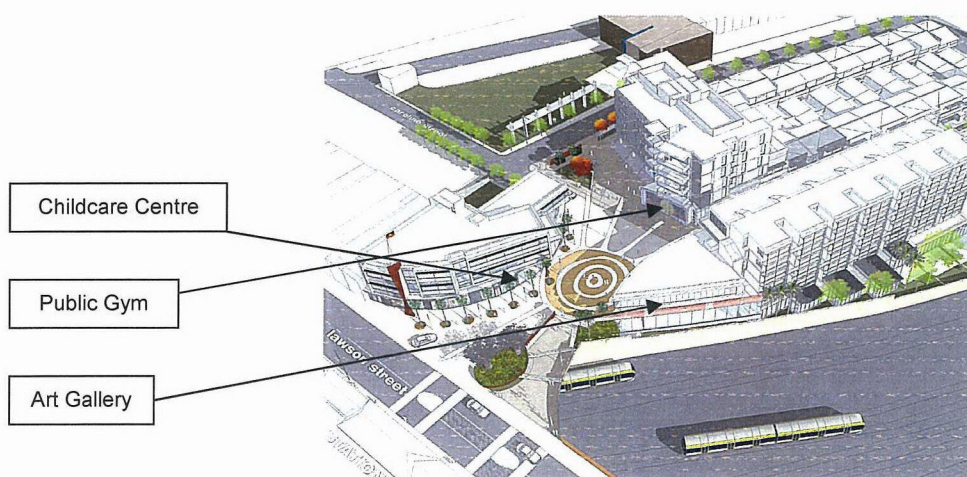


Figure 3 Proposed public domain works and community facilities provided on site

The SMDA considers that the proposed community facilities, coupled with retail and commercial office space, achieves a land-use mix that will provide much needed street activation throughout the day and night and will help ensure that the development is financially sustainable.

Development Contributions

The EA indicates that the AHC is seeking an exemption to development contributions under the Redfern-Waterloo Authority Contributions Plan 2006 (RWCP) and the Redfern-Waterloo Authority Affordable Housing Contributions Plan 2006 (RAHCP) for the proposal.

Clause 6 of both Plans lists the following development as exempt from payment of developer contributions:

- *... development of the following kinds if exempted by notice in writing given by the Minister (or delegate):*
 - *development the subject of an application made, for or on behalf of the Crown for the sole purpose of a fire station, community health facility, public hospital, police station/police shop front, ambulance station, public school, or other public infrastructure as determined by the Minister;*
 - *...that part of the development for the sole purpose is the provision of affordable housing, that is, dwellings for the purpose of affordable housing provided by or on the behalf of a community housing organisation registered with the Office of Community Housing or the Aboriginal Housing Office, or an organisation approved by the Minister;*

The provisions of each Plan and the exemptions being sort by the AHC are outlined below.

Redfern- Waterloo Authority Contributions Plan (RWCP)

In accordance with Clause 8 of the RWCP, the Minister may impose, a condition requiring the proponent to pay a development levy of 2% of the proposed cost of carrying out the development. According to the submitted EA, this would result in a developer contribution payable by the AHC of \$1.4 million. This is based on a cost of works of \$70 million.

The AHC maintains that Section 16 of the RWCP provides that an application may include an offer to carry out works or provide a material public benefit toward works to which the levy is to be applied. In this regard, the development includes:

- extensive public domain improvement works, including the construction of the structure over the Railway Corridor;
- the establishment of traffic management facilities designed to improve pedestrian safety and amenity and improve traffic circulation;
- the provision of a cycle path through the area; and
- the construction of a sixty (60) place child care centre.

The AHC's costings report, provided with the application, indicates that these works will have an estimated cost of \$11.2 million, comprising:

- Lawson Bridge Extension: \$6.3 million
- Pemulwuy Public Domain: \$3.5 million
- Caroline Lane Works: \$0.2 million
- Child Care Centre: \$1.2 million

Projects contained in the Works Schedule to the RWCP associated with the Pemulwuy project include:-

- \$100,000 is set aside for improvements to the public domain in Eveleigh Street site;
- \$1.2 M set aside for the provision of a new childcare centre; and
- \$500,000 set aside as a general contribution to improvements to bicycle paths.

The AHC has requested that given the circumstances of the project, the developer contribution should be exempted in respect to the proposed Pemulwuy development.

The SMDA would support the AHC's claim for exemption from the payment of a developer contribution under the RWCP on the basis that:-

- The works to be undertaken as part of the Pemulwuy development provide a significant material public benefit that will upgrade Eveleigh Street and wider locality; and
- The wider public have access to, or benefit from, the community infrastructure provided on site as a result of the development.

This exemption should be clearly conditioned and predicated on the provision of the public domain improvements to a satisfactory standard.

Redfern- Waterloo Authority Affordable Housing Contributions Plan (RWAHCP)

In accordance with Clause 7 of the RWAHCP the Minister may impose, as a condition of consent to the carrying out of development to which this Plan applies, a requirement that the applicant pay an affordable housing contribution determined in accordance with the AHCP.

The contribution rate under the RWAHCP plan is set at \$59/m² of gross floor area (GFA) as at 2006, indexed to inflation. The current rate is approximately \$67.58/m² of GFA. As stated in the EA, applying this contribution rate to the project in accordance with the RWAHCP, translates to an affordable housing contribution of \$1,173,527 million.

Clause 6 of the RWAHCP provides that development the subject of an application made, for the provision of ... *"other public infrastructure as determined by the Minister"* may be exempted from paying an affordable housing contribution. In this instance, the GFA associated with the provision of the public gym, local childcare centre, art gallery can be excluded from the GFA for calculating the contribution payment.

Further clause 12 of the RWAHCP provides that where; in the *"Minister's opinion the proposed development makes satisfactory arrangements for the provision of affordable housing within the operational area, the consent authority may take that contribution into consideration in determining a contribution required under this plan"*.

The development is to provide sixty-two (62) units of affordable accommodation for the local Aboriginal and Torres Strait Islander (ATSI) community and forty-two (42) units containing (154) beds for student housing.

The SMDA would support the AHC's claim for exemption from the affordable housing levy on the basis that:-

1. The proposal seeks to provide affordable housing for the ATSI community, which is a public benefit, and complements the RWAHCP's objectives.
2. The components of the development (e.g. student housing) is of a scale that complements and makes viable the provision of affordable housing on site.
3. The proposed student housing meets the definition of affordable housing, given that the student housing would generally meet the income thresholds in the affordable housing definition.
4. The nature of the proposal is financially challenging and is reliant upon government support (e.g. \$2M government grant and NRAS funding).

5. The RWAHCP states that if in the *"Minister's opinion the proposed development makes satisfactory arrangements for the provision of affordable housing within the operational area, the consent authority may take that contribution into consideration in determining a contribution required under this plan"*.
6. The proposal is unique and ambitious and embodies positive housing and affordable housing outcomes.
7. The affordable housing should be managed by a registered affordable housing provider.

The SMDA Board has reviewed this matter and supports this submission.

If your staff have any questions in relation to this submission, please contact Jason Perica on 92029127.

Yours sincerely,



Roy Wakelin-King, AM
Chief Executive Officer