

15 REPORT OF THE DIRECTOR PLANNING, ENVIRONMENT AND COMMUNITIES

15.1 Endorse for public exhibition: Draft Growth and Housing Strategy

CSP Objective: Outcome 4.1 We love where we live; our housing reflects our values.

CSP Strategy: 4.1.3 Manage growth sustainably and thoughtfully.

Delivery Program: 4.1.3.1 Local Housing Strategy facilitates the provision of adequate housing supply within the Municipality

Item 15.1

Summary

The purpose of this report is to seek Council endorsement of the Draft Growth and Housing Strategy (attached) for public exhibition.

On 19 March 2024 Council endorsed the Growth and Housing Strategy Engagement Schedule, and on 18 June 2024 the Engagement Report was reported to Council providing a summary of the community and stakeholder engagement feedback.

The Draft Growth and Housing Strategy provides a framework for how we can best accommodate growth and ensure sustainable and responsive delivery of housing for our community.

It is recommended that the Draft Growth and Housing Strategy be endorsed for public exhibition.

Financial implication

The engagement activities have been planned and carried out internally using existing resources, including staff from planning, community engagement, libraries and community development.

The implementation of the Strategy and future development of the proposed growth locations will ultimately have a financial impact on Council both through revenue options, additional service provision needs, demands for resources and development of supporting infrastructure. This will continue to be monitored and planned for.

Risk implication

The preparation of the Growth and Housing Strategy is essential to provide Council with a strategic approach to development in the LGA and ensure that proposals put forward to Council are considered against an adopted strategic planning document.

Multiple development fronts continue to occur with many concurrent projects and ad hoc speculative planning proposals being put forward to Council. There is a risk that resources will be pulled away from the core strategy development. It is therefore essential that this Strategy is seen as a core priority of Council and that the planning team will be focused on the implementation of the actions contained within this document.

Policy

The Draft Growth and Housing Strategy has been prepared in accordance with:

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- Illawarra Shoalhaven Regional Plan 2041 (NSW Government, May 2021)
- Local Housing Strategy Guidelines (NSW Department of Planning, 2018)
- Council's Community Engagement Strategy

Consultation (internal)

An internal project team has been created including staff from strategic planning, community engagement, and cultural development teams. Infrastructure and finance have also been consulted throughout this process.

Communication/Community engagement

Throughout April, May and June 2024, a range of community and stakeholder engagement activities were carried out to gather feedback to inform the Strategy. The Engagement Report (reported to Council on 18 June 2024) provides an overview of the engagement methodology and activities and presents a summary of the feedback received.

Following the endorsement of Council, further consultation will be undertaken on the contents of the Strategy, the proposed priorities, outcomes, actions and sites identified. It is expected that this consultation process will commence following the council meeting however consideration needs to be given to the caretaker period and the impending Council elections.

Given the significance of the document and the need for adequate consultation to occur it is expected that the Strategy will be provided to the incoming Council following the election, for final adoption. This is expected to occur at the November 2024 Council meeting.

Attachments

Nil

Enclosures

- 1 Draft Growth and Housing Strategy

RECOMMENDATION

That Council:

1. Endorse the Draft Growth and Housing Strategy for public exhibition.
2. Consult with the community and other key stakeholders on the priorities, outcomes, strategic sites and actions contained within the Growth and Housing Strategy.
3. Report back to Council at the November 2024 Council meeting on the outcomes of the consultation process and seek adoption of the final Growth and Housing Strategy at this meeting.
4. Commence the preliminary work required to undertake a review of Kiama Local Environmental Plan and Development Control Plan to enable timely implementation of the Growth and Housing Strategy once adopted.

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5. Continue to assess scoping proposals received for strategic sites and undertake other required planning processes in accordance with the Ministerial Expectation Statement, to continue to support ongoing delivery of supply and Housing Targets.
6. Continue to monitor approvals and completion data and provide this data as part of the quarterly development pipeline audit conducted by the Department of Planning
7. Actively participate in the Urban Development Program, providing the draft Strategy to industry and State agencies to support immediate planning of infrastructure and servicing needs for identified strategic sites.
8. Note that councils cannot control, enforce, or hold planning powers which ensure, the timing of any construction or completion of a dwelling following approvals being issued.
9. Complete the Employment Lands Strategy by the end of 2024 and include the findings of this Strategy in both the implementation plan for the Growth and Housing Strategy and the Kiama LEP review.
10. Complete an Infrastructure Advocacy Strategy to support grant applications and to strongly advocate to the State and Federal Government for the provision of infrastructure to support growth.

Background

The Illawarra Shoalhaven Regional Plan 2041 identifies that Kiama will need to play a role in delivering regional housing supply, and the Kiama Local Strategic Planning Statement (2020) reinforces the need to plan for future growth and provides a 20 year plan integrating land use, transport and infrastructure planning.

The NSW Government is working closely with all councils in Greater Sydney to help them reach their housing supply targets and meet the needs of their growing and changing communities through the development of mandatory Local Housing Strategies. Councils outside of this area can choose to complete a Local Housing Strategy, developed in accordance with the NSW Government Local Housing Strategy Guidelines.

Local Housing Strategies support the delivery of new homes in the right locations and identify ways of delivering the right amount and types of housing in line with infrastructure, access to services and open space. The strategies use a place-based planning approach to help provide great places to live. The Growth and Housing Strategy (GHS) will be Kiama Council's Local Housing Strategy and is expected to be submitted to the Department of Planning Housing and Infrastructure for endorsement.

It is important to note that the Strategy has been specifically structured and only includes content that is required under the State Government Local Housing Strategy Guidelines. This is to enable the Strategy to be endorsed under this planning framework.

Council is also currently completing the development of an Employment Lands Strategy to enable improvements to the availability of employment lands within our Municipality to be achieved. This work is being undertaken by Council staff with the

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assistance of Hill PDA to deliver a detailed analysis of current supply and future demand. This strategy is currently in development and is expected to be delivered before the end of 2024, to enable the findings to be incorporated into the implementation and decision-making process of the Growth and Housing Strategy and considered as part of the comprehensive review of the Local Environmental Plan

Actions are also included within the Strategy which seeks the completion of an open space and recreation strategy and an affordable housing strategy to further support the implementation of the GHS.

Development of the Strategy

On 19 March 2024 Council endorsed the Growth and Housing Strategy Engagement Schedule. Extensive community engagement was undertaken during March 2024 to June 2024. This involved engaging with over 1,600 people to gather feedback to inform the Draft Strategy.

The community members and stakeholders that were engaged with included:

- Community members – residents and visitors.
- Landowners and Developers
- People who work in the Kiama LGA (regardless of where they live).
- Business owners.
- Precinct groups.
- Councillors.
- Youth – including pre-school, primary and high school aged children.
- State agencies.

An Engagement Report was prepared which provides an overview of the engagement methodology and activities and presents a summary of the feedback received. This was reported to Council on 18 June 2024.

In any engagement process there will always be a range of views expressed, but there was a strong shared interest in the issues that we face, the challenges before us and the expectations that were shared for the future. These included:

- A long term vision – start with the end in mind.
- Liveable place with amenities, walkways, dog parks, things to do and see.
- Job opportunities and services.
- Some growth was ok but it is essential for infrastructure to be in place to support it before houses were built.
- Need to clearly articulate the urban expansion opportunities and limitations.
- Provision of diverse housing that suits all ages groups and needs, including those of young people.

Strategy Overview

The Kiama Municipal Council Local Government Area (LGA) is expected to grow to over 31,000 people by 2044 (or by 33%), with a projected 3,456 new dwellings required (REMPAN, 2023) to meet current projected demand.

Table 1 Population projections 2025-2044

	2024	2025-29	2030-34	2035-39	2040-44	2025-44
	Base	Year 1-5	Year 6-10	Year 11-15	Year 16- 20	20 years
Population	23,398	24,260	26,463	29,244	31,155	
5-year change (#)		862	2,203	2,781	1,911	7,757
5-year change (%)		3.68%	9.08%	10.51%	6.53%	33%

Table 2 Dwelling projections 2025-2044

	2024	2025-29	2030-34	2035-39	2040-44	2025-44
	Base	Year 1-5	Year 6-10	Year 11-15	Year 16- 20	20 years
Dwellings	11,094	11,535	12,487	13,685	14,550	
5-year change (#)		441	952	1,198	865	3,456
5-year change (%)		3.98%	8.25%	9.59%	6.32%	31%

The Growth and Housing Strategy clearly articulates where, how and why growth will occur within the LGA and the need to carefully and appropriately manage this growth well.

The Draft Strategy identifies that the growth and housing needs of the Kiama LGA are:

1. More diverse housing for all life stages.
2. More affordable housing options for our young people and key workers.
3. To increase density in our centres to enable smaller homes, flats and apartments.
4. To enhance thriving local centres with services and jobs.
5. Respect and enhance our natural environment.
6. To locate future homes safely away from hazards.
7. New and improved infrastructure to support growth.

The Draft Strategy identifies four key priorities for housing and growth in Kiama. These are:

1. Sufficient and well-located housing supply
2. Diversity of housing options
3. Infrastructure is provided to support population growth
4. Our centre and villages thrive

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Under each priority there are identified outcomes and nominated actions that Council proposes to implement to achieve the priorities.

The Draft Strategy also includes a vision, information about the Kiama LGA and our community, a housing supply and demand analysis, land use opportunities and constraints, as well as place-based opportunities and actions.

The Strategy clearly outlines the need for ongoing review of the document, with a two yearly review provided for actions and for place based growth options. This approach is to encourage regular consideration of the development pipeline and to respond to government priorities.

There are significant, regular and fast paced change within the policy and reform space. Both Federal and State Government policy changes are expected to impact on land supply and infrastructure funding. Monitoring of the progress of specific identified growth locations will also be required to ensure that these are progressing as expected. Change will be needed to the timing and location focus of the place-based growth options, if projects lag or change. Additional long term options could be provided if change occurs to timing or delivery of sites identified within the Strategy.

Current Supply- Infill Development

A key component of a Growth and Housing Strategy is to provide an analysis on current supply, opportunities within existing residentially zoned land and to take a place-based planning approach. While the plan is a long term plan to support our growing population, there is a focus on the initial five year supply pipeline and the targets that have been set for us by the NSW Government of 900 new completed homes by 2029. This includes focus on already residentially zoned land and current development applications either approved or within the Council or private certification system.

It is very important to understand that Council cannot control when completions will occur, this is solely within the hands of the development industry or landowners/homeowners.

There are several large projects (for Kiama standards) that are currently under construction or have achieved development approval that will provide immediate housing supply.

Council is also actively working on the subdivision of Havilah Place to seek opportunities for the provision of housing within this location as well as other mixed-use development (commercial and retail). This is not an exhaustive list and there are many other dual occupancies, townhouses and single dwellings which are also either under construction or in the pipeline that will also contribute to immediate supply.

As an example the following developments provided immediate housing supply to meet our targets:

- Residential apartments at Thomson Street are nearing completion
- Residential apartments approved for construction at Barroul Street Kiama
- Residential apartments approved for Elanora Road Kiama Heights
- Apartments under construction in Bong Bong Street

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- Mixed use development approved at Blackwood Street Gerringong
- Construction imminent for 37 residential lots at Henry Parkes Drive Kiama Downs
- Construction imminent for 50 residential lots at Golden Valley Drive Jamberoo
- Construction imminent for 15 residential lots at Drualla Road Jamberoo

Council has been advised that any dwelling that achieves an occupational certificate from 1 July 2024, will be counted towards the target of 900.

Current Supply - Greenfield Release

Planning work and assessment is currently being undertaken for the Urban Release Area of residentially zoned land at South Kiama. This includes meetings with the landowners and their consultants to work through both the staging release plan, development control plan and other planning processes to support subdivision construction and land release.

It is expected that South Kiama will provide the substantial supply of land for our dwelling targets given that this is already zoned residential land, significant planning for construction and development is underway, a draft Development Control Plan (as required within our Local Environmental Plan) has been developed and is on exhibition.

A range of development types is permissible at this site and it is expected that a diverse housing supply will be provided within this land release.

Bombo Quarry Precinct

Extensive work is underway for Bombo Quarry. This is being achieved through a combined stakeholders group which includes landowners, Boral, Department of Planning, Housing and Infrastructure, Transport holdings and other State Government partners.

Council and the Department have now completed the required vision as detailed within the Illawarra Shoalhaven Regional Plan, with the inclusion of place principles within the Strategy.

Extensive work is also being undertaken on the Masterplan for the site including community consultation. A detailed masterplan is being developed and has progressed, with significant studies being completed to inform the development of the site.

A scoping proposal (the first step for the completion of a planning proposal process) is expected to be received by Council in the next week, to enable the commencement of the planning proposal process to rezone the Bombo Quarry site.

Other Strategically Identified Sites (LSPS Lands)

Residential zoned land at Dido Street which allows for 50-60 new lots is currently under consideration, whilst the initial development application was not accepted, Council and the application are working through amendments to the application. This includes detailed discussions on a potential planning agreement for the construction of a bridge to enable access to the site

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Discussions with the applications of the planning proposal for Elambra Estate are also ongoing.

New opportunities - Developer Expressions of Interests

During the engagement period, a total of 35 Expression of Interests (EOIs) were received from landowners/ developers. These were assessed in accordance with a probity plan based on the criteria set out in the EOI submission form and other relevant criteria. In accordance with the probity plan supported by probity lawyer discussions with any party the subject of the EOI process was restricted and carefully managed.

Meetings during the EOI process were only held with the following:

- Existing strategically identified sites including the proponents of South Kiama lands and of Bombo Quarry (which includes Council as a part of the Stakeholder group)
- Kiama West proponents (because there was a Council resolution supporting these discussions). Two meetings were held.
- A meeting was also held with a proponent of land at Riversdale Drive who had submitted a scoping proposal to Council and such discussions are part of normal Council business.
- No other landowners or consultants that submitted an EOI were met with or spoken to during the process – this was to maintain strict compliance with the probity plan.

Of the 35 EOIs, four were duplicates and three related to Council catalyst sites, leaving 28 to be considered.

Sites not included

A total of 5 sites were not considered suitable for specific inclusion in the Draft Strategy for the following reasons:

- The land is currently zoned C3 or RE1 and not suitable for consideration of a rezoning at this stage and/or through this process.
- The proposal is better suited to be considered as part of a comprehensive Local Environmental Plan review process as part of a holistic review of the R3 zone height and FSR controls rather than as a piecemeal approach. For these sites an action is included in the Draft Strategy to consider all R3 lands in the future comprehensive LEP review.
- The site was proposed for employment lands. This EOI will be retained and reconsidered as part of the employment lands strategy that is currently under development by Council.
- The site is currently zoned rural and is not suitable for urban development at this time, due to the location and that there is sufficient supply in other areas.

Sites included – Kiama Town Centre Low and Mid Rise Reforms

It is expected that later in 2024 the State Government will implement Stage two of the Low and Mid Rise Reforms. This will be implemented through an enabling State

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Environmental Planning Policy, meaning that the controls implemented will override any controls that are contained within Councils planning framework.

It is expected that these reforms will apply to the R2 and R3 zones within Kiama Town Centre. With this in mind, a number of sites within the town centre that were put forward as part of the developer EOI will be considered in the Growth and Housing Strategy however, this review (enabled through the review of Council's LEP) will need to occur once the new reforms are in place. This is to ensure Council complies with the State Government mandate and to assist in understanding resulting impacts of the reform changes.

Sites included – Greenfield Development - Strategic Investigation

A total of 14 other nominated sites were considered suitable for inclusion in the Draft Strategy.

It is important to note that this does not pre-empt an outcome, but rather, is a step in the process that these sites are nominated as investigation sites that may have strategic merit. Of these sites:

- Five are included in the Local Strategic Planning Statement (LSPS) prepared in 2020 and are suitable to remain in the Draft Strategy. These sites are:
 - South Kiama Urban Release Area – LSPS Item 5
 - Bombo Quarry (two separate EOI's received for this site) - LSPS Item 3
 - Lot 1, DP 1290507 (north of Bombo quarry and Highway) - LSPS Item 2
 - Elambra West (Planning Proposal PP-2023/1114) – LSPS Item 7
- Seven sites/ precincts not previously been identified have been considered suitable for inclusion as short to medium term investigation areas:
 - Riversdale Drive Precinct (70 Jamberoo Rd, 90 and 114 Riversdale Drv)
 - Dido Street Precinct – 25 Dido Street, Kiama
 - 2 Caliope Street, Kiama (part of this site only)
 - 25 Cole Street, Kiama (part of this site only)
 - 3 Akuna Street and 66 Collins Street Kiama
 - 86 Campbell Street, Gerringong (Elambra West – South)
 - 705 Jamberoo Road, Jamberoo (part of this site only) (longer term)

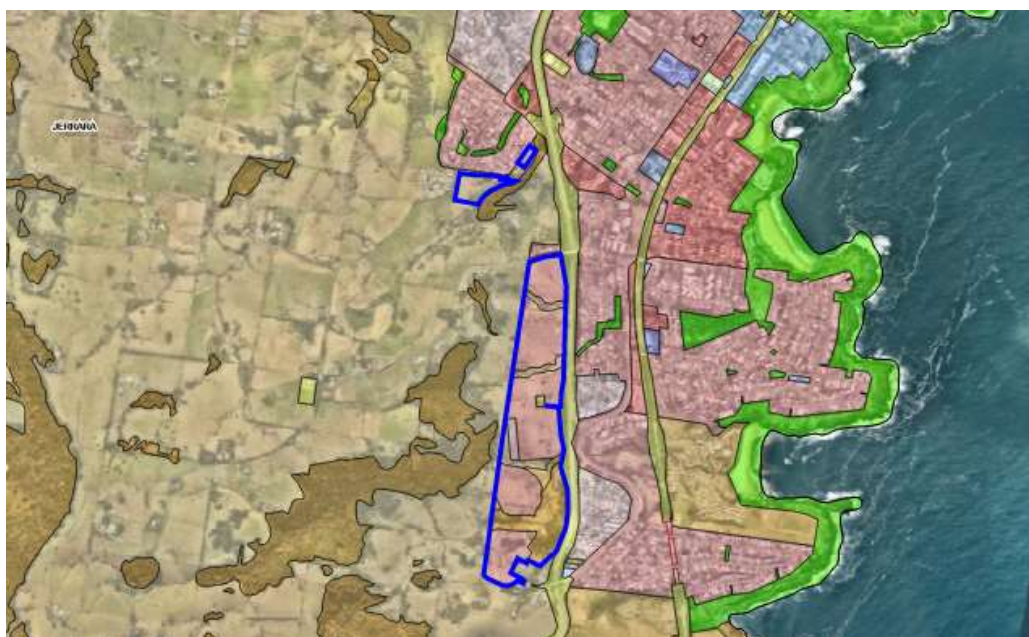
These sites are shown (outlined in blue) in Map 1, 2, 3 and 4 shown below.

Map 1 – Bombo Precinct

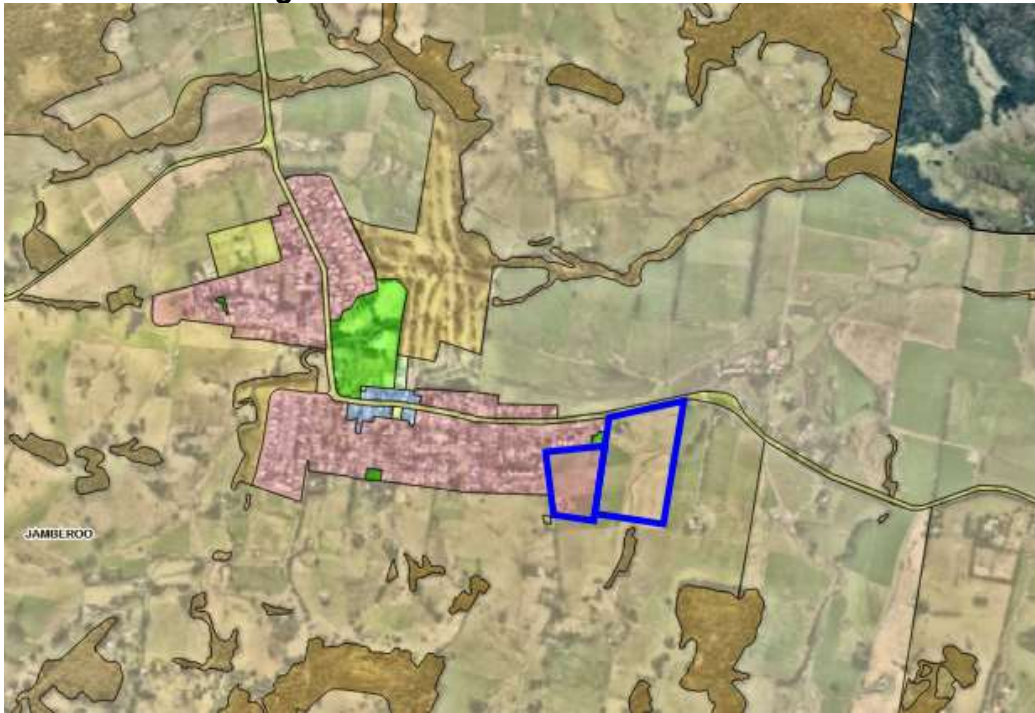


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Map 2- South Kiama and Surrounds

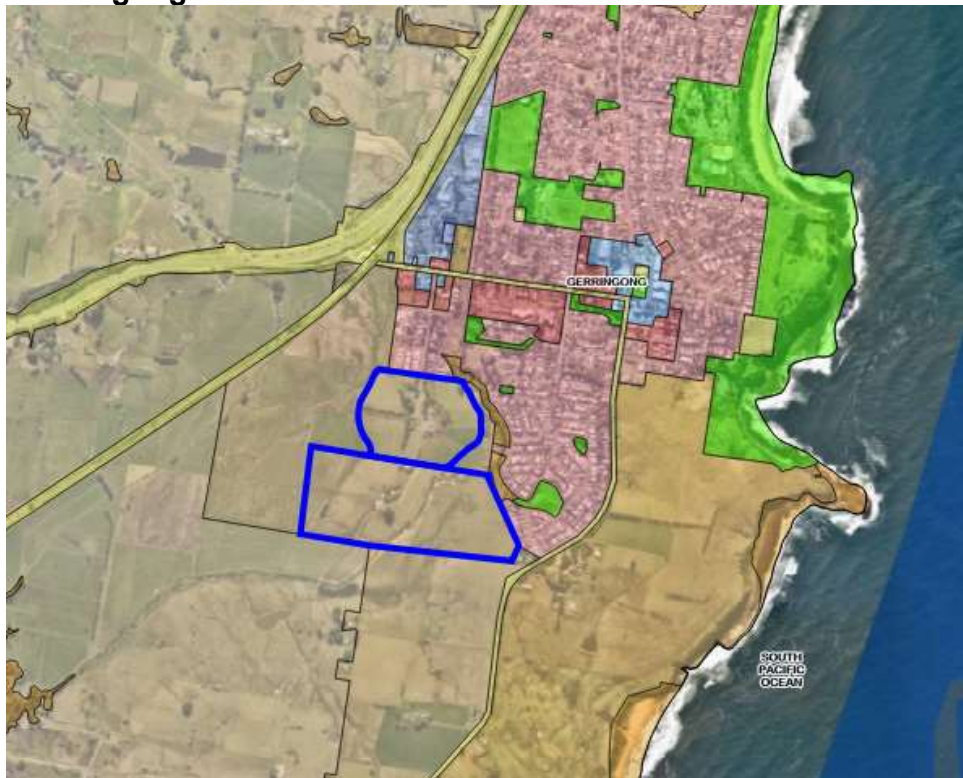


Map 3 Jamberoo – Long Term



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Map 4 - Gerringong



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Existing LSPS Items Changes

Sites that were previously included within the LSPS will remain in the Strategy, other than two sites which have been reconsidered. These include:

- Rowlins Road Gerringong – LSPS Item 6 – This site is zoned C3 and not currently considered suitable for urban development. It is no longer a site under consideration in this growth strategy.
- Macquarie Street, Jamberoo – LSPS Item 9 – This site is zoned RU2, is impacted by flooding, a steep descent, a creek and there is insufficient room to accommodate access roads. It has been removed from consideration in this growth strategy.

Council Catalyst Sites

As outlined in Council's adopted Strategic Finance and Governance Plan, masterplan and business plan work are continuing on several Council catalyst sites.

As part of the developer EOI, a submission was also received for two additional sites to be added to the list of Council catalyst sites. An analysis of the submission was undertaken, and one additional site was added to form part of the catalyst site investigations for Council owned lands. The catalyst sites that form part of this Growth and Housing Strategy are as follows:

- Havilah Place
- 11 Manning Street
- Council Works Depot
- Council Waste Depot
- 7 Railway Parade

These sites are included to enable investigation to occur for the best and highest possible uses for these sites as ongoing community and Council services as well as possible opportunities for co-located mixed residential and employment opportunities.

Kiama West (Springside Hill)

The Kiama West site has not been included within the Draft Strategy at this time. This is because there is already sufficient land available to meet the immediate dwelling targets that have been set for us by the NSW Government. There is also a current long term supply which has significantly progressed within the development pipeline including progress on Bombo Quarry.

Fruitful discussions were undertaken with the proponents of the Kiama West site during the four week EOI process. As part of these discussions Council staff reiterated initial concerns as outlined in the April 2024 report to the proponent for consideration. These concerns included:

- Stand alone sewer and water was not supported
- R3 zones were not supported
- Heights that proposed up to 15 m on the peri urban fringe were not supported

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- Concern was raised about the additional permitted uses within the Rural Zone which created uncertainty and did not ensure community facilities such as a school and community spaces would actually occur
- Concern with transport routes into the site which relied on existing local roads
- Linkages with the Bombo Quarry precinct and surrounding lands had not been factored into the proposal
- Usefulness of the proposed open space and riparian corridors and that functional useable land would be required to ensure open space outcomes in line with NSW standards.
- Concern around the timing for immediate rezoning given other factors such as infrastructure, connection with Bombo Quarry etc needed further consideration
- Whether staging or smaller parcels would be considered as it was a potential overdevelopment of the site
- Whether partial rezoning of a portion of the land might be a more suitable option
- Concern with multiple development fronts, without the required infrastructure or services and facilities in place

The proponent indicated that they would be willing work through the concerns and make amendments to the proposed to address the issues raised and discussions to date have been productive and collaborative.

Given the timeframe that has been set for the completion of this draft Growth Strategy and once a decision making process was underway, in accordance with the probity plan discussions then ceased to enable no undue influence to occur within the process.

There has been significant push for this land to be rezoned from the landowners including lobbying at all levels of government, advocacy through the UDIA and other industry forums, direct correspondence to Council and articles and blogs within local news and media outlets.

It is understood that a planning panel review of the rezoning proposal has been submitted. If formally lodged Council staff will review documentation and provide input and feedback to the Planning Panel for consideration.

Council staff are also willing and keen to continue to work with the proponents of Kiama West to seek options and possible solutions for the site which might be considered in the long term. This would allow appropriate and detailed infrastructure planning and to support connection and integration of development sites.

There are other options and solutions for the site and surrounds that could also be discussed and determined through a collaborative approach that seeks a long term view. This could be achieved through a stakeholder group approach similar to the process that has been followed for Bombo Quarry. This would allow for further information to be available on the timing and progress of key projects already identified within the draft Growth Strategy, interconnectivity between projects could be considered and infrastructure could be planned appropriately first for the Bombo Quarry precinct and surrounds and then for any additional land that might be suitable for development.

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Our role and actions

The Strategy includes actions which utilize the levers that the Council can support and influence to achieve positive growth outcomes. The actions also seek to enable Council to appropriately strategically plan for our community.

Actions are also focused on the role Council can play in the planning regulation and assessment process. Several advocacy actions are also identified seeking for support and input (including funding) from both State and Federal governments. Focus is also placed on improving assessment timeframes and meeting the requirements of the Ministerial Expectations Order, to support new strategically identified development opportunities.

A regular monitoring and review program is also included and supported by an internal housing and land monitor which will be integrated with the State Government Urban Development Pipeline. It is expected that the Growth and Housing Strategy will be a living document subject to regular review and change as required.

Conclusion

The Growth and Housing Strategy will be an important strategic planning document that will guide future development in the Kiama LGA. The community and stakeholder engagement that has been carried out has provided valuable input into the strategy and it is expected that further consultation and discussions with all stakeholders will now occur on this draft Strategy document.

It is recommended that the Draft Growth and Housing Strategy (refer to Enclosures report) be endorsed for public exhibition.

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