

Ms Monica Barone
Chief Executive Officer
City of Sydney Council
GPO Box 1591
Sydney 2001

Dear Ms Barone

City of Sydney Council - Local Housing Strategy

Thank you for submitting City of Sydney Council's Local Housing Strategy (LHS) to the Department.

The Department commends Council on preparing a robust evidence base to support its LHS, providing Council with a clear understanding of the housing needs of the City of Sydney local government area and a strong commitment to strategic planning.

I can confirm that I have determined to approve City of Sydney Council's LHS adopted by Council on 17 February 2020. My decision reflects the analysis undertaken to develop a comprehensive strategic planning and an evidence base to inform your LHS and deliver 17,033 dwellings for the period 2021-26.

In doing so, I have determined that:

- The LHS addresses housing supply, including the 6-10 year housing target, to be delivered predominantly through the current pipeline and existing capacity.
- The LHS partly addresses the need for housing diversity by noting it is reviewing of LEP and DCP built form controls in heritage conservation areas to achieve housing diversity and heritage conservation.
- The LHS addresses housing affordability by referencing the two Affordable Housing Planning Proposals that Council had submitted to the Department and are now approved.
- The LHS is consistent with Section 9.1 Directions and SEPPs.
- The LHS is consistent with the Eastern City District Plan and demonstrates good alignment with the Local Strategic Planning Statement (LSPS).

My approval is subject to the following requirements:

1. The next iteration of the Council's LHS is to identify both State and council led project and site opportunities that will contribute to housing supply in Years 11 – 20 (2026 to 2036).
2. As part of the next iteration of the LHS, Council is to review and develop the LHS actions for housing diversity to clearly articulate the initiatives, objectives

and expected outcomes (numbers and types of dwellings). In doing so Council is to work to its non-private housing targets outlined in the LHS.

3. Council to manage and expedite planning proposal processes, particularly where they will secure housing diversity outcomes and in particular support key cohorts and typologies identified in state and local strategic plans that suit the changing needs of existing and future households subject to strategic and site specific merit.
4. The Department encourages and supports Council initiatives to increase housing diversity. In line with timeframes in the LHS, before the end of 2022, Council is required to present to the Department the results from the investigations on opportunities for new housing in Heritage Conservation Areas, such as whether Council plans to change DCP to facilitate laneway housing and other proposed changes to LEP and/or DCP built form controls.
5. The next iteration of the Council's LHS is to remove numerical targets for the amount of social and affordable housing to be provided where land owned by the Land and Housing Corporation (LAHC) is to be developed. In the meantime, social and affordable housing targets set for LAHC sites and projects as outlined in the LHS are not supported or approved as part of the Council's LHS.
6. Council is to report to the Department the results of its monitoring and review of the supply and delivery of housing, in particular to track its performance against the 0-5 year and 6-10 year housing target and the housing diversity and affordability outcomes delivered. A monitoring and review system will ensure that appropriate mechanisms can be identified and implemented to meet the City of Sydney's housing needs.
7. Council is to utilise its Strategic and Site-Specific Principles for Growth outlined in its LSPS *City Plan 2036* when considering additional opportunities for housing growth that are not identified in the LHS.
8. Council is to update or revise the LHS to inform its LSPS following the making of a future District Plan.
9. The direction and strategic planning approaches endorsed in State-led precinct plans and place strategies are to prevail in the event of any inconsistency with this approval and/or the Council's LHS (as revised and current).

Any planning proposals for new housing development will be assessed against City of Sydney's LHS, the requirements above and Advisory Notes enclosed. Any State Government policy changes that may occur in the future are to prevail in the event of any inconsistency.

Implementing your Local Housing Strategy

The State Government is committed to reducing the time taken to complete planning proposals that support housing delivery by tailoring the steps in the process to the complexity of the proposal, and by providing clear and publicly available justification for each plan at an early stage.

To meet these commitments, a detailed implementation plan is required. This should reflect a comprehensive work program for all strategic planning work Council commits to undertake to implement its LHS.

Local Housing Strategy Reviews and Updates

We strongly recommend that Council review and revise (where required) its LHS before the LSPS is required to be reviewed by the GSC. This will help best inform the next update to the LSPS.

It will also provide Council with the opportunity to improve and clarify aspects of the LHS. The Advisory Notes enclosed provide specific guidance on matters that Council is encouraged to consider when updating the LHS. The Department will expect these same matters, including alignment with the LHS, to be addressed in planning proposals and will be reinforcing them through Gateway determinations as an interim measure in the absence of the LHS review process.

Once again, I would like to take this opportunity to acknowledge the significant amount of work your team has undertaken to develop the LHS. Please be advised that the LHS will be published on the NSW Planning Portal alongside the letter of approval and Advisory Notes.

Should you have any further questions, please contact Dominic Stefan on 8275-1024.

Yours sincerely



Amanda Harvey
Executive Director
Local Strategies and Plan Making

14 September 2021

Encl: Advisory Notes



City of Sydney Local Housing Strategy

Advisory Notes

The following advisory notes identify the further work Council will need to undertake to strongly position future planning proposals and further iterations of the Local Housing Strategy (LHS). The advisory notes provide specific guidance on matters that Council is encouraged to consider when next updating the LHS. The Department will expect these same matters to be addressed in planning proposals and will be reinforcing them through Gateway determinations as an interim measure until the LHS is further updated in accordance with the approval requirements and these notes.

Matter	Consideration for future LHS updates and preparation and assessment of planning proposals
General	
Implementation	<p>Future iterations of the LHS should be underpinned by an implementation plan with a priority work program, clearly defined roles, responsibilities and definitive timeframes with risks and dependencies identified. This is encouraged to be informed by resourcing and budgets to demonstrate how housing targets will be delivered. The implementation plan should specifically address (but not be limited to):</p> <ul style="list-style-type: none">• The implementation of a monitoring review system and establish housing targets for medium-density and seniors housing to determine whether future changes to the LEP and/or DCP are required to incentivise or encourage housing diversity and diversity of housing typologies, including any necessary changes to the Sydney LEP in response to the Housing Diversity SEPP once finalised (if relevant).• Future opportunities for housing supply in years 11 – 20 (2026 – 236), this includes consideration of State-led and State agency landowner projects.• Detailed analysis of land use opportunities and constraints.• Contributions and infrastructure planning.• Any other relevant studies or interdependencies with NSW Government decisions• Other council led strategies and approaches that may support housing supply and diversity.



Matter	Consideration for future LHS updates and preparation and assessment of planning proposals
Review and monitoring framework	Revisions to the LHS may be required in response to significant changes in the LGA such as announcements on new infrastructure investment and employment opportunities, significant changes in projected population growth or updates to the LSPS. The framework should also review the supply and delivery of housing, including the 6-10 year housing target and targets for medium density and seniors housing.
Making appropriate provision for any additional housing opportunities that may arise out of sequence	<p>The inclusion of a transparent and robust framework to consider additional opportunities will assist Council, the Department and other relevant agencies to assess proposals that are inconsistent with the LHS. It will also ensure that changes to land use or development controls do not take place without demonstrating strong strategic merit. Council is encouraged to develop a framework within which to consider such proposals, including but not limited to:</p> <ul style="list-style-type: none"> • Strategic merit and case for change • Robust demographic evidence • Demand analysis and economic impacts • Infrastructure delivery and funding to be borne by the proponent • Stakeholder consultation and outcomes • Sustainability and resilience • Social and affordable housing contribution
Community and Stakeholder Engagement	Incorporate findings of exhibition of LHS as well as relevant community and stakeholder engagement.
Consultation and engagement with agencies	<p>Council is to continue consultation with the following agencies:</p> <ul style="list-style-type: none"> • TfNSW: Ongoing consultation with TfNSW in relation to Future Transport 2056 initiatives and ensure the implementation of the LHS responds to existing transport service capacity and strategic transport planning. This may include the completion of specific transport studies that consider network capacity, facilitating freight movement, and ongoing transport infrastructure investigation and investment. • The Department and Neighbouring Councils: Identifying and future collaboration with neighbouring councils and the Department to coordinate the delivery of place-based planning outcomes for centres both near and across LGA boundaries. This includes Bays Precinct. • Land and Housing Corporation (LAHC): ensure the implementation of the LHS continues to respond to and considers LAHC projects for new and additional housing.



Matter	Consideration for future LHS updates and preparation and assessment of planning proposals
Interdependencies with relevant local evidence base	Incorporate the findings and outcomes of latest studies, policies and State-led precinct plans prepared since the publication and release of the LHS.
Data	
Clarification of 6-10 year and 10-20 year housing target	<p>Revisions to the LHS should provide a breakdown of how the 6-10 year target will be achieved, including when and where anticipated supply will be delivered and explain market take-up rates. Council should ensure that all population and dwelling forecasts are cross-checked against published the Department’s projections to provide greater transparency. Additional guidance and support can be arranged with the Department’s Evidence and Insights division to resolve any variations in dwelling forecasts.</p> <p>Council should clearly identify the capacity of the proposed supply sources, ideally in a table, to demonstrate how many dwellings are anticipated, what type of dwellings are anticipated and when the dwellings are likely to be delivered.</p>