



Mr Michael Edgar  
General Manager  
The Hills Shire Council  
PO Box 7064  
NORWEST NSW 2153

Dear Mr Edgar

### **The Hills Shire Local Housing Strategy**

Thank you for submitting The Hills Shire 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 an understanding of the current and future housing needs of The Hills Shire local government area (LGA).

I can confirm that I have approved The Hills Shire Council's LHS, dated October 2019. My decision reflects the analysis undertaken to comply with the comprehensive strategic planning framework and the evidence base to inform your LHS to deliver 9,000 dwellings for the period 2021-26 and make provision for 18,500 dwellings in 2026-2036.

In doing so, I have determined that the LHS is approved subject to requirements, for the following reasons:

- The LHS addresses housing supply, including the 6-10 year housing targets, to be delivered mainly through the capacity in existing growth areas including greenfield release areas and station precincts.
- The LHS does not provide sufficient evidence based or mechanisms to address housing diversity or seniors housing needs and this approval is accordingly subject to requirements.
- The LHS does not sufficiently addresses housing affordability or provide a robust evidence base. However, the limited applied housing need identified and the data provided by Department of Communities and Justice is adequate to require Council to commit to an affordable housing contribution scheme.
- The LHS is generally consistent with Section 9.1 Ministerial Directions and SEPPs, subject to requirements identified below.
- The LHS is consistent with the Central City District Plan, subject to requirements identified below.

My approval of the LHS is subject to the following requirements:

1. Council is to prepare and commence working to a comprehensive work program and implementation plan for the LHS within three months of this approval being granted by the Department and to share this with the Department. This is to ensure that the Department and other State agencies have a clear understanding of the roles and responsibilities to deliver The Hills Shire housing pipeline.

2. This comprehensive work program as outlined in the advisory note, accompanying the approval letter, is to include the framework for Council to implement actions under the LHS and should include and not be limited to:
  - a. address any key dependency on infrastructure where support may be required to deliver and plan to implement the LHS. This should include working with TfNSW for road and transport infrastructure works where needed to support additional growth planned under the Local Strategic Planning Statement.
  - b. prepare project plans for Castle Hill Central, Norwest and Rouse Hill Station Precincts and include in the comprehensive work program an implementation plan to action commencement of the corresponding precinct plans in 2021.
  - c. report on the actioned investigations for limited residential expansion in rural villages (Rural Strategy).
  - d. report on the outcomes of a needs-based housing demand and diversity analysis to mitigate the impact of not reporting this evidence base in this iteration of the LHS. This analysis should clearly identify demand and supply gaps for affordable and diverse housing and outline proposed measures on how these gaps will be appropriately addressed.
  - e. expand the review of residential zoning, objectives and provisions, including a review of the existing diversity clause, to ensure the planning framework effectively provides for a diversity of housing in the right locations, to the capacity of land currently zoned Low Density, as well as providing further mechanism within the R3 Medium Density Residential.
  - f. undertake an Affordable Housing Review to focus on specific strategies to meet identified need for affordable housing.
3. Council is to commence preparation of nominated precinct plans for Castle Hill Central, Norwest and Rouse Hill Station Precincts in 2022 and incorporate a review of car parking rates. As part of this work, Council is to look to increase medium-density housing in appropriate locations, such as small-lot housing development and terrace developments at the edge of station precincts.
4. Council is to utilise relevant findings and recommendations from its 'Housing Market Demand and Diversity Analysis' work (which was not shared with the Department) and ensure that this is a needs based analysis, informed by evidence, to appropriately identify demand and supply gaps for affordable and diverse housing. This work is to outline and implement proposed measures on how these gaps will be appropriately addressed and provide clear mechanisms to deliver seniors housing in the LGA beyond the limited scope outlined in this LHS. This should include options to review land for the purposes of seniors housing and should look to identify and adopt approaches to provide greater housing diversity in greenfield land release areas to better meet current and future anticipated housing needs (both in terms of affordability and housing type) for the LGA.
5. Council is to consult with the Central (Western) Place Team on the LHS action to introduce density bands and the likelihood of this work being finalised. The outcomes of that discussion should be included in the abovementioned comprehensive work program. Any decision to proceed to implement this approach should be informed by evidence and clarify if the introduction of density bands will cause a reduction in the identified housing capacity as set out in the LHS and work program. This should also outline what actions would be taken if there are reductions in housing supply or delays in housing. Where density bands are proposed, Council is to provide details on how minimum medium-density requirements can be applied in these precincts to help provide a balance of housing types for new growth areas.

6. Council is to prepare and implement out-of-sequence criteria to consider any additional opportunities for growth that are not identified in the LHS (refer to advisory notes).
7. Council is to monitor and review the supply of housing, in particular to track its performance against the 6-10 year (2021-2026) housing targets and to evaluate what additional medium-density and seniors housing continues to be delivered. A monitoring and review system will ensure that appropriate mechanisms can be identified and implemented to meet The Hills Shire housing needs over the medium-to-long-term.
8. Council is to ensure that the next iteration of the LHS is completed before the five year review of the Local Strategic Planning Statement (LSPS) and once the remaining Metro station precincts have been rezoned so that the evidence based analysis and housing directions, as identified in the LHS, can be more fully informed and feed directly into the next LSPS. The next iteration of the LHS should:
  - a. be prepared as a standalone document that has direct alignment to the LSPS, District and Regional Plans as part of the hierarchy of strategic documents incorporating key strategic principles, directions and outcomes of supporting strategic documents. This would improve readability and accessibility of the document.
  - b. include key strategic principles, directions and outcomes of supporting strategic documents, such as The Rural Strategy and The Hills Corridor Strategy.
  - c. include LHS objectives clearly aligned to planning priorities, with the analysis of the evidence base, stakeholder views and consistency with the strategic framework.
  - d. identify any forecasted planning proposals that would contribute to housing supply.
  - e. identify opportunities and constraints for the LGA as a snapshot as set out in the *Local Housing Strategy Guideline and Template*.
  - f. provide details on Baulkham Hills Town Centre as an Urban Renewal Area, once the infrastructure and timing of the project is certain, to coordinate and plan for future growth as identified in Future Transport 2056.
  - g. include key demographic data within the main body of the LHS as required by the Department's *Local Housing Strategy Guideline*.
  - h. any future iterations of the LHS address feedback provided in the LHS through the exhibition and community engagement process.
9. Council is to prepare an affordable housing contribution scheme and associated affordable housing contribution rate viability testing within identified precincts in line with the *Department's Guideline for Developing an Affordable Housing Contribution Scheme* (that sets out delivery and rent models, tenant eligibility criteria, tenancy allocation, asset ownership and management). The Scheme is to commit council to examining feasibility of levying affordable housing contributions for any new precincts not yet rezoned and new planning proposals that would result in development uplift or an increase in land value. This will ensure that planning proposals give effect to the District Plan, Action 17 to prepare an Affordable Housing Contributions Scheme.
10. Council is to update or revise the LHS to inform its LSPS following the making of a future District Plan.

11. Council is to ensure the direction and strategic planning approaches endorsed in State-led plans are to prevail in the event of any inconsistency with these requirements and / or Council's LHS (as revised or current).

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

#### *Local Housing Strategy Reviews and Updates*

A review and update process will provide an opportunity to align Council's LHS and LSPS, together with the housing targets and diversity outlined in the District plan, ensuring a cohesive strategic planning framework is in place for The Hills Shire LGA.

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 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.

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

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 ePlanning Portal alongside this letter of approval and advisory notes.

Should you have any further questions, please contact Karen Buckingham, Principal Strategic Relationships Advisor on 8275 1077.

Yours sincerely



**Amanda Harvey**  
**Executive Director**  
**Local Strategies and Plan Making**

**6 July 2021**

Encl: Advisory Notes



# The Hills Shire Council 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 updating the LHS. The Department will expect these same matters to be addressed in planning proposals (where relevant) and that these will be reinforced through Gateway determinations as an interim measure in the absence of the LHS review process.

Matter	Advisory notes to support LHS requirements and consideration for future LHS updates, including the preparation and assessment of planning proposals
<b>General</b>	
Implementation	<p>A comprehensive work program and implementation plan should be prepared to support The Hills Shire LHS within three months of approval of the LHS being granted by the Department and should specifically address the following:</p> <ul style="list-style-type: none"> <li>○ any key dependency on infrastructure where support may be required to deliver and plan to implement the LHS. This should include working with TfNSW for road and transport infrastructure works where needed to support additional growth planned under the LSPS.</li> <li>○ prepare project plans for Castle Hill Central, Norwest and Rouse Hill Station Precincts and include in the comprehensive work program and implementation plan to action commencement of the corresponding precinct plans in 2021.</li> <li>○ report on the actioned investigations for limited residential expansion in rural villages (Rural Strategy).</li> <li>○ report on the outcomes of a needs-based housing demand and diversity analysis to mitigate the impact of not reporting this evidence base in this iteration of the LHS. This analysis should clearly identify demand and supply gaps for affordable and diverse housing and outline proposed measures on how these gaps will be appropriately addressed.</li> <li>○ review of residential zoning, objectives and provisions, including a review of the existing diversity clause, to ensure the planning framework effectively provides for a diversity of housing in the right locations, to</li> </ul>



Matter	Advisory notes to support LHS requirements and consideration for future LHS updates, including the preparation and assessment of planning proposals
	<p>the capacity of land currently zoned Low Density, as well as providing further mechanism within the R3 Medium Density Residential.</p> <ul style="list-style-type: none"> <li>○ provide clear mechanisms to delivery seniors housing in the LGA beyond the limited scope outlined in the LHS, including options to review land for the purposes of seniors housing and ensure that a proportion of new dwellings are designed to adaptable and universal housing requirements.</li> <li>○ increase medium-density housing in appropriate locations through small-lot housing development and terrace developments in station precincts, on the edge of station precincts and in greenfield land release areas where greater diversity and affordability of housing is required.</li> <li>○ expand the review of residential zoning, objectives and provisions, including a review of the existing diversity clause, to ensure the planning framework effectively provides for a diversity of housing in the right locations, to the capacity of land currently zoned Low Density, as well as providing further mechanism within the R3 Medium Density Residential.</li> </ul>
6-10-year housing supply	<p>Council should commence the preparation of nominated precinct plans for Castle Hill Central, Norwest and Rouse Hill Station Precincts in 2021 and incorporate a review of car parking rates. As part of this work, Council is to look to increase medium-density housing in appropriate locations, such as small-lot housing development and terrace developments at the edge of station precincts. Project plans for these station precincts are to be prepared and included in the comprehensive work program and scheduled in the implementation plan as a requirement of approval.</p>
Evidence based analysis	<p>Council is to utilise relevant findings and recommendations from its ‘Housing Market Demand and Diversity Analysis’ work prepared in 2020 and ensure that this is a ‘needs based analysis’ to appropriately identify demand and supply gaps for affordable and diverse housing. This work is to outline and implement proposed measures on how these gaps will be appropriately addressed and provide clear mechanisms to deliver seniors housing in the LGA beyond the limited scope outlined in this LHS and feedback into the comprehensive work plan. This should include options to review land for the purposes of seniors housing and should look to identify and adopt approaches to provide greater</p>



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	<p>housing diversity in greenfield land release areas to better meet current and future anticipated housing needs (both in terms of affordability and housing type) for the LGA.</p>
<p>Future iterations of the LHS</p>	<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. The Plan should be prepared in consultation with DPIE and TfSNW, to ensure any critical interdependencies are satisfactorily resolved. This is encouraged to be informed by resourcing and budgets to demonstrate how housing targets will be delivered.</p> <ul style="list-style-type: none"> <li>a) be prepared as a standalone document that has direct alignment to the LSPS, District and Regional Plans as part of the hierarchy of strategic documents incorporating key strategic principles, directions and outcomes of supporting strategic documents. This would improve readability and accessibility of the document.</li> <li>b) include key strategic principles, directions, and outcomes of supporting strategic documents, such as The Rural Strategy and The Hills Corridor Strategy.</li> <li>c) include LHS objectives clearly aligned to planning priorities, with the analysis of the evidence base, stakeholder views and consistency with the strategic framework.</li> <li>d) identify any forecasted planning proposals that would contribute to housing supply.</li> <li>e) identify opportunities and constraints for the LGA as snapshot as set out in the <i>Local Housing Strategy Guideline and Template</i>.</li> <li>f) provide details on Baulkham Hills Town Centre as an Urban Renewal Area once the infrastructure and timing of the project is certain to coordinate and plan for future growth as identified in Future Transport 2056.</li> <li>g) include key demographic data within the main body of the LHS as required by the <i>Local Housing Strategy Guideline</i>.</li> </ul>



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	<p>h) any future iterations of the LHS address feedback provided in the LHS through the exhibition and community engagement process.</p>
Review and monitoring framework	<p>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.</p>
Infrastructure	<p>Future iterations of the LHS should detail the key local and State infrastructure commitments and investment decisions that will support the unlocking of housing supply. This analysis should consider public and active transport, education and health facilities, open space, community infrastructure, drinking supply, wastewater and utility services. Council is encouraged to cross reference any endorsed Council strategies and plans, where relevant, and collaborate with DPIE and other State agencies (and in particular Schools Infrastructure, Sydney Water and TfNSW) to ensure identified opportunities are realistic and accurately reflect staging, sequencing, servicing and delivery of critical infrastructure such as public transport, education facilities and drinking supply and waste water services. Thresholds/triggers, funding, responsibilities for delivery and indicative timeframes should also be identified.</p>
Making appropriate provision for any additional housing opportunities that may arise out of sequence (out of sequence criteria)	<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 the following heads of consideration:</p> <ul style="list-style-type: none"> <li>• Strategic merit and case for change</li> <li>• Robust demographic evidence</li> <li>• Housing Affordability and Diversity</li> <li>• Demand analysis and economic impacts</li> <li>• Infrastructure delivery and funding to be borne by the proponent</li> <li>• Stakeholder consultation and outcomes</li> <li>• Sustainability and resilience</li> </ul>





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Community and Stakeholder Engagement	Incorporate the findings of any future relevant community and stakeholder engagement.
Consultation and engagement with agencies	<p>Council should continue consultation with the following agencies:</p> <ul style="list-style-type: none"> <li>• Transport for NSW in relation to               <ul style="list-style-type: none"> <li>○ planning for city-shaping &amp; city-serving transport initiatives in Future Transport 2056 and alignment with Council-led transport infrastructure initiatives.</li> <li>○ To ensure appropriate development controls are provided to ensure developments cannot adversely impact any TfNSW underground excavations and developers must be required to check for the presence of TfNSW infrastructure and request comment from TfNSW for any developments above or within the infrastructure’s zone of influence.</li> </ul> </li>   <li>• Schools Infrastructure NSW:               <ul style="list-style-type: none"> <li>○ Prior to the finalisation of any future strategy or planning proposal that proposes a significant increase in the number of dwellings; and</li> <li>○ When Council is aware of variations in the following:                   <ul style="list-style-type: none"> <li>- The actual number of lots or dwellings varying from planning proposal estimates / strategic plans.</li> <li>- An emerging demographic that varies from the planned population profile, either with more or less families with children.</li> <li>- Rates of development and dwelling take-up varying from planned release programs or forecast residential take-up rates.</li> </ul> </li> </ul> <p>This is to ensure SINSW specifically understands where growth, or changes to growth rates are occurring and can effectively respond by targeting appropriate resourcing to impacted Government schools.</p> </li>   <li>• The Department in relation to:               <ul style="list-style-type: none"> <li>○ Updates on the items included in the comprehensive management plan.</li> </ul> </li> </ul>



Matter	Advisory notes to support LHS requirements and consideration for future LHS updates, including the preparation and assessment of planning proposals
	<ul style="list-style-type: none"> <li>○ Consult with the Central (Western) Place Team on the LHS action to introduce density bands and the likelihood of this work being finalised. The outcomes of that discussion should be included in the abovementioned Comprehensive Work Program, as set out in the approval requirements.</li> <li>● Council should also consult with Hornsby Council in relation to:               <ul style="list-style-type: none"> <li>○ Cherrybrook Station Priority Precinct</li> </ul> </li> </ul>
Affordable Housing	<p>Council’s LHS evidence base is considered sufficient to justify the preparation of a SEPP70 affordable housing contribution scheme. A LHS requirement of approval is included for Council to prepare a scheme that sets out delivery and rent models, tenant eligibility criteria, tenancy allocation, asset ownership and management. Notwithstanding potential issues related to development feasibility, Action 17 of the Central City District Plan requires Council to prepare an affordable housing contribution scheme. The scheme would be prepared in advance of any out-of-sequence planning proposals and sends a critical signal to the market regarding Council’s strategic planning intentions regarding affordable housing provision. It will also commit Council to examining the feasibility of affordable housing contributions for all new proposals that are likely to result in an uplift of land value. If feasible and appropriate, affordable housing contributions would be required by LEP provisions that implement the contributions scheme.</p> <p>The scheme should be prepared in accordance with the <i>Greater Sydney Region Plan</i> key parameters for successful implementation of Affordable Rental Housing Targets and the NSW Government’s <i>Guideline for Developing an Affordable Housing Contribution Scheme</i>.</p> <p>Council also needs to undertake an Affordable Housing Review, as part of the comprehensive work program as scheduled in the implementation plan, to focus on specific strategies to meet identified need for affordable housing.</p>
Seniors housing	<p>Council is to investigate the inclusion of seniors housing provisions in its LEP that increase the supply of housing for seniors and people with a disability. As required as part of the comprehensive work program, council is to provide clear mechanisms to delivery seniors housing in the LGA beyond the limited scope outlined in the LHS, including</p>



<b>Matter</b>	<b>Advisory notes to support LHS requirements and consideration for future LHS updates, including the preparation and assessment of planning proposals</b>
	options to review land for the purposes of seniors housing and ensure that a proportion of new dwellings are designed to adaptable and universal housing requirements.
Interdependencies with relevant local evidence base	Incorporate in future iterations of the LHS the findings and outcomes of any latest studies, policies and State-led precinct plans prepared since the publication and release of the LHS. The LHS should not continue to be read as part of the LSPS but as a standalone document which incorporates the findings and outcomes of relevant studies.
Structure Plan	Future iterations of the LHS should include structure plan(s) that clearly identifies housing growth areas/precincts and their anticipated delivery over the short, medium- and longer-term horizons. Annotations to identify likely yield ranges and any key threshold assumptions should also be included.
LSPS	Council is to update or revise the LHS to inform its LSPS following the making of a future District Plan and incorporate the scheduling of this in the implementation plan.