

Mr Craig Swift-McNair
General Manager
Woollahra Municipal Council
PO Box 61
Double Bay NSW 1360
Via email: records@woollahra.nsw.gov.au

Dear Mr Swift-McNair

Woollahra Local Housing Strategy 2021

Thank you for submitting Woollahra Municipal Council's Local Housing Strategy (LHS) to the Department for the Secretary's approval.

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 Woollahra local government area and a strong commitment to strategic planning.

I can confirm that I have determined to approve the Woollahra LHS. My decision reflects the analysis undertaken to develop a comprehensive strategic planning and evidence base to inform your LHS and deliver 500 to 600 dwellings for the period 2021-26.

In doing so, I have also determined that the approval is granted on the basis that:

- The LHS addresses housing supply, including a 6-10 year housing target,
- The Department is satisfied that Council has a solid foundation from which to secure sound housing diversity and affordability outcomes subject to the requirements below.
- The LHS is generally consistent with Section 9.1 Directions and SEPPs.
- The LHS is consistent with the Eastern City District Plan, subject to the requirements identified below and demonstrates good alignment with the Woollahra Local Strategic Planning Statement (LSPS).

The approval is also subject to the following requirements:

1. Within six (6) months of Council being notified of the LHS approval, Council is to prepare an updated and prioritised Implementation and Delivery Plan that clearly articulates the actions, roles, responsibilities and timing to facilitate housing supply, diversity and affordability between 2021 and 2026 and beyond. The Plan should be prepared in consultation with the Department, TfSNW, Sydney Water and other relevant agencies, to ensure any interdependencies are satisfactorily identified.
2. Council is to monitor and review the supply and delivery of housing, in particular to track its performance against the 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 Woollahra's housing needs.
3. To ensure housing capacity for the period beyond 2026, Council is to continue its strategic planning work for the Edgecliff Commercial Centre. A planning proposal is to be lodged with the Department for Gateway for all or some of the study area identified in the Edgecliff Commercial Centre Planning

and Urban Design Strategy, by December 2024. This is considered necessary to contribute to sufficient housing capacity for the period beyond 2026. As part of this proposal Council should consider public and active transport, education and health facilities, open space, community infrastructure, drinking supply, wastewater and utility services.

4. Council's proposed approach to introduce unit mix requirements for new development is supported. However, unit mix is typically a DCP control rather than an LEP provision. Council is to consult with the Department's Place team regarding appropriate policy mechanisms and options to address specific concerns being addressed by this proposal. Council should develop an evidence base and detailed analysis to support these provisions.
5. Council's proposal to introduce a minimum 1,200m² lot size for attached dual occupancies is not supported as it is inconsistent with the provisions of Section 9.1 Ministerial Direction 6.1 – Residential zones because it would significantly impact and reduce housing choice, housing diversity and housing supply. The proposal is also considered incompatible with minimum lot sizes for other forms of multi-unit development such as medium density and apartment development; all of have lesser minimum lots sizes.
6. LHS Action 5. Protect and enhance tree canopy, urban greening and low density scale of our residential areas, is supported. However, as indicated in the Gateway letter and determination issued to Council (PP PP-2021-3786 determined 31 August 2021) Council may still need to obtain the agreement of the Secretary to comply with the requirements of section 9.1 Direction 6.1 - Residential Zones. Council should ensure this occurs prior to public exhibition
7. SEPP exemptions or modifications to the SEPP framework are not supported pending the outcomes of the new Housing SEPP being measured. Council is to review the new Housing SEPP and its changes to the previous approaches under the former Seniors Housing SEPP and Affordable Rental Housing SEPP and consult with the Department's Planning System Policy division to discuss alternative options to achieve the desired objectives of this approach.
8. An LGA-wide exemption to the Low Rise Medium Density Housing Code is not supported. Council is to consult with the Department's Planning System Policy division to discuss alternative options to achieve the desired objectives of this approach.
9. Council's intent to identify and protect local character areas is acknowledged. At this stage, there has been no decision on the Department's proposed local character framework as exhibited from November 2020 to January 2021. Any planning proposal seeking to incorporate a local character clause, map overlay and reference to local character statements in line with the proposed State wide framework should not progress until such time when its status becomes clearer.
10. Council is advised that State Government policy does not currently support levying affordable housing contributions for all new apartment developments. Only affordable housing schemes that are based on areas of uplift and have undergone feasibility testing will be supported.
11. In line with Council's commitment, it is to prepare an AHCS in accordance with the Department's Guideline for Developing an Affordable Housing Contribution Scheme. This is to commit Council to examine the feasibility of levying affordable housing contributions for any new planning proposals that would result in development uplift or an increase in land value. When preparing the AHCS, Council is encouraged to consult with neighbouring councils and community housing providers to ensure new affordable housing assets can be appropriately managed.
12. Council is to prepare principles for assessing proponent-initiated requests for planning proposals, including out-of-sequence criteria to consider any additional opportunities for growth that are not identified in its LHS, or for urban renewal opportunities.

Department of Planning and Environment

13. The direction and strategic planning approaches endorsed in any State-led strategies or plans are to prevail in the event of any inconsistency with this approval and/or the Council's LHS (as revised and current).
14. Council is to update or revise the LHS to inform Council's updates/revision to its local strategic planning statement following the making of a future District Plan.

Any planning proposals for new housing development will be assessed against Woollahra 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 and should include but not be limited to work streams related to items identified in the LHS Actions.

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 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 Department's 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 ePlanning Portal alongside the Department's letter of approval and advisory notes.

Should you have any further questions, please contact Dominic Stefan, Specialist Planner on 02 8275 1024.

Yours sincerely



Amanda Harvey 11 March 2022
Executive Director
Local Strategies and Plan Making

Encl: Advisory Notes
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Woollahra 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	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. The Plan should be prepared in consultation with the Department, TfNSW and Sydney Water, 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> <p>The implementation plan should specifically address work streams related to items identified in the LHS Actions.</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.</p> <p>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 the Department and other State agencies (and in particular Schools Infrastructure NSW (SINSW), 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, drinking supply and waste water services. Thresholds/triggers, funding, responsibilities for delivery and indicative timeframes should also be identified.</p>

Matter	Consideration for future LHS updates and preparation and assessment of planning proposals
<p>Making appropriate provision for any additional housing opportunities that may arise out of sequence</p>	<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.</p> <p>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"> • Strategic merit and case for change • Robust demographic evidence • Housing Affordability and Diversity • Demand analysis and economic impacts • Infrastructure delivery and funding to be borne by the proponent • Stakeholder consultation and outcomes • Sustainability and resilience
<p>Community and Stakeholder Engagement</p>	<p>Incorporate the findings of any relevant community and stakeholder engagement.</p>
<p>Consultation and engagement with agencies</p>	<p>Council should continue consultation with the following agencies:</p> <ul style="list-style-type: none"> • TFNSW in relation to: <ul style="list-style-type: none"> ○ Future updates to Future Transport 2056 and alignment with Council-led transport infrastructure initiatives, ○ Parking rates and public domain improvements for Edgecliff Commercial Centre. ○ Speed zone review for the local centres of Edgecliff and Double Bay. • SINSW: <ul style="list-style-type: none"> ○ Prior to the finalisation of any future strategy or planning proposal that proposes a significant increase in the number of dwellings; and ○ When Council is aware of variations in the following: <ul style="list-style-type: none"> - The actual number of dwellings varying from planning proposal estimates/ strategic plans. - An emerging demographic that varies from the planned population profile, either with more or less families with children. - Rates of development and dwelling take-up varying from planned release programs or forecast residential take-up rates.

Matter	Consideration for future LHS updates and preparation and assessment of planning proposals
	<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> <ul style="list-style-type: none"> • The Department in relation to Council’s proposals to: <ul style="list-style-type: none"> ○ introduce unit mix requirements for new development, ○ introduce a minimum 1,200m² lot size for dual occupancies, ○ modify to the applicability of SEPPs in Woollahra LGA and ○ levy affordable housing contributions for all new development.
Affordable Housing	<p>Council’s LHS evidence base is considered sufficient to justify the preparation of a SEPP70 affordable housing contribution scheme. An 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.</p> <p>Notwithstanding potential issues related to development feasibility, Action 17 of the Eastern 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 with regard to 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 should continue to work with adjoining councils to assess options and the viability of affordable rental housing as part of the development of an Affordable Housing Strategy and Affordable Housing Contribution Scheme.</p>
Seniors housing	<p>Council is encouraged to investigate the inclusion of seniors housing provisions in its LEP that increase the supply of housing for seniors and people with a disability.</p>
Interdependencies with relevant local evidence base	<p>Incorporate the findings and outcomes of latest studies, policies and State-led precinct plans prepared since the publication and release of the LHS, including but not limited to:</p> <ul style="list-style-type: none"> • Cross Street Precinct Double Bay Planning and Urban Design Strategy • Edgecliff Commercial Centre Planning and Urban Design Strategy • Woollahra Local Housing Strategy 2021

Matter	
	<p style="background-color: #002060; color: white; padding: 2px;">Consideration for future LHS updates and preparation and assessment of planning proposals</p> <ul style="list-style-type: none"> Woollahra Affordable Housing Policy 2021 Sydney Water Growth Servicing Plan 2020-2025 (recently updated). <p>Future iterations should incorporate and summarise the findings of the SGS Woollahra Housing – Background Report into the LHS document.</p>
Structure Plan	<p>Future iterations of the LHS should include a 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.</p>
Data	
Clarification of 6-10 year target and 10-20 year housing forecast.	<p>Revisions to the LHS should provide a breakdown of how the 6 to 10 year target will be achieved, including when and where anticipated supply will be delivered and explain market take up rates. LHS revisions will also need to include a revised housing delivery forecast for the 10-20 year period as new information becomes available.</p> <p>Council should ensure that all population and dwelling forecasts are cross-checked against published Department projections to provide greater transparency. Additional guidance and support can be arranged with the Department’s Evidence and Insights team to resolve any discrepancies in dwelling forecasts.</p>
Local Character	
	<p>Should Council wish to exclude limited areas from the Low Rise Housing Diversity Code (LRHDC) through the application of local character areas in its LEP, this will need progress when the policy comes into effect. To support any local approach when the policy becomes effective the LHS will need to provide a comprehensive evidence base in relation to the delivery of medium density housing.</p> <p>This should include:</p> <ul style="list-style-type: none"> Historical and forecast supply of medium density housing, including statistics on range of housing types approved over the last five years (DA and CDCs) and anticipated future take up rates. Recommended controls outlined in LHS for medium density in implementation plan, including current status and timeline for implementation. Incorporate framework to monitor and review the delivery of medium density housing within the LGA. <p>The Department is currently exploring approaches allowing council, developers and communities to consider their local area when designing new buildings and suburbs in a more holistic way. This is reflected in the design principles of the Design and Place State Environmental Planning Policy with culture, character and heritage continuing to be an important design consideration.</p>