

Mr Brett Newman
Chief Executive Officer
City of Parramatta Council
126 Church Street
Parramatta NSW 2150

Dear Mr Newman

City of Parramatta Council Local Housing Strategy

Thank you for submitting City of Parramatta 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 Parramatta local government area (LGA) and a strong commitment to strategic planning.

I can confirm that I have determined to approve City of Parramatta Council's LHS adopted by Council in July 2020. My decision reflects the analysis undertaken to develop a comprehensive strategic plan and an evidence base to inform your LHS and to deliver a housing target of 23,660 dwellings for 6-10 year (2021 -2026).

In doing so, I have determined that:

- The LHS addresses housing supply, including the 6-10 year housing target, to be delivered through existing capacity, planning precincts and privately led planning proposals.
- The LHS identifies the LGA's capacity to deliver housing in the 10-20 year period.
- The LHS addresses the need for housing diversity, however it does not provide any concrete actions that would increase the supply of medium density or seniors housing.
- The LHS addresses housing affordability, including a robust evidence base and commits to the preparation of an affordable housing contribution scheme (AHCS).
- The LHS is generally consistent with Section 9.1 Ministerial Directions and SEPPs, subject to conditions identified below.

- The LHS is consistent with the Central City District Plan and the GSC's letter of assurance of the Local Strategic Planning Statement (LSPS), subject to conditions identified below.

My approval is 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 and 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, Transport for NSW (TfNSW) and Sydney Water, to ensure any interdependencies are satisfactorily resolved.
2. Council is required to update its LHS at the appropriate time to reflect the proposed Camellia-Rosehill Place Strategy and the draft Westmead Place Strategy, and any other strategies prepared by the Department. In the interim Council is required to ensure the staging and sequencing of centres and amount of development identified by the LHS is aligned with the Parramatta Road Corridor Urban Transformation Study (PRCUTS) and Greater Parramatta Priority Growth Area Interim Land Use and Infrastructure Implementation Plan.
3. Future iterations of the LHS is required to demonstrate how the opportunities and constraints assessment was translated to dwelling forecasts for each centre in future iterations of the LHS.
4. Council is to prepare an Affordable Housing Contributions Scheme (AHCS) that commits Council to examining the feasibility of levying affordable housing contributions for any 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 AHCS. Council should, as part of the AHCS, set out delivery and rent models, tenant eligibility criteria, tenancy allocation, asset ownership and management.
5. Council is required to demonstrate the initiatives to achieve housing diversity (such as the Housing Diversity Precincts and any DCP changes) will deliver sufficient housing choice in the right locations and request Council considers additional housing diversity initiatives to support medium density and seniors housing in future iterations of the LHS.
6. In future iterations of the LHS, Council is required to clearly show the forecast delivery of new dwellings by location and timeframe – covering the expected delivery under existing controls and the expected delivery under planning proposals by location, with evidence that theoretical capacity under existing planning controls is feasible / viable.
7. Council is required to develop a Monitoring and Review Plan to monitor and review the delivery of housing, to track its performance against the 6-10 year housing target and to evaluate the housing diversity and affordability outcomes being achieved.

8. In future iterations of the LHS Council is required to demonstrate:
 - a) the opportunities and implications that Parramatta's designation as a Metropolitan Centre and Westmead's designation as a Health and Education Precinct have for housing, and
 - b) how housing delivery is being balanced with employment functions and job growth.
9. 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.
10. The Department notes the intention for land use change for the Melrose Park South Precinct as outlined in the LHS. In this regard, Council should consider site suitability and the employment impacts of any intended land use change for residential and/or mixed use development. This should be done in the context of the priorities and actions of the Central City District Plan and Council's Employment Lands Strategy. In particular, the Council must address the District Plan's 'review and manage' approach to employment land (further guidance is provided in the Advisory notes).
11. Council's LHS Action to expand dual occupancy prohibition areas sought as part of the Parramatta Harmonisation LEP proposal is not included as part of this approval, until:
 - the Parramatta Harmonisation LEP proposal demonstrates consistency or justifies any inconsistency with the Local Planning Direction 3.1 Residential zones and this has been further assessed by the Department as part of the finalisation of the Harmonisation LEP.
 - further work on housing diversity precincts have been demonstrated (as per requirement 5), or housing diversity precincts are included in a future LEP proposal.

The exception to this is where Council seeks to preserve future opportunity in the Parramatta to Epping and Parramatta to Norwest future mass transit corridors, where there may be opportunities for greater housing choice.

The reason for this is that proposed amendments seek to reduce the capacity for this type of residential development in areas that already permit for dual occupancies, which is counter to Section 9.1 Direction 3.1 Residential Zones.

12. Council should consider additional options for mitigating the impacts of dual occupancy development (identified in Council's constraints analysis) including quantitative and qualitative planning controls in its LEP and DCP.
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 LSPS following the making of a future District Plan.

Any planning proposals for new housing development will be assessed against the City of Parramatta 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.

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 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 Portal alongside the letter of approval and advisory notes.

Should you have any further questions, please contact Dominic Stefan, Specialist Planner, Local Strategies and Plan Making on 9274 6563.

Yours sincerely



Amanda Harvey
Executive Director Local Strategy and Plan Making
Greater Sydney Place and Infrastructure

29 July 2021

Encl: Advisory Notes



City of Parramatta 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	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 and clarity around delivery and anticipated yields. The implementation plan should also outline the areas, anticipated number of dwellings and timeframes. The Plan should be prepared in consultation with the Department, Transport for NSW (TfNSW) and INSW, 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. The implementation plan should specifically address work streams related to items identified in Councils background report and LHS, and include:- 1. Incorporate the findings and outcomes of latest studies, reviews and changes to State Environmental Planning Policy (SEPP) since the publication and release of the LHS, including but not limited to the Greater Parramatta to Olympic Peninsula (GPOP) Strategic Plan and Camellia Place Strategy. 2. Council includes implementation programs (such as those provided in the additional information) within future iterations of the LHS, to ensure clarity around delivery of housing and anticipated dwelling yields and collaborate with the Department to achieve the timeframes set out by Council in the implementation programs. 3. Council includes implementation programs and anticipated sources of 10+ year housing supply within future iterations of the LHS, to ensure clarity around delivery of housing and capacity to continue to provide housing in the future. 4. Consider the actions and timeframes identified in Council's LSPS and the GSC's Letter of Assurance.

Matter	Consideration for future LHS updates and preparation and assessment of planning proposals
	5. Any future iterations of the LHS address feedback provided through the exhibition and community engagement process of the LHS.
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.
Infrastructure	- 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 and drinking supply and wastewater services. Thresholds/triggers, funding, responsibilities for delivery and indicative timeframes should also be identified. - Future iterations of the LHS be required to give due consideration to housing needs based on the future population and household needs in the context of existing, committed and planned infrastructure investment
Making appropriate provision for any additional housing opportunities that may arise out of sequence	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: - 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

Matter	Consideration for future LHS updates and preparation and assessment of planning proposals
	Sustainability and resilience We should also note that Council has an LHS Action for 'housing diversity precincts' which is similar to this requirement. However, this only applies in the GPOP area.
Community and Stakeholder Engagement	Incorporate the findings of any future relevant community and stakeholder engagement in the LHS.
Consultation and engagement with agencies	Council should continue consultation with the following agencies: - TfNSW would like to work with Council on its programmed strategic land use planning relating to stops along the identified strategic corridors of the T-way, Parramatta Road, Woodville Road and GPOP as part of its proposed actions to realise Priority 2. - SINSW: - 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: - The actual number of lots or 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. 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.
Affordable Housing	- 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 an AHCS that sets out delivery and rent models, tenant eligibility criteria, tenancy allocation, asset ownership and management. - Notwithstanding potential issues related to development feasibility, the Central City District Plan requires Council to prepare an AHCS. The AHCS 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

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	appropriate, affordable housing contributions would be required by LEP provisions that implement the contributions scheme. • 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>. • Council should undertake an Affordable Housing Review focussing on specific strategies to meet the identified need for affordable housing. Strategies may include identifying State and local Government-owned land and partnering with a registered community housing providers to develop and manage new affordable housing.
Seniors housing	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.
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.
Structure Plan	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.
Data	
Clarification of 6-10 year target and 10-20 year housing forecast.	• 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. LHS revisions will also need to include a revised housing delivery forecast for the 10-20 year period as new information becomes available. • Council should ensure that all population and dwelling forecasts are cross-checked against published DPIE 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. • Council should also consider the actions and timeframes identified in Council's LSPS and the GSC's letter of assurance. • Council should ensure that future iterations of the LHS and relevant planning proposals give effect to the Central City District Plan, Westmead Place Strategy and PRCUTs.