



Mr Ken Gouldthorp
General Manager
North Sydney Council
PO Box 12
North Sydney NSW 2059

Dear Mr Gouldthorp

North Sydney Council - Local Housing Strategy

Thank you for submitting North Sydney 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, which provides Council with a clear understanding of the housing needs of the North Sydney local government area and a strong commitment to strategic planning.

I can confirm that I approve Council's LHS, dated October 2019. My decision reflects the analysis undertaken to develop a comprehensive strategic planning and evidence base to inform your LHS and deliver 3,000 or more 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 mainly through capacity under existing planning controls and well-advanced planning proposals.
- The LHS addresses the need for housing diversity, with effective actions for delivery.
- The LHS addresses housing affordability, subject to the requirements identified below.
- The LHS is generally consistent with Section 9.1 Directions and SEPPs.
- The LHS is consistent with the North District Plan, subject to the requirements identified below.

My approval is subject to the following requirements:

1. Council is to prepare an Affordable Housing Contribution Scheme 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.

2. Council's Local Strategic Planning Statement, stating "Council will only support Planning Proposals that are consistent with Council's endorsed planning studies, that have identified growth being delivered in locations that support the role of centres and have critical infrastructure and services in place to support the North Sydney community" is to prevail and replace Objective 6 of Council's LHS.
3. Notwithstanding requirement 2, where there are any inconsistencies between the St Leonards Crows Nest 2036 Plan, Council led studies and Council's LHS, the St Leonards Crows Nest 2036 Plan prevails. Specifically, the direction and strategic planning approaches endorsed in State-led precinct plans are to prevail in the event of any inconsistency with this approval and/or Council's LHS (as revised and current).
4. The Department's 6-10 year housing forecast indicates that Council is on track to meet the Greater Sydney Commission's (GSC) target of 3,000 to 3,500 dwellings in the 2021-2026 period. Council is to therefore adopt a minimum housing target of 3,000 dwellings for this period to ensure that regional strategic planning can be appropriately managed.

Any planning proposals for new housing development will be assessed against the approved LHS and the above conditional requirements and advisory notes of this approval. Any State Government policy changes that may occur after the approval of the LHS are to prevail in the event of any inconsistency.

Implementing your LHS

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 limited to:

- the St Leonards Crows Nest 2036 Plan;
- the Civic Precinct Study; and
- the Military Road Corridor.

LHS Reviews and Updates

We strongly recommend that Council review and revise (where required) its LHS before the Local Strategic Planning Statement 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 been 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 Carina Lucchinelli, Specialist Planner on 9274 6563.

Yours sincerely



Amanda Harvey
Executive Director
Local Strategies and Plan Making

10 May 2021

Encl: Advisory Notes



North 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 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.</p> <p>The implementation plan should specifically address:</p> <ul style="list-style-type: none"> • Further urban design analysis identified in the LHS to support the St Leonards Crows Nest 2036 plan and how it will be implemented. • Status and intended implementation of the Military Road Corridor and Civic Precinct Studies. • Progression of feasibility studies to investigate the implementation of affordable housing contributions in identified growth areas, including the Military Road Corridor, the Civic Precinct and the St Leonards Crows Nest Precinct and the preparation of an affordable housing contribution scheme. • Working closely with the Department to progress the planning proposal for 27-57 Falcon Street, Crows Nest which if progressed to finalisation and gazettal is capable of contributing to Council’s 6-10 year housing target.
Review and monitoring framework	<p>A monitoring and review framework should review the supply and delivery of housing, including the 6-10 year housing target and targets or key indicators for seniors housing, studio and 1 bedroom dwellings, where supply gaps have been identified in Council’s LHS.</p> <p>The supply of student accommodation should also be monitored given the ACU North Sydney Campus and several tertiary campus in the surrounding LGAs.</p>



Matter	Consideration for future LHS updates and preparation and assessment of planning proposals
	Revisions to the LHS are recommended in response to significant changes in the LGA identified such as announcements on new infrastructure investment and employment opportunities, significant changes in projected population growth or updates to the LSPS.
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.</p> <p>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 • Housing diversity and affordability
Community and Stakeholder Engagement	Incorporate and address feedback received during exhibition of LHS as well as relevant community and stakeholder engagement in any updated or later version of the LHS.
Consultation and engagement with agencies	<p>Council is to continue consultation with the following agencies:</p> <ul style="list-style-type: none"> • Work with TfNSW in relation to place based planning in response to Victoria Cross Metro Station and Western Harbour Tunnel and Beaches Link. • Work with TfNSW, DPIE and Mosman Council on place-based planning for the Military Road Corridor and local centres in response to planned State infrastructure investment. • Work with DPIE, Lane Cove and Willoughby councils to implement the St Leonards and Crows Nest 2036 Plan.



Matter	
Consideration for future LHS updates and preparation and assessment of planning proposals	
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.</p> <p>Update the LHS to reflect the status of St Leonards Crows Nest Precincts 1, 2 and 3 and Crows Nest Place Making and Principles Study, noting that these were prepared prior to the finalisation of St Leonards Crows Nest 2036 Plan, which now prevails.</p> <p>The LHS should also incorporate the findings of an Open Space/Community Infrastructure to provide a better understanding of the opportunities and constraints to housing and address Objective 31 of the North District Plan.</p>
Data	
Clarification of 6 to 10 year and 10-20 year housing target	<p>Council should consult with the Department to ensure the dwelling projections for the St Leonards Crows Nest 2036 Plan are aligned.</p> <p>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 division to resolve discrepancies in dwelling forecasts.</p>
Affordable Housing	
Preparation of an Affordable Housing Contribution Scheme	<p>Council's LHS evidence base is considered sufficient to justify the preparation of a SEPP70 affordable housing contribution scheme. An LHS condition 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>Action 18 of the North 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 Greater Sydney Region Plan 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>