

Alan Young PSM
City Manager
Fairfield City Council
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Via email: MRowan@fairfieldcity.nsw.gov.au

Dear Mr Young

Fairfield City Local Housing Strategy 2022

Thank you for submitting Fairfield City 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 Fairfield local government area and a strong commitment to strategic planning.

I can confirm that I have determined to approve the Fairfield City LHS 2022. My decision reflects the analysis undertaken to develop a comprehensive strategic planning and evidence base to inform your LHS and deliver 3,760 dwellings for the period 2021-2026.

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

- The LHS addresses housing supply, including nomination of a 6-10 year housing target (3,760 dwellings), priority housing locations and mechanisms Council will employ to achieve the target;
- Secondary dwellings are a substantial source of non-standard dwelling housing supply for the Fairfield community;
- Council's Stage 2 LEP is progressing which will provide further opportunities to stimulate housing supply across Fairfield City in the short to medium term;
- Council is progressing its Medium Density Residential Zone review which will further unlock supply in the R3 Medium Density Residential zone;
- The LHS has demonstrated Fairfield's capacity to contribute to the Western City's longer term housing supply through the Horsley Park and Cecil Hills Urban Investigation Area (UIA). It is recognised that realisation of the UIA is contingent on transport infrastructure investments that are yet to be confirmed, and resolution of aircraft noise associated with the Western Sydney Airport. Future iterations of the LHS will need to resolve these matters;
- Subject to imposition of the recommended requirements of approval, the LHS is capable of delivering housing diversity and affordability outcomes;

- Subject to imposition of the recommended requirements requiring an updated Implementation and Delivery Plan, the Department is confident Council has the capacity and capability to implement the LHS actions to ensure the delivery of a resilient housing pipeline over the short, medium and long term; and
- The LHS gives effect to the Western City District Plan.

The approval is also subject the following requirements:

1. Forecasting contained with the LHS and the Department's 6-10 year housing forecast indicate that Council could achieve the (then) Greater Sydney Commission's (GSC) target of 3,000 to 3,800 additional dwellings in the 2021-2026 period, on the basis of capacity under existing controls and the number of secondary dwellings projected to be delivered by 2026. To ensure that existing capacity is taken up in a timely manner and translates into housing supply, diversity and affordability outcomes that reflect the demands of Fairfield City's 6-10 year period, Council is required to investigate the impediments/barriers inhibiting the take up of existing capacity in the LGA's key centres and priority housing locations.

The investigations are required to be carried out in two stages. The first stage is to cover existing zoned areas and be submitted to the Department for endorsement no later than 31 December 2022. The second stage is to cover future areas yet to be gazetted and be submitted to the Department at least 12 months prior to the completion of the 6-10 year (2021-2026) period OR prior to work beginning on any future updates to the LHS in response to a City Plan (former District Plan) revision, whichever is the sooner. This work is required to ensure appropriate and tangible actions are taken toward achieving the minimum housing targets established by the GSC and to ensure regional strategic planning is appropriately managed. The scope of the investigations should be agreed to with the Department and at a minimum are required to:

- a) identify the impediments/barriers contributing to the limited take up of existing capacity and development approvals across Fairfield's centres and establishing housing priority areas informed by a robust evidence base including consultation with select developers and industry bodies and commercial feasibility testing of existing controls;
 - b) identify the place-based actions required to unblock any such challenges and the expected results;
 - c) clearly articulate the measures that will be implemented to contribute to housing delivery by 2026;
 - d) clearly articulate the measures that will be progressed beyond 2026 to contribute to a healthy and resilient housing pipeline in the longer term; and
 - e) identify any updates in the Council's LHS Implementation and Delivery Plan.
2. Within six (6) weeks of Council being notified of the LHS approval, Council is to review and revise Attachment B of the LHS and prepare and submit to the Department a new Implementation and Delivery Plan that clearly articulates the objectives and expected outcomes of each identified action. In doing so, Council is to establish suitable targets for all secondary dwellings, seniors housing, affordable housing and group homes. Future changes to Council's LEP and/or DCP to achieve the identified targets, and specifically housing diversity and affordable housing outcomes, should also be identified. The Plan should be prepared in consultation with DPE, TfSNW, Schools



Infrastructure NSW and the Local Health District to ensure any interdependencies and cross boundary issues are satisfactorily resolved.

3. Council is to prepare and commence any planning proposals that are required to facilitate housing diversity and affordable housing outcomes. Council is encouraged to actively engage with the Department and other State agencies in the preparation of these proposals.
4. Council is to prioritise three (3) of the six (6) nominated short term investigation areas. Comprising Fairfield CBD, Cabramatta and one other of investigation area of Council's choosing by December 2022 as a matter of priority to ensure housing supply, diversity and affordability is secured in a timely manner. This should include the confirmation of future implementation mechanisms including any necessary planning proposals and their timing.

Note: this work is to inform the Stage 2 investigations detailed in Requirement 1 above.

5. Future iterations of the LHS are to be informed by a detailed land use opportunities and constraints analysis and mapping to confirm medium and long term housing opportunities. This analysis should:
 - a) be contextualised having regard to the GSRP, WCDP, the Fairfield LSPS (including any updates), Future Transport 2056, and delivered infrastructure investments;
 - b) be undertaken in collaboration with relevant stakeholders, including DPE, TfSNW, Resilience NSW, Infrastructure NSW and the State Emergency Service;
 - c) clearly articulate existing and future opportunities and constraints as either manageable or insurmountable; and
 - d) proactively identify Council and State Government owned sites that may be suitable for redevelopment, and particularly deliver affordable housing outcomes (in consultation with the identified landowners).
6. Council is to monitor and review the supply and delivery of housing (including secondary dwellings), 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 appropriate mechanisms can be identified and implemented to meet Fairfield's housing needs.
7. Council is to prepare an Affordable Housing Contribution Scheme in accordance with the Department's Guideline for Developing 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. In completing this work, Council is encouraged to collaborate with other Western City District councils, the Greater Cities Commission and the Department with the aim of achieving a consistent approach that takes advantage of efficient and integrated administrative structures. When preparing the Scheme, Council is to demonstrate:
 - a) it has considered all mechanisms and locations that may be available to secure affordable housing; and

- b) in consultation with relevant stakeholders, State Government owned sites capable of contributing to long-term social and affordable housing demand are identified.
- 8. 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 the Council's local housing strategy (as revised and current).
- 9. Provide details on proposed monitoring and implementation of the LHS, including timing and any specific issues that would trigger an update.
- 10. Collaborate with DPE on the progress and timing of key planning proposals to deliver housing supply and ensure they are expedited.
- 11. Future iterations of the LHS should outline a clear commitment on the timing and process for reviews and updates.

Any planning proposals for new housing development will be assessed against Fairfield City LHS 2022, 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 Sara Roach, Director Metro Housing Programs on 02 8275 1704.

Yours sincerely

12/7/2022

Monica Gibson
Executive Director
Housing Supply and Infrastructure

Encl: **Fairfield LHS Advisory Notes**
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Fairfield City 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. The Plan should be prepared in consultation with DPE, Transport for NSW (TfSNW) and the Western Sydney Planning Partnership, 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 the LHS Actions as well as the Department’s letter of approval.
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 DPE 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.



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. 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 future 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"> ○ planning for city-shaping & city-serving transport initiatives in Future Transport 2056 and alignment with Council-led transport infrastructure initiatives, ○ longer term housing opportunities in Council’s Urban Investigation Area which should be informed by transport capacity and a detailed opportunities and constraints analysis to understand potential land use scenarios and sequencing, ○ identifying appropriate locations for housing intensification with consideration of public transport serviceability. • 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 lots or dwellings varying from planning proposal estimates/ strategic plans.



Matter	Consideration for future LHS updates and preparation and assessment of planning proposals
	<ul style="list-style-type: none"> - 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. <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: <ul style="list-style-type: none"> ○ Council investigations into impediments/barriers inhibiting the take up of existing capacity in the LGA’s key centres and priority housing locations, ○ potential opportunities to unlock barriers posed by the challenges of land fragmentation and its impact on the expected levels of housing delivery.
Affordable Housing	<p>Council’s LHS evidence base is considered sufficient to justify the preparation of a SEPP70 Affordable Housing Contribution Scheme (AHCS). 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. Notwithstanding potential issues related to development feasibility, Action 18 of the Western City District Plan requires Council to prepare an AHCS. 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. 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 other councils in the Western Sydney Planning Partnership to assess options and the viability of affordable rental housing as part of the development of an Affordable Housing Strategy and AHCS.</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 the latest studies, policies and State-led precinct plans prepared since the publication and release of the LHS.</p>



Matter	Consideration for future LHS updates and preparation and assessment of planning proposals
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.