

4 March 2024

At the conclusion of the Environment Committee

## **Housing For All Committee**

**Agenda**

- 1. Confirmation of Minutes**
- 2. Statement of Ethical Obligations and Disclosures of Interest**
- 3. Grants and Sponsorship - Affordable and Diverse Housing Fund - William Booth House Redevelopment, Surry Hills**
- 4. City of Sydney Affordable Housing Contributions Distribution Plan**

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As part of our democratic process, the City invites members of the community to speak directly to Councillors during Committee meetings about items on the agenda.

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1. Register to speak by calling Secretariat on 9265 9702 or emailing [secretariat@cityofsydney.nsw.gov.au](mailto:secretariat@cityofsydney.nsw.gov.au) before 10.00am on the day of the meeting.
2. Check the recommendation in the Committee report before speaking, as it may address your concerns so that you just need to indicate your support for the recommendation.
3. Note that there is a three minute time limit for each speaker (with a warning bell at two minutes) and prepare your presentation to cover your major points within that time.
4. Avoid repeating what previous speakers have said and focus on issues and information that the Committee may not already know.
5. If there is a large number of people interested in the same item as you, try to nominate three representatives to speak on your behalf and to indicate how many people they are representing.

Committee meetings can continue until very late, particularly when there is a long agenda and a large number of speakers. This impacts on speakers who have to wait until very late, as well as City staff and Councillors who are required to remain focused and alert until very late. At the start of each Committee meeting, the Committee Chair may reorder agenda items so that those items with speakers can be dealt with first.

Committee reports are available at [www.cityofsydney.nsw.gov.au](http://www.cityofsydney.nsw.gov.au)

**Item 1.**  
**Confirmation of Minutes**

Minutes of the following meetings of the Housing For All Committee are submitted for confirmation:

Meeting of 6 November 2023

**Item 2.****Statement of Ethical Obligations**

In accordance with section 233A of the Local Government Act 1993, the Lord Mayor and Councillors are bound by the Oath or Affirmation of Office made at the start of the Council term to undertake their civic duties in the best interests of the people of the City of Sydney and the City of Sydney Council and to faithfully and impartially carry out the functions, powers, authorities and discretions vested in them under the Local Government Act 1993 or any other Act, to the best of their ability and judgement.

**Disclosures of Interest**

Pursuant to the provisions of the Local Government Act 1993, the City of Sydney Code of Meeting Practice and the City of Sydney Code of Conduct, Councillors are required to disclose and manage both pecuniary and non-pecuniary interests in any matter on the agenda for this meeting.

In both cases, the nature of the interest must be disclosed.

This includes receipt of reportable political donations over the previous four years.

### Item 3.

#### **Grants and Sponsorship - Affordable and Diverse Housing Fund - William Booth House Redevelopment, Surry Hills**

**File No: S117676**

#### **Summary**

The Affordable and Diverse Housing Fund ('Fund') was established with \$10.3 million from the sale of land at Harold Park in 2015. Since its inception, the Fund has been publicly advertised and consultation undertaken with various community housing providers to promote the opportunities the Fund provides. An additional \$10 million for Affordable and Diverse Housing has been provided for in the City's Long Term Financial Plan.

The City has received a grant application from The Salvation Army, a Tier 2 Community Housing provider, to support the redevelopment of William Booth House, 56-60 Albion Street, Surry Hills. William Booth House currently provides accommodation for people suffering from problems associated with alcohol and drug use. The building is in need of redevelopment to make it fit for purpose and to better support a model of individual treatment.

On 27 June 2023, the Salvation Army received development consent to refurbish William Booth House, including internal reconfiguration to provide 51 single bedrooms, communal facilities and refurbishment of signage.

The project aligns with the grant guidelines for the [Affordable and Diverse Housing Fund](#) and it is recommended that Council approve a \$3 million cash grant through the Fund to the Salvation Army for this project.

## Recommendation

It is resolved that:

- (A) Council approve a \$3,000,000 (excluding GST) cash grant to The Trustee for the Salvation Army (NSW) Social Work to support the redevelopment of William Booth House located at 56-60 Albion Street, Surry Hills for the purposes of residential rehabilitation services as outlined in Attachment A to the subject report, and subject to the following conditions:
- (i) Council reserves the right to withdraw the grant offer:
    - (a) if the project changes from the current proposal for residential rehabilitation services so that, in the City's view, it is no longer consistent with the project outlined in Attachment A or otherwise no longer complies with the City's Grants and Sponsorship Guidelines; or
    - (b) if The Trustee for the Salvation Army (NSW) Social Work is not able to demonstrate that funding is available to the agreed value of the project within 18 months of Council approval of this grant;
  - (ii) the grant funds are only to be paid when all of the following are satisfied:
    - (a) no sooner than 1 July 2024; and
    - (b) when a Construction Certificate for the project has been issued;
  - (iii) the City reserves the right to require the grant to be repaid in full indexed annually by CPI if:
    - (a) The Trustee for the Salvation Army (NSW) Social Work does not achieve practical completion of the development by 27 June 2028; or
    - (b) the project changes from the current proposal for residential rehabilitation services so that, in the City's view, it is no longer consistent with the project as outlined in Attachment A or otherwise no longer complies with the City's Grants and Sponsorship Guidelines;
  - (iv) the property supported though this grant will remain as residential rehabilitation services as outlined in Attachment A to the subject report into the future to fulfil the aims of the Affordable and Diverse Housing Fund, unless Council exercises a right under paragraph (i) or (iii) above; and
  - (v) the City will require a covenant to be registered on the land title to protect the land use referred to in paragraph (iv) unless the grant funds are repaid in accordance with paragraph (iii); and
- (B) authority be delegated to the Chief Executive Officer to finalise negotiations, execute and administer a grant agreement with The Trustee for the Salvation Army (NSW) Social Work relating to the project described and on the terms described in A).

**Attachments**

**Attachment A.**      Salvation Army William Booth House Redevelopment



## Background

1. William Booth House, located at 56-60 Albion Street Surry Hills, is an existing residential rehabilitation service with mostly shared facilities, such as dormitories, bathrooms, living and dining areas. The current configuration is not fit for purpose for delivering a model of care focused on providing individual treatment.
2. The City has received a grant application from the Salvation Army, a Tier 2 Community Housing provider, to support the redevelopment of William Booth House.
3. The application meets the grant guidelines for the Affordable and Diverse Housing Fund.
4. The development application for the project was approved on 27 June 2023. In accordance with its development consent, the Salvation Army will increase accommodation from 45 beds with shared bathrooms and dormitories to 51 single bedrooms each with an ensuite, communal facilities, and refurbishment of signage.
5. The redevelopment will refocus shared spaces into independent living spaces to better support this new model of care for people experiencing alcohol and drug addiction and homelessness.
6. The key features of the Salvation Army's proposal include:
  - (a) 51 modern single bedrooms each with an ensuite;
  - (b) expand non-residential rehabilitation programs enabling increased community treatment;
  - (c) provide new health and wellbeing spaces to support the residential program, including a new roof top outdoor and exercise space;
  - (d) establish a new purpose-built withdrawal management (detox) space, including specialist treatment areas;
  - (e) ensure a safe staff space and provide crisis clients single room ensuite accommodation;
  - (f) dedicated new floor by floor residential kitchen, dining and lounge areas to promote self-catering and life skills;
  - (g) new ground floor welcoming entry, group meeting rooms, counselling spaces, administration and toilet; and
  - (h) ensure spaces are flexible and can be adjusted to suit changing demands in counselling, withdrawal management, non-residential rehabilitation services, and harm reduction interventions.
7. The redevelopment will include a floor for the delivery of programs offering additional community support, and is expected to support an additional 500 people every year seeking alcohol and drug treatment. This includes:
  - (a) four new multipurpose clinical rooms for improved face-to-face individual interventions;

- (b) two new large rooms with capacity for up to 15 people in group work supported by facilitators;
  - (c) services being extended beyond usual office hours;
  - (d) 24-hour secondary needle and syringe program; and
  - (e) up to seven new alcohol and drug specialists employed at the new facility enabling hundreds of additional clients to be supported every year.
8. During construction the existing William Booth House service will be relocated to other Salvation Army rehabilitation locations such as Stanmore House and Dooralong AOD service.
9. The Salvation Army estimate the project will cost \$28.6 million, with \$8.6 million covered by their own funds. The request for funding from the City of Sydney is \$3 million and \$6 million is already secured from the NSW Government. The remaining \$11 million required will be achieved through a capital fundraising campaign.

## Key Implications

### Strategic Alignment - Sustainable Sydney 2030-2050 Continuing the Vision

10. Sustainable Sydney 2030-2050 Continuing the Vision renews the communities' vision for the sustainable development of the city to 2050. It includes 10 strategic directions to guide the future of the city, as well as 10 targets against which to measure progress. This grant is aligned with the following strategic directions and objectives:
- (a) Direction 7 - Resilient and diverse communities - the recommended grant in this report contributes to improved wellbeing, well located, inclusive and affordable services that improve social connections and embrace a safe city.
  - (b) Direction 10 - Housing for all - the recommended grant aligns with the City's position on affordable housing, homelessness and social sustainability, as set out in A City For All, the social sustainability strategy, as well as Housing for All, the City's housing strategy.

## Risks

11. Risks for the City in association with this investment have been addressed by setting the proposed conditions in the recommendations. If this grant is awarded, the applicant will be required to enter into an agreement governing the grant on terms satisfactory to the City. This includes requiring a covenant to be registered on the land title to ensure that the land continues to be used for Affordable Housing.

## Social / Cultural / Community

12. A City For All is the social sustainability vision for a socially just and resilient Sydney. These grant recommendations are aligned with the following strategic directions and objectives:
- (a) Inclusive growth and opportunities:
    - (i) Prevent homelessness and reduce rough sleeping through leading and participating in innovative approaches to addressing homelessness;

- (ii) Increase supply of housing that is universally designed for people of all ages and abilities;
  - (iii) Provide improved access to facilities, programs and services for people on; and
  - (iv) Enable community led solutions to local social issues.
- (b) Connect City - diverse, cohesive communities
- (i) Improve community safety through collaboration with government and nongovernment organisations to deliver improved services, programs and initiatives.

### **Financial Implications**

13. Approval of the grant will reduce the affordable and diverse housing fund internal cash restriction by \$3 million.
14. The funds for the recommendation set out in this report will be included in relevant financial year's budget.

### **Relevant Legislation**

15. Section 356(1) of the Local Government Act states that a council may, in accordance with a resolution of the council, contribute money or otherwise grant financial assistance to persons for the purpose of exercising its functions.

### **Critical Dates / Time Frames**

16. As per the Grants and Sponsorship guidelines the grant funds for this project will not be released until a construction certificate is issued for the development.
17. Should the development not reach practical completion by 27 June 2028 the City reserves the right to reconsider its options and will report back to Council accordingly.

### **KIM WOODBURY**

Chief Operating Office

Sam Wild, Manager Grants

# **Attachment A**

**Salvation Army William Booth House  
Redevelopment**



# William Booth House

# Redevelopment

Information for the City of Sydney



**“THERE IS NO  
REWARD EQUAL  
TO THAT OF  
DOING THE  
MOST GOOD  
TO THE MOST  
PEOPLE IN THE  
MOST NEED”**

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EVANGELINE BOOTH,  
DAUGHTER OF FOUNDATIONS  
AND FIRST FEMALE GENERAL OF  
THE SALVATION ARMY (1943–1939)

**Dear Lord Mayor,**

There is an urgent need to invest in the redevelopment of William Booth House to ensure The Salvation Army can continue to provide high quality care to the city’s most vulnerable people living with addiction. A renewed William Booth House, in Surry Hills, will support the implementation of a new and innovative model of care, reaching deep into the local community, while ensuring the long-term sustainability of this critical service.

Much has changed since William Booth House was first established, and we see so much potential in this centre being able to do even more for the community. With investment, there would be the capacity to help hundreds more people living with addiction in the city of Sydney and surrounding communities.

Enabled through support from the City of Sydney, combined with DA approval and already secured funding of \$6 million from the NSW Government, this centre could do so much more for the people of Sydney. Please find following a summary of the project articulating the urgent need for redeveloping this facility along with detailed documentation as to how this change will deliver an enhanced and innovative service model.

The total redevelopment of William Booth House will cost \$28.6m. The Salvation Army is seeking cornerstone investment of \$3 million from the City of Sydney, received in the 2024 Financial Year, that will be underpinned by an \$8.6m co-contribution from The Salvation Army. The remaining investment required will be achieved through a capital fundraising campaign currently being planned. This catalytic grant will fundamentally transform lives while bringing hope where it is needed most. Thank you for considering this transformational investment.

Yours Sincerely,



**Rodney Walters (Colonel)**  
Secretary for Communications  
The Salvation Army Australia

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**“I DESERVE TO BE ALIVE. I DESERVE HAPPINESS AND LOVE. I’M NOT WORTHLESS!”**

**– JODY**

# 1. Executive Summary

## The Salvation Army in Sydney

Playing an important part in the area since 1882, The Salvation Army has been out on Sydney’s streets offering shelter to someone experiencing homelessness, helping an at-risk young person, supporting those seeking to escape addiction, or providing a safe place for a mother and her child to sleep for the night. This history has enabled The Salvation Army to establish a significant footprint within Sydney, as demonstrated by the following:



Providing **270,000+**

sessions of care to people at risk of experiencing homelessness



Reaching **2,626**

young people experiencing or at risk of homelessness



Delivering over **29,000**

instances of support for people experiencing addiction to gambling, alcohol or other drugs



Respond to those at risk of or experiencing family and domestic violence by providing over

**71,000 sessions of care**

### Meet an increasing need

As reported in the Australian Government’s *phn Central and Eastern Sydney* initiative, the prevalence and harm of drug usage is increasing and requires immediate investment in response. For example, surveys have found that the prevalence of methamphetamine use, including crystal methamphetamine use, has remained the same but the harm has increased significantly and weekly or more frequent use of ecstasy increased from 12% to 21% in 2020, despite year-on-year decreases in the year prior<sup>1</sup>. As such, a rise in demand for our services comes as no surprise, and it’s becoming increasingly difficult to provide the care people need. This is our plan to improve care with the purpose of helping more vulnerable people in Sydney’s inner city than ever before.

### Scaling an innovative Model of Care

The Salvation Army have been piloting a new Model of Care (for Alcohol and other Drugs) in Tasmania, with the intent on i) reducing waiting times and per-client cost, ii) increase access to treatment through removing barrier to entry. This integrated model, whereby the program ran a combined residential and in-community program was highly successful with improvements in psychological wellbeing reported by 64% of community-based clients as opposed to 40% of residential. Residential care is critical but this pilot has proven that an integrated approach is best. For this to be introduced and scaled within inner-Sydney we must first upgrade the existing facility, William Booth House, in order to make it purpose designed (refer to [Appendix 3](#)).

<sup>1</sup> Alcohol and Other Drugs 2022 – 2024 Needs Assment. *phn Central and Eastern Sydney*





## 2. About The Salvation Army

### Mission

The Salvation Army Australia is a Christian movement dedicated to sharing the love of Jesus.

We share the love of Jesus by:

- **Caring for people:** Being there when people need us most. We offer care and compassion as a sacred encounter with transformative potential
- **Creating faith pathways:** Taking a holistic approach to the human condition that values spirituality. We graciously share the Good News of Jesus and grow in faith together
- **Building healthy communities:** Investing ourselves in relationships that promote mutual flourishing. We find the wholeness God intends for us in community
- **Working for justice:** Tackling the social systems that harm creation and strip away human dignity. We join God's work to build a fairer world where all can thrive.

### Vision

Wherever there is hardship or injustice, Salvos will live, love and fight, alongside others, to transform Australia one life at a time with the love of Jesus.

### Values

- **Integrity:** Being honest and accountable in all we do
- **Compassion:** Hearing and responding to pain with love
- **Respect:** Affirming the worth and capacity of all people
- **Diversity:** Embracing difference as a gift
- **Collaboration:** Creating partnership in Mission

### Our Commitment to Inclusion

**In 2021, The Salvation Army Australia issued its first national commitment to inclusion by releasing an official statement.**

The Inclusion Statement reinforces The Salvation Army's values and international mission statement: To preach the gospel of Jesus Christ and to meet human needs in his name without discrimination.

"This inclusion statement stands alongside and in alignment with our existing mission, vision, and values\* and publicly declares that we welcome all people in every engagement they have with The Salvation Army, and we are committed to each of them feeling respected and safe," said Colonel Winsome Merrett, Chief Secretary, The Salvation Army Australia. The statement reads:

*The Salvation Army Australia acknowledges the Traditional Owners of the land on which we meet and work and pay our respect to Elders past, present, and future. We value and include people of all cultures, languages, abilities, sexual orientations, gender identities, gender expressions, and intersex status. We are committed to providing programs that are fully inclusive. We are committed to the safety and well-being of people of all ages, particularly children.*

### Leading the Way

The Salvation Army is one of Australia's largest providers of Alcohol and other Drug (AoD) treatment services. We are committed to bring hope, freedom and wholeness to all people adversely affected by i) alcohol, ii) other drugs, and iii) gambling. As a national entity, the Salvos have been able to significantly innovate our model of care, yet our facilities must be redeveloped in order to enable a truly best practice and nationally standardised approach.

### Redevelopment of William Booth House

William Booth House is an addiction recovery service, located in Surry Hills. Offering crisis (detox) and residential (recovery) services for alcohol and other addictions, it centres on creating pathways for people to rebuild their lives in ways that are meaningful and purposeful. The Heritage listed facility, located at 55 – 60 Albion Street, Surry Hills, is The Salvation Army's response to Sydney's most vulnerable suffering from drug and alcohol addiction. However, we must urgently upgrade the facilities so we can deliver a modern Model of Care in a purpose built and modernised facility.

This is why, at the cost of \$28.6m, The Salvation Army is seeking to redevelop the existing site such as refocusing shared and communal areas into i) independent living spaces, and ii) spaces to deliver the non-residential rehabilitation within William Booth House.

### Investing in AoD services within inner-city Sydney

In summary, by adjusting the layout of the current building we can better implement the new Model of Care. The Salvation Army is requesting a cornerstone investment that will be underpinned by a co-contribution from The Salvation Army. The remaining investment required will be achieved by the launch of a capital fundraising campaign currently being planned. This catalytic grant will fundamentally transform lives while bringing hope where it is needed most.



# 3. The urgent need for AoD Investment

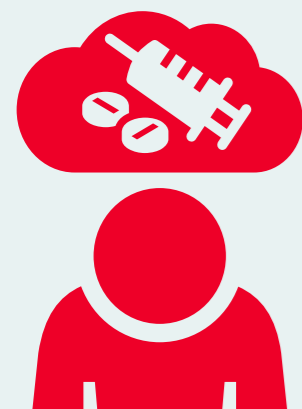
## The issue of Alcohol and other Drug Addiction

Addiction is a physical and / or psychological need to do, take or use something to the point that it becomes harmful. Sadly, addiction affects thousands of Australians and their families. Those experiencing alcohol and other drug addictions often face stigma and shame, therefore suffering higher rates of mental illness. While there is a high demand for treatment, less than half of those seeking helping are able to access any services. This is why we must invest in scaling our reach.

Our own experience, combined with external research, informs us that both the need and demand The Salvation Army's AoD services is growing. There is no doubt that the pandemic played a significant role in driving up this demand, through the toll it had on mental health, but there is little evidence to suggest that this surge demand is over or even temporary. Instead, we expect the need to increase over time. This is why we must act now.

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Below is information taken from the *Alcohol and Other Drugs 2022 – 2024 Needs Assessment* report, released in November 2021 by the 'PHN Central and Eastern Sydney' which is an Australian Government initiative<sup>2</sup>. In summary, these statistics are alarming and demonstrate the clear need for The Salvation Army to fulfil its plan of refurbishing a key inner-city Sydney asset with the purpose of enabling us to scale the innovative and proven Model of Care.



## Drug and alcohol services planning model

The national Drug and Alcohol Services Planning (DASP) model predicts that for every 100,000 people in a broadly representative population:

- 8,838 will have an alcohol use disorder
- 646 will have a methamphetamine disorder
- 465 will have a benzodiazepine misuse disorder
- 2,300 will have a cannabis misuse disorder
- 793 will have a non-medical opiate (including heroin) misuse disorder.

## Hospitalisations

In 2018-19, there were 11,086 alcohol-related hospital admissions (including rehabilitation admissions) in the Central and Eastern Sydney Primary Health Network (CESPHN) region.

Almost two-thirds (60.7%) of hospital admissions were males. CESPHN has a higher rate of hospitalisations (648.1 per 100,000 population) than the NSW rate (554.1 per 100,000 population).

Hospitalisation rates for opioids continue to be higher (173.9 per 100,000 population) than hospitalisation rates for methamphetamine (140.0 per 100,000 population) in the CESPHN region. However, the rates of methamphetamine hospitalisations increased significantly between 2013-14 and 2016-17 whereas opioid hospitalisations remained relatively stable over this period. The same trends are seen for NSW.

# 4. Serving the community and supporting the City of Sydney

William Booth House will serve those in the local community who are 18 yrs or older. The majority of clients are likely to be aged between 30 and 50 years old. At any given time, approximately 1/3 of those in the community who access William Booth House are female with 2/3 male. The City of Sydney has a strong indigenous presence and this is reflected in our client community with up to 15% of clients identifying as Aboriginal.

The provision of the community based element of the service will afford WBH the ability to offer a stepped care approach to the delivery of treatment in central Sydney. This is an evidence-based approach to keeping people in contact with treatment services effectively no matter what their circumstances. It enables us to drop barriers to access to treatment and work with people no matter what stage of their treatment journey they are at.

We have structured services to support a stepped approach to treatment. This approach ensures flexibility in the way in which services are provided enabling The Salvation Army to meet a wide variety of client needs at the point of access. It will produce better and more sustainable outcomes for those within the community. William Booth House will also be an environment where greater access to treatment is enabled, supporting the City of Sydney in achieving an overall increase in public health and positive criminal justice outcomes.

Most significantly, the approach offers rapid and sustained access to treatment services. This improved efficiency to accessing treatment will result in more people being supported by William Booth House.

## Model of care

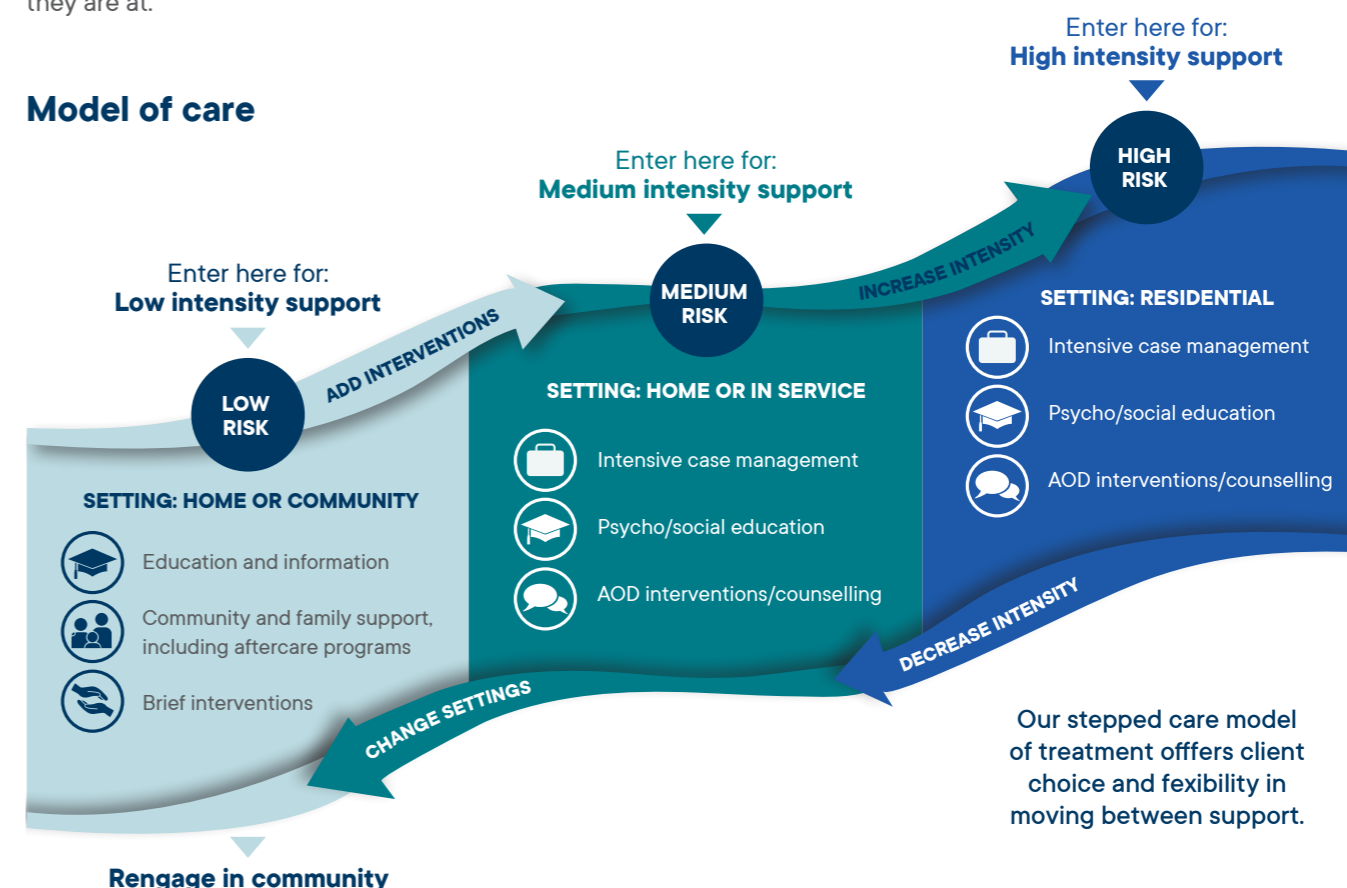


Figure 1: The Salvation Army's Model of Care for Alcohol and other Drugs Services

<sup>2</sup> Alcohol and Other Drugs 2022 – 2024 Needs Assment. *phn Central and Eastern Sydney*

# “WE WANT THE CITY TO BE ONE WHERE EVERYONE HAS AN EQUAL CHANCE IN LIFE AND THE OPPORTUNITY TO REALISE THEIR POTENTIAL. CITIES THAT ARE MORE EQUAL ARE CITIES THAT THRIVE.”

COMMUNITY STRATEGIC PLAN CITY OF SYDNEY SUSTAINABLE SYDNEY 2030-2050

Those seeking help from William Booth House will be better able to select the content of their treatment from a suite of programs and services which leverages a strengths-based approach to holistic treatment. Participants will build their own treatment packages to suit their specific needs. This affords a different sort of relationship between William Booth House, the service client and the community. Emphasis is placed on supporting the individual to achieve recovery, whatever that means to them.

A redeveloped William Booth House will no longer assess for access, rather the team will assess for presenting need and collaboratively develop treatment packages in concert with the participant to facilitate appropriate access to the treatment system.

This approach allows services to work with people in the city of Sydney regardless of their presenting needs, allowing locals to receive the services they need, want and deserve regardless of they are in active use of not. The Salvation Army anticipates that a redeveloped William Booth House will have a broad community reach due to proximity to Central Station.

Like the City of Sydney, The Salvation Army is committed to work with people and communities to eliminate discrimination and mitigate disadvantage, to actively remove barriers to inclusive participation and to promote relationships that are based on understanding and respect.

A redeveloped William Booth House is a tangible project which will deliver on the aspirations the City of Sydney has to ensure every member of our community, including those living with addiction, has access to the services, facilities and community support.

Item	Current William Booth House	Future William Booth House
Beds	45	50
1:1 Session Support	N/A	48 clients per day
Group Session Support	N/A	360 clients per day
Online Group Support	45	135 clients per day
Community Outreach Work	0	25 clients per day*

\*The Salvation Army plans to expand the number of front line support workers

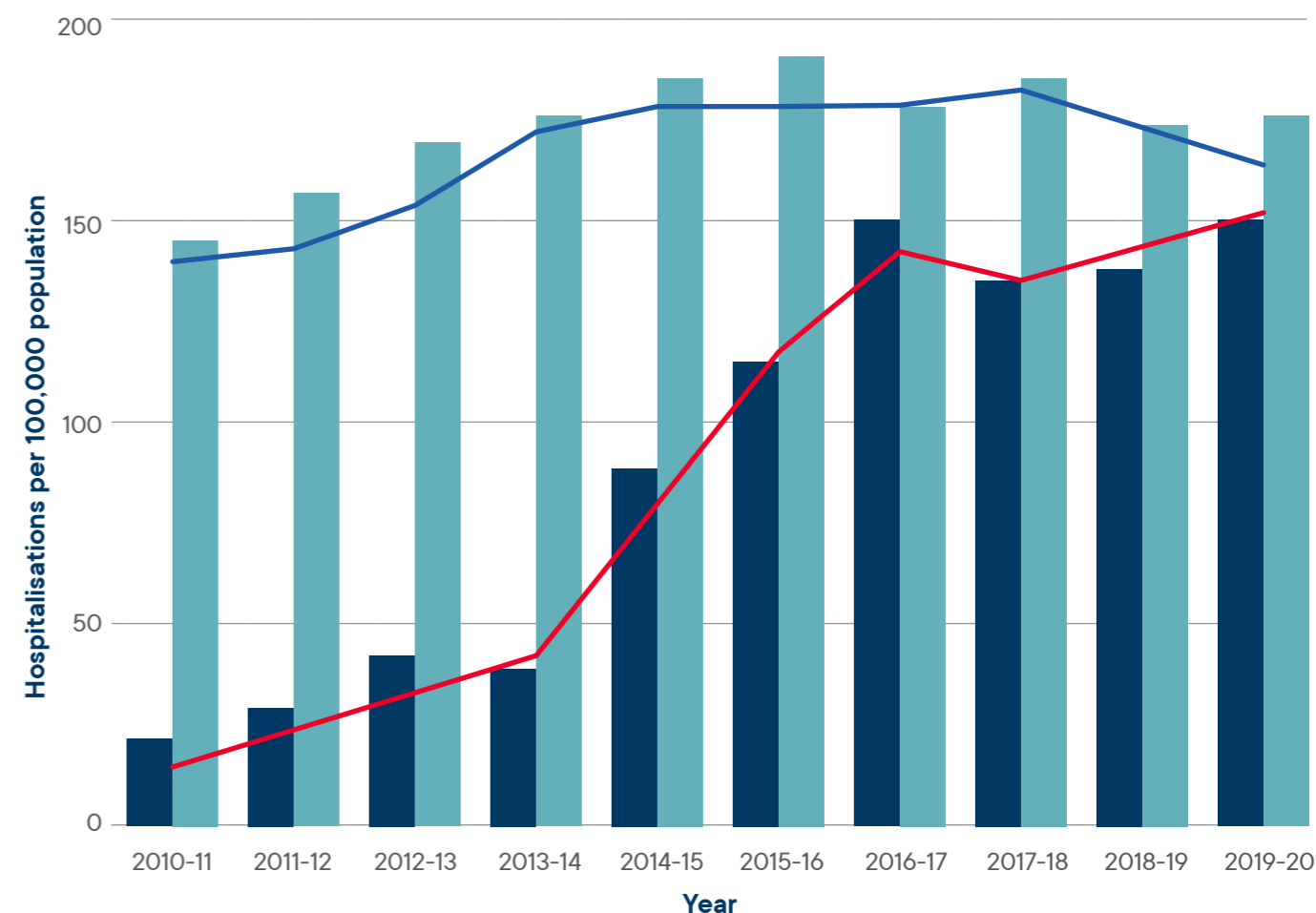
## General cost of drug use to Sydney Local Health District and NSW

Alcohol and drug use and related harms, Sydney Local Health District and NSW

Indicator	Sydney Local Health District		NSW	
	Indicator	Trend	Indicator	Trend
Methamphetamine related hospitalisations 2018-19	144.1 per 100,000	8.8 x increase since 2011	142.7 per 100,000	10 x increase since 2011
Opioid related hospitalisations 2018-19	344.4 per 1000,000	14% decrease since 2011	343.2 per 100,000	15.6% increase since 2011
Alcohol consumption at levels posing long-term risk to health by Local Health District, persons aged 16 years and over, NSW 2019	36.2%	7% increase since 2022	32.8%	1% increase since 2022
Current smoking, persons aged 16 years and over, 2019	9.1%	48% decrease since 2022	11.2%	31% decrease since 2022
Use of cannabis	N/A	N/A	11.0%	21% increase since 2016

Source: 90522\_DHS\_StrategicPlan\_2023-26.pdf (nsw.gov.au)

## Hospitalisation rates for methamphetamines and opioids, CESPHN region, 2010-11 to 2019-20



Source: Alcohol\_and\_other\_drugs.pdf (cesphn.org.au)

● Methamphetamine ● Opioids ● Methamphetamine NSW ● Opioid NSW

# 5. Expanding the network of Community Support

For over a century, The Salvation Army in Sydney has been at the heart of helping those in need. During this time, we've not just built facilities but a network of support from likeminded individuals, community groups and of course non for profit providers. The redevelopment of William Booth House will strengthen this network enabling stronger connections with providers which lead to better outcomes for those in the local community living with addiction.

William Booth House often provides referrals to other services of The Salvation Army also present in the city of Sydney. We will literally walk beside those seeking help to ensure they enter a service which is right for them. While our healthcare professionals often collaborate on cases, sharing relevant insights and information so those in our care do not have to revisit their history when seeking help.

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More broadly, AOD services such as William Booth House work most closely with local homelessness services and Family and Domestic Violence partners – a redeveloped facility, with have space for multiple partners on site and will strengthen this network of support.



## Partners in delivering best practice and better outcomes



**These relationships enable The Salvation Army to offer easy access to local community based support services:**



### Family and Domestic Violence services (TSA)

To identify clients who may require our service  
To provide a support person for domestic violence survivors without a support system



### CBD Medical, Aboriginal Medical Services Redfern

To identify clients who may require our service  
To provide long-term primary care (including prescribing) for individuals who use our service who don't have a regular GP  
To instigate GP Management Plans and Mental Health care plans for appropriate clients



### SESLHD D&A

To identify clients who may require our service  
To enter into shared care for individuals who require inpatient withdrawal (where inpatient withdrawal beds are available)



### Inpatient Rehabilitation Providers (Odyssey House, WHOs, Jarrah House, Glebe House, TSA)

To enter into shared care for individuals who require inpatient rehabilitation post withdrawal



### Family & Community Services (Jarrah House, Family Drug Support)

To identify clients who may require our service  
To enter into shared care for individuals where child protection issues are identified



### Housing and Homelessness services – Link 2 Home, TSA Homelessness Services, Wesley Mission, Salvos Housing

To identify clients who may require our service  
Pathways into housing



## 6. Our Model of Care

### Our alcohol and other drug services

Our alcohol and other drug services are dedicated to creating a platform and pathways for people to build their lives in ways that are meaningful and purposeful. Harm reduction is the overarching framework of our alcohol and other drug services. Our primary purpose is to prevent and reduce harm for both individuals and the wider community and to support the reduction and cessation of use.

While addressing problematic substance use is key, we want people to have a sense of belonging to their families, friends and communities. Our core belief is that all people are worthy and deserving of love, respect and dignity.

At William Booth House we offer a range of programs including withdrawal management, residential rehabilitation, non-residential rehabilitation, community programs and harm reduction interventions.

We welcome all people without prejudice and seek to support them to access the treatment they need. Our services encourage choice. We believe in the capacity of people to identify their needs and guide their own treatment pathways. We work to develop and maintain strong partnerships between services and other health and community agencies to enhance access for people.

### Who our services are for?

Our alcohol and other drug (AoD) services target people experiencing problematic alcohol and other drug use and their caring significant others. There are several programs that also address problems with gambling. Using a stepped care approach, we aim to match people with a treatment that is right for them. There are a number of programs designed for specific populations, including young people, indigenous people, women including those with children and culturally and linguistically diverse groups.

This model is localised to fit with what is happening in individual communities so as to play to their strengths and ensure that needs are met flexibly and effectively. We are currently in the process of rolling this model out nationally, however it has been effectively used over the last few years across our services in Tasmania, where by the new model was validated. As such, the refurbishment of William Booth House will enable us to scale up this model and reach hundreds more people within the inner-city of Sydney. Refer to Appendix 3 for full outcomes of Tasmania trial.

Our services are suitable for people seeking support for problematic alcohol and other drug use, including long-term chronic use, mental health and other complex health and well-being issues. There are also a number of preventative and low-threshold services such as primary prevention and needle and syringe programs.

Aligned with our vision and principles, participants who access our services can expect to receive high quality, evidence-based care. They anticipate a safe, welcoming environment free from discrimination. Clients are well-informed about their treatment and care options and empowered to make decisions based on their needs and life circumstances.

We recognise that people's circumstances and experiences change over time and people may require different supports at different times. Most importantly, participants can expect to be supported to access the services they need, both within and outside of The Salvation Army alcohol and other drug services, at the time that they need them whenever possible.

### Embracing the fullness of life's possibilities

*"I came so that everyone would have life and have it in its fullest."*

– Jesus, John 10:10b CEV

The Salvation Army often uses the phrase 'fullness of life' to describe our intentions for ourselves and those we support. This phrase encompasses the idea that people should be provided with opportunities not just to survive life's circumstances but to participate fully and thrive in life. We believe that connection, relationship and the health, well-being and development of every aspect of people is what makes us humans as we were created to be.

Elements of our approach such as i) holistic care, ii) organisational partnerships, iii) wrap-around service delivery, and iv) are the key mechanisms to creating long lasting change and meaningful outcomes in people's lives. For example, The Salvation Army alcohol and other drug services have a strong focus on community participation and involvement ensuring participants are meaningfully connected with medical, psychological and social.

*"The program has been supporting and assisting me to attend the Mosque every Friday; this has ensured my ongoing spiritual and cultural connection to my community. I have also been supported to return home to assist in the family business. I have also been assisted with legal matters and with transport to attend court. Being Muslim my diet is important, I was able to speak with the chef about this and my meals are now prepared in a manner consistent with my faith".*

– Sam, program participant

We support participants to determine their priorities and provide support to access services. Staff encourage people to become independent and make choices in their own lives. We understand that those who are able to integrate into social and community networks achieve better outcomes which in turn supports their recovery goals.

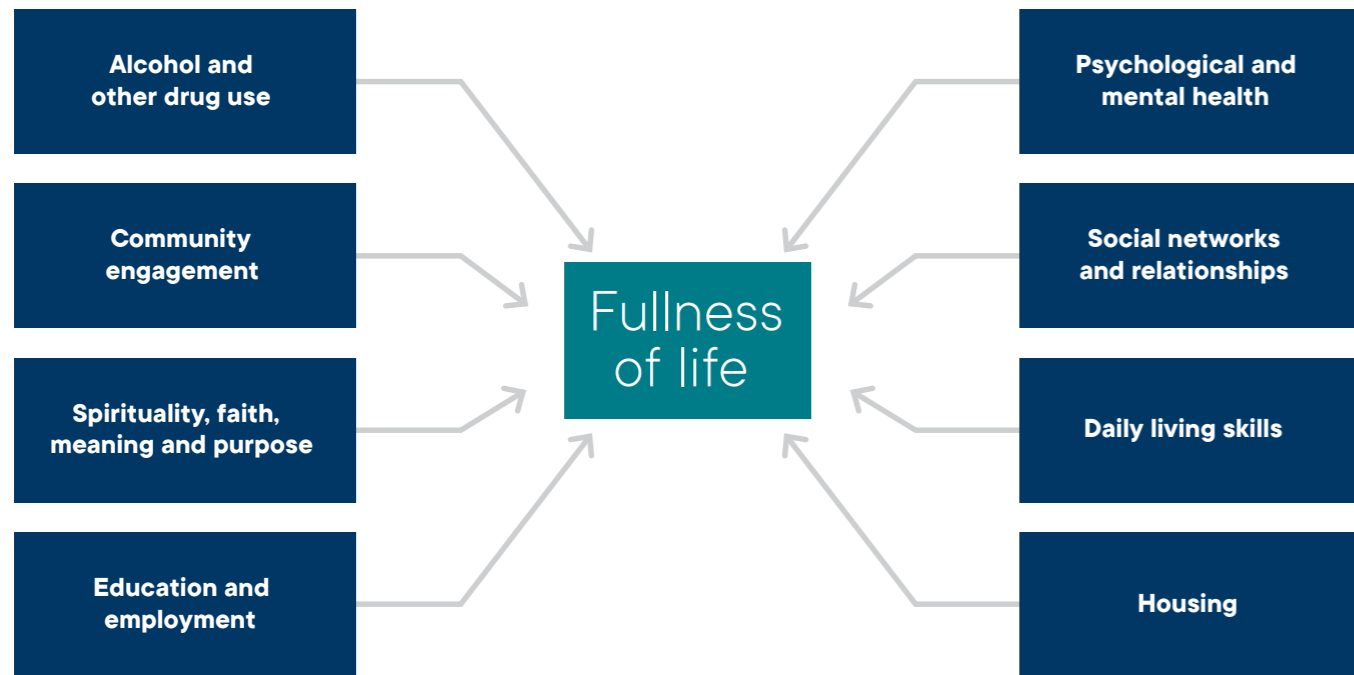


Figure 2: Fullness of life supports and community and peer networks. We invite anyone who wishes to consider personal faith in a supportive, non-judgemental environment.

## Our principles

Our commitment to the principles we employ in service delivery grows out of our organisational values. Each principle helps us to demonstrate at least one of our values.

### Principle 1: Evidence-based and accountable

We provide care that is informed by the best available evidence and practice recommendations. We are accountable through quality assurance measures and feedback from those who use our services.

### Principle 2: Flexible and responsive

We offer services that provide the right care, for the right person at the right time. We strive to create pathways for people to access the services that are right for them. We acknowledge the unique and diverse needs of every person.

### Principle 3: Accessible and inclusive

We endeavour to offer care, respect and support to all people who enter our services. We understand and seek to overcome barriers that prevent people from getting the support they need. We use the best available knowledge to improve our service capacity to provide safe and inclusive care for all people who may benefit from our services.

### Principle 4: Person-centred and holistic

We meet people where they are at. We understand that people have a range of needs and achieving their goals

is limited by only addressing one aspect of a person's care needs. Our fundamental premise is that people are relational and create meaning, security and a sense of belonging through family, friends and social networks.

### Principle 5: Partnership

We work to sustain and develop partnerships to be effective and efficient in meeting the needs of people who use our services or may benefit from access to our services. In particular, we understand the importance of partnerships and engagement with Aboriginal and Torres Strait Islander health and community services. We strive to overcome the limitations of system fragmentation one partnership at a time.

### Principle 6: Leadership

We demonstrate a commitment to sound, effective, evidence-based programs across our services. We work towards a capable, qualified, supported workforce who are provided opportunities to engage with current and new knowledge to support their practice. We respond to new issues as they emerge with enthusiasm and responsible innovation.

### Principle 7: Innovation

We strive to develop new ways of working to meet the needs of our diverse and complex participants and caring significant others. We incorporate the best available evidence and practice knowledge. New ideas and approaches to care are evaluated to ensure they are effective in improving the lives of the participants who engage with our services.

# 7. Supporting local and NSW government policy and priorities Alcohol and Other Drug Policy

Alignment with William Booth House strongly supports alcohol and other drugs priorities of the NSW Government by providing high quality, evidence-based care in a safe, welcoming environment free from discrimination. A refurbished William Booth House will support:

- Improving access to alcohol and other drugs services through investment in and application of a new Model of Care.
- Flexible living arrangements adjusted to suit changing demands in counselling, withdrawal management and non-residential rehabilitation services.
- Reducing stigma and discrimination experienced by consumers in the delivery of treatment and care and as such maintain the dignity for the individual.

## Improving access to alcohol and other drugs services through investment in and application of a new Model of Care

The new William Booth House model aligns with the Stepped Care Framework outlined in the Health NSW Drug and Alcohol Psychosocial Interventions Professional Practice Guidelines<sup>3</sup>, providing structured, evidence-based care for participants. William Booth House will achieve tailored care through the development of programs designed for specific populations, including young people, indigenous people, women (including those with children) and culturally and linguistically diverse groups.

<sup>3</sup> Drug and Alcohol Psychosocial Interventions Professional Practice Guidelines, pg 15 – 17. [www1.health.nsw.gov.au/pds/ActivePDSDocuments/GL2008\\_009.pdf](http://www1.health.nsw.gov.au/pds/ActivePDSDocuments/GL2008_009.pdf)

<sup>4</sup> Drug and Alcohol Psychosocial Interventions Professional Practice Guidelines, pg 58 – 63. [www1.health.nsw.gov.au/pds/ActivePDSDocuments/GL2008\\_009.pdf](http://www1.health.nsw.gov.au/pds/ActivePDSDocuments/GL2008_009.pdf)

William Booth House provide services suitable for people seeking support for problematic alcohol and other drug use, including long-term chronic use, mental health and other complex health and wellbeing issues. William Booth House also provides a number of preventative and low-threshold services such as primary prevention and needle and syringe programs.

## Reduce stigma and discrimination experienced by participants in the delivery of treatment and care

The Salvation Army understands that barriers to treatment tend to be greater for the most marginalised and vulnerable people. Like the NSW Government, The Salvation Army agrees there is a range of additional psychosocial issues associated with high levels of problematic drug and alcohol use amongst marginalised group in our society (Drug and Alcohol Psychosocial Interventions Professional Practice Guidelines)<sup>4</sup>.

The Salvation Army believes that culture plays a crucial role in shaping behaviours and practice, which will consequentially reduce stigma. William Booth House, along with all alcohol and other drug services operated by The Salvation Army, fully subscribe to the value of acceptance: removing discrimination and judgement and recognising uniqueness of all people.





## 8. William Booth House

William Booth House is an addiction recovery service, located in Surry Hills. Offering withdrawal management (detox) and residential (recovery) services for alcohol and other addictions, it centres on creating pathways for people to build their lives in ways that are meaningful and purposeful. These pathways aim to prevent and reduce harm for both individuals and the wider community and to support the reduction and cessation of use.

### The Problem

William Booth House is a 45-bed residential rehabilitation service with mostly shared facilities, such as dormitories, bathrooms, living and dining areas. These shared spaces are an increasing challenge, and do not provide appropriate privacy and dignity, to the implementation of our new model of care focused on providing individual treatment, including independent living spaces, while also expanding our non-residential rehabilitation programs further into the community.

The rooftop does not provide appropriate outdoor group activity, exercise and quiet space to support rehabilitation.

The existing building also has significant deferred maintenance and heritage conservation items requiring rectification. Finally, the heritage listing which, under our new model of care, makes the building's current configuration no longer fit for purpose.



Image 1: The Salvation Army's William Booth House, located at 56 – 60 Albion Street Surry Hills



## 9. The Salvation Army's proposition: Redeveloping William Booth House

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The Salvation Army is seeking to refocus shared spaces into independent living spaces and use the remaining shared spaces to expand our non-residential rehabilitation. By adjusting how the building is currently set out, we can better implement our new model of care for people escaping addiction and homelessness. This plan will enable The Salvation Army to maintain strong partnerships between our other missions in the area, as well as work more closely with local health and community agencies.

Most importantly, the refurbishment will facilitate the innovation of the current service model by introducing a dual i) in-centre rehabilitation, and ii) in community service model. Validated through a similar Salvos program trial in Tasmania, we plan to adopt this model in order to significantly scale our response at a far cheaper per-head cost.

Relocation of the detox program clients is proposed to two other Salvo rehabilitation centres; i) Stanmore, and ii) any residential program residents can relocate to Dooralong.

During construction, we will look to temporarily relocate the William Booth House service to other Salvo

rehabilitation locations, such as Stanmore House and Dooralong AOD service.

### A refurbished William Booth House will:

- Increase accommodation from 45 beds with shared bathrooms and dormitories to 50 single rooms each with an ensuite
- Expand non-residential rehabilitation programs enabling increased community treatment
- Provide new health and wellbeing spaces to support the residential program
- Establish a new purpose-built withdrawal management (detox) space, including specialist treatment areas
- Ensure a safe staff space and provide crisis clients single room ensuite accommodation
- Dedicated new floor by floor residential kitchen, dining and lounge areas to promote self catering and life skills
- Ensure spaces are flexible and can be adjusted to suit changing demands in counselling, withdrawal management, non-residential rehabilitation services, and harm reduction interventions.

### Proposed Refurbishment and Compliance Works

The refurbishment of an existing five level heritage building located at 56 – 60 Albion Street Surry Hills. The building is currently utilised as a drug and alcohol addiction and rehabilitation centre. The current building use and fabric represent a circa 1974 style and material selection. It is assumed the existing building has limited or requires minimal removal of hazardous materials such as asbestos lining. The current building was built by The Salvation Army and opened in 1922. The proposed refurbishment works will retain the existing building fabric including perimeter brick walls, concrete columns and timber framed floors. Remaining hazardous materials such as asbestos lining will be removed.

#### The proposed refurbishment works include:

- Demolition and removal of all internal fit out and services, while maintaining heritage items
- New ground floor welcoming entry, group meeting rooms, counselling spaces, admin and WC
- First floor new withdrawal management (detox) and secure nurse station for 24/7 supervision
- Three floors of residential AOD with self-catering kitchens, lounges and dining on each floor
- New roof top outdoor and exercise space for residential AOD.



Figure 3: Floor layout

The existing building has significant **deferred maintenance and heritage conservation** items requiring rectification, including:

- Addition of fire sprinklers throughout, new fire hydrants, vertical and horizontal fire protection, fire egress, smoke compartmentalisation
- All new trunk services and infrastructure, such as new electrical main switchboard, hot water plant, stormwater, grease trap, etc.
- Reconstruct upper level fire escape stairs
- Roof slab structure support and brick parapet strengthening works
- Heritage restoration works, largely rectification of brickwork throughout the building
- Reconstruction of the lift shaft to allow a larger accessible and stretcher capable lift
- Accessible ramps and access throughout to achieve disability compliance.



Figure 4: Roof concept layout



## Cost Summary

Project Cost	Forecast (\$m)
Demolition	\$1.92
Construction Cost	\$17.10
Design and Consultant Fees incl PM	\$1.92
Furniture, Public Art and Miscellaneous	\$0.79
Statutory Fees	\$0.58
Construction Contingency	\$2.28
Cost Escalation from Nov'22	\$2.27m
Temporary Relocation Cost	\$1.25m
<b>Totals</b>	<b>\$28.63m</b>

This Project Cost forecast is based on Nov'22 cost plan prepared by Altus. This forecast project cost differs from the \$19.8m on City of Sydney's website, as the TSA estimate includes all project costs, including cost escalation.

## 20 10. Program of Works Timeline

Key Activity	Forecast
Development Approval – City of Sydney	Completed (ahead of program)
Detailed Design	October 2023 – June 2024
Appoint Builder	June 2024 – November 2024
Relocate AOD Service, Construction and Fitout	November 2024 – October 2026
Open AOD Service	November 2026

## 11. Local Community Benefits

The William Booth House building redesign incorporates an entire floor designated to providing a broad range of programs which will reach deep into the local community to support a minimum of 500 additional people every year seeking AOD treatment. These benefits will include:

- Easy access to services which are a short walk from Central Station
- 4 new multipurpose clinical rooms for improved face-to-face individual interventions
- 2 new large rooms with capacity for up to 15 people in group work supported by facilitators
- Services being extended beyond usual office hours, removing barriers to access help by those in the community who may be unable to access services during normal business hours
- 24 hour secondary needle and syringe program
- Up to 7 new AOD specialists employed at the new facility enabling hundreds of additional clients to be supported every year

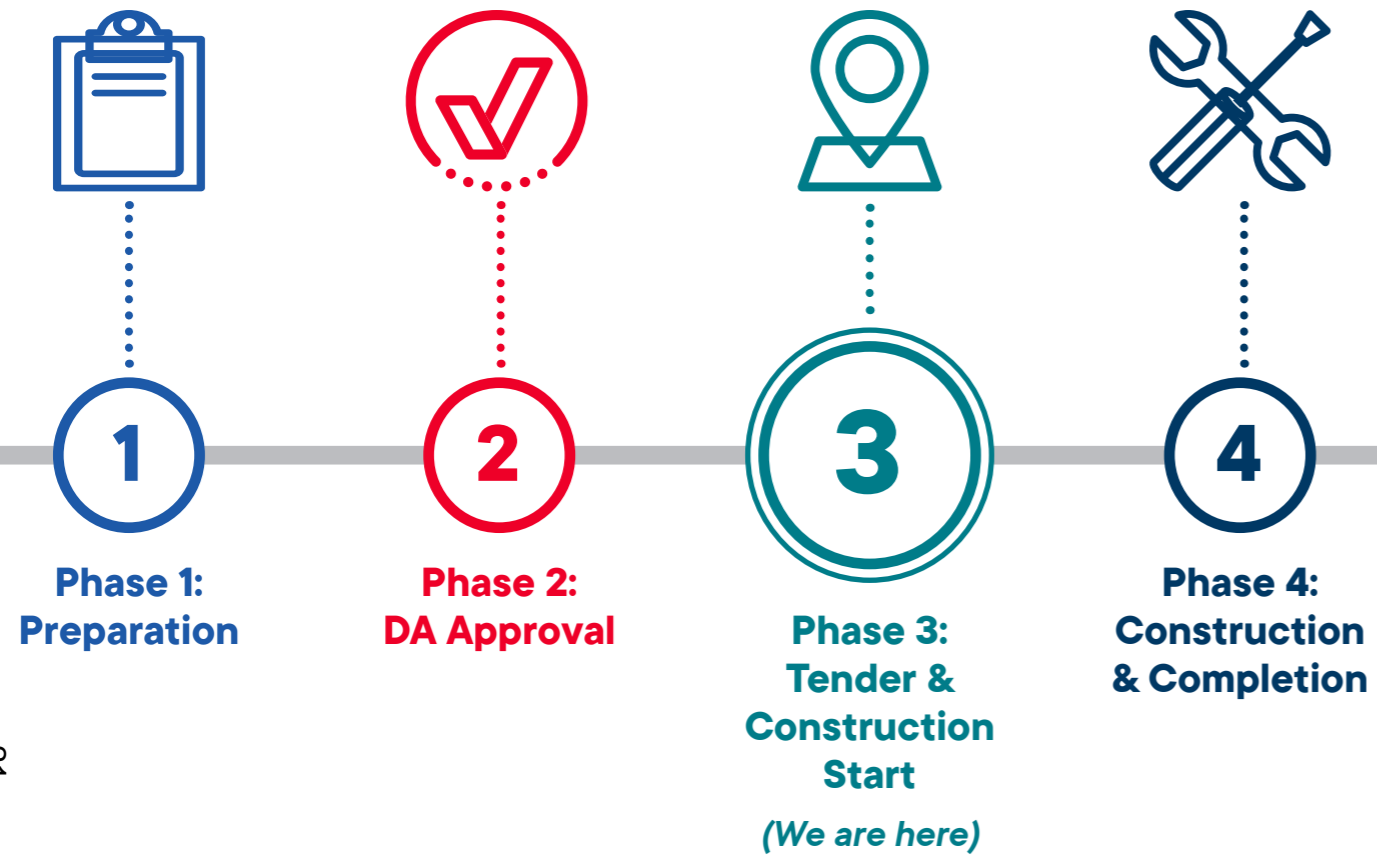
- New workspaces for service delivery partners in health, legal and social services.
- Daily increase in the number of clients provided with an individual face-to-face service
- Ability to utilise clinical rooms to facilitate an online community support group service
- Up to 60 people employed at the height of construction.

### Continued investment in Sydney's most vulnerable

For over 100 years, The Salvation Army has invested in supporting Sydney's most vulnerable people, including those living with addiction. This community investment is set to continue with a redeveloped William Booth House requiring annual funding of approximately \$4.6 million to continue community access to various programs and services.



# 12. Project Progress and Timeline



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## Supporting documentaton

To learn more about plans to redevelop William Booth House please visit:  
<https://eplanning.cityofsydney.nsw.gov.au/Pages/XC.Track/SearchApplication.aspx?id=1832686>



# 13. Appendices

## Appendix 1: Documentation relating to redevelopment

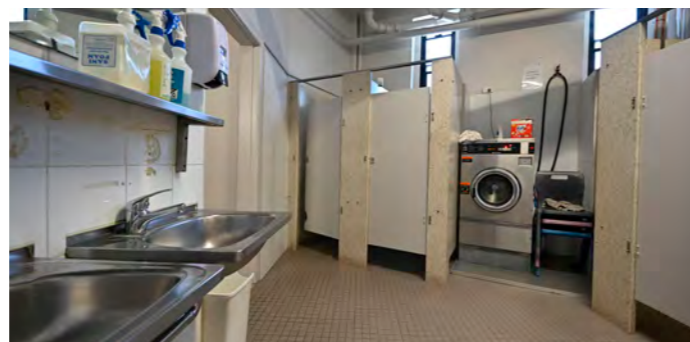
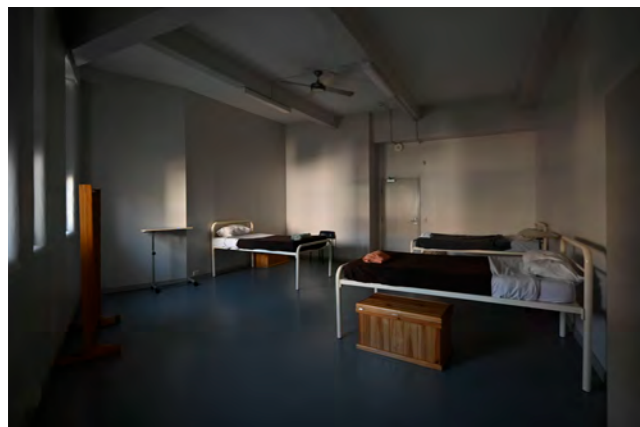
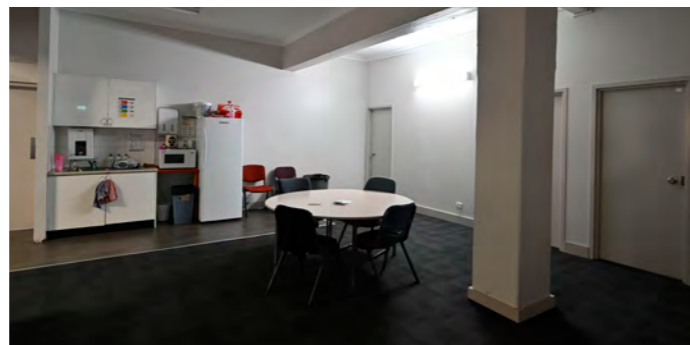
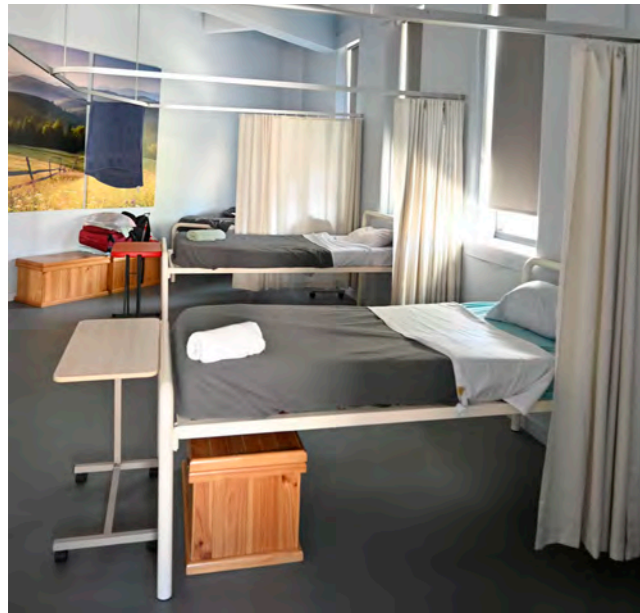
The redevelopment of William Booth House has been meticulously planned since early 2020, with formal approval to proceed with redevelopment, received by TSA Executive Management Council in March 2021.

In late 2022 a Development Application was lodged with the City of Sydney for the proposed works. The application received no public objections resulting in Development Approval being granted on 27 June 2023.

With Development Approval now received, considerable documentation is available, including:

- City of Sydney, Conditions of Consent
- Architectural Drawings (Integrated Design Group);
- Heritage Report (Weir Phillips);
- BCA Report (Group DLA);
- Access Report (Group DLA); and
- Cost Report (Altus)

## Appendix 2: Images of current facilities within William Booth House



## Appendix 3: Case Study – Characteristics of reorienting Salvation Army AOD services in Tasmania

Over the last few years, the Salvation Army has been using its Model of Care as the basis to deliver services in Tasmania. The intention is to reduce waiting times and cost, and to increase access to treatment through dropping barriers. Barriers can be wide-ranging and include travel, the need to care for children, employment, time taken to engage and stigma of attending (amongst others).

There are no waiting lists, clients are engaged at assessment, and through a collaborative triage process placed in appropriate treatment. Treatment is delivered in both a community and residential setting, offering a sliding scale of intensity depending upon need. Residential programs, which are more costly and time consuming are protected. Stays are shortened and community services are used to engage people for the length of time they require to achieve their recovery.

Shorter, more intensive residential stays are provided, along with comprehensive community group-work programs, counselling, recovery planning, outreach, engagement services, care-coordination, risk management and access to education, training and employment and after care services.

Services are embedded in the local community and run from a variety of locations with flexible opening times, taking treatment to the areas and communities in which people live. This works to drop barriers to engagement, increase community stakeholder involvement, consumer participation and decrease dropouts. It enables services to engage people where they live and help them to get well in-situ, which in turn helps to create better outcomes that are maintained and sustainable in terms of cost effectiveness. A wide variety of treatment options helps to prevent discharge from services, which in turn provides better public health and criminal justice outcomes.

### Data indicators

#### – AOD services Salvation Army Tasmania

- 37% of our total income pays for community-based services, with 92% of clients receiving community-based (non-residential) services in 2020/21. This equated to 821 individuals in community-based services and 71 in residential.
- In 2019/20, 87% of clients were engaged in community-based services (totaling 1148 individuals), while we saw 168 in a residential setting.
- Residential beds cost on average \$70k per annum (based on actual cost and number of beds). Community-based clients cost on average \$1310 per annum (based on actual cost and number of clients in 2019/20 (pre-covid)). This cost increased to \$1832 in FY 20/21 due to COVID.
- Improvements in psychological wellbeing were reported by 64% of community-based clients as opposed to 40% in a residential setting. The WHOQAL (a quality of life indicator) was consistent at 60% improvement across both settings. Drop-out rates were slightly higher in community at 34% as opposed to 21% in a residential setting. The treatment goals achieved in both settings were comparable at around the 80% mark.



# The Salvation Army invites the City of Sydney to learn more about the redevelopment of William Booth House

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## Item 4.

### City of Sydney Affordable Housing Contributions Distribution Plan

File No: X100083

#### Summary

Sydney remains Australia's least affordable city. The high cost of housing is an important economic and social risk, particularly within the City of Sydney local government area (LGA) where housing prices are amongst the highest in Australia.

Sustainable Sydney 2030-2050 Continuing the Vision maintains the target in the City's Local Housing Strategy: Housing for All for 7.5 per cent of all private dwellings to be affordable housing. Based on a private dwelling target of about 156,000 to 2036, an estimated 12,000 affordable dwellings are required to achieve the City's target to 2036.

Planning legislation sets out how councils may impose affordable housing contributions and how they can be used. The Environmental Planning and Assessment Act 1979 (Act) enables councils to include affordable housing contribution requirements in local environmental plans (LEPs), where the requirements of the Act, State Environmental Planning Policies (SEPPs) and the regulations are met.

Sydney LEP 2012 and the Green Square Town Centre LEPs require certain development make an affordable housing contribution, in the order of three per cent of residential floor space and one per cent of non-residential floor space.

Affordable housing contributions have to be used for the purpose of providing affordable housing which must be rented to very low, low or moderate income households, as defined in the Act and detailed in the Housing SEPP. The Housing SEPP defines these households with income ranges updated each year in the NSW Affordable Housing Ministerial Guidelines. It cannot be rented to households that do not meet this definition.

Since 1996, the City's affordable housing contribution schemes have resulted in about \$400 million being passed to a not for profit community housing provider (CHP) to deliver affordable housing in the local area. This has directly resulted in over 1,300 affordable dwellings that have been built or are in the planning stages (as at June 2023). A high-level analysis projects the City's affordable housing contribution schemes, which now cover all of the local government area, will deliver about 1,950 additional affordable dwellings.

Delivery of more affordable housing, above the City's projections, will be strongly influenced by market conditions, but also by how successfully CHPs leverage affordable housing contributions.

In June 2022, Council exhibited an interim Distribution Plan (Interim Plan) for the distribution of affordable housing contribution funds to CHPs. The Interim Plan expanded the list of CHPs who may receive contributions from one to three equally sharing funds. At the time, all 24 Tier 1 and Tier 2 CHPs operating in the Sydney metropolitan area and peak housing bodies, including Shelter NSW and the Community Housing Industry Association (CHIA) were notified in writing.

Four submissions were received, including one from each CHP identified in the Interim Plan and one from the then Department of Communities and Justice. No other CHPs made submissions.

In June 2023, Council adopted the Interim Distribution plan as the 'City of Sydney Affordable Housing Contributions Interim Distribution Plan' (Interim Plan) with no substantial changes.

The Interim Plan was adopted as temporary arrangement with a delayed commencement date of 1 July 2024. The delayed commencement enabled Council to consider issues arising from submissions to the Interim Plan including the impact on the existing affordable housing pipeline and whether the plan balanced the expansion of CHPs against having sufficient funds to deliver additional affordable housing.

This report addresses those matters raised in submissions and recommends Council adopt the City of Sydney Affordable Housing Contributions Distribution Plan (Distribution Plan). This will repeal and replace the Interim Plan adopted in June 2023. The Distribution Plan is a five-year plan that will be reviewed in year four to ensure the best approach for distributing contributions.

The delivery of more affordable housing dwellings will be strongly influenced by market conditions and by the delivery capability of the CHPs to obtain approval, develop, construct and project manage affordable housing projects in the City of Sydney LGA.

It is recommended that the Distribution Plan identify City West Housing, Bridge Housing and St George Community Housing as the CHPs who will receive the City's affordable housing contribution funds during the first term. These have the capability, personnel and track record to build in our LGA.

Having regard to committed projects in our LGA, it is recommended that City West Housing is to receive the first \$20 million of funds in any year. The next \$20 million is to be split equally between Bridge Housing and St George Housing. Then any residual funding is split equally between City West Housing, Bridge Housing and St George Housing. This funding stream is independent of any grants made for specific projects such as Common Ground, Youth Foyer or Hammondcare housing for vulnerable women. The contributions Distribution Plan is for the core delivery of affordable housing as defined by the Act and the SEPP.

The recommendation has been informed by consultation with the three CHPs identified in the Interim Plan and who made submissions. A broad range of possibilities were considered for the plan, with five options then assessed against the Distribution Plan Principles that aim to:

- deliver maximum affordable housing dwellings;
- protect the City's investments to date in the affordable housing pipeline;
- ensure consistency with legislative requirements and the City's Affordable Housing Program.
- strengthen CHPs that deliver affordable housing in the local area; and
- ensure good governance arrangements, including periodic review.

The recommended Distribution Plan will best protect the City's significant investment in the existing affordable housing pipeline to date, safeguarding its delivery. It will also facilitate a wider distribution of affordable housing contributions to share opportunities with other CHPs, grow their activity in the council area and capitalise on a broader range of housing opportunities.

## Recommendation

It is resolved that:

- (A) Council approve the City of Sydney Affordable Housing Contributions Distribution Plan, shown at Attachment A to the subject report, noting it will come into effect on 1 July 2024;
- (B) Council repeal the City of Sydney Affordable Housing Contributions Interim Distribution Plan, that was adopted by Council in June 2023, but that has not yet come into effect; and
- (C) authority be delegated to the Chief Executive Officer to make minor variations to the City of Sydney Affordable Housing Contributions Distribution Plan to correct any minor errors prior to finalisation.

## Attachments

- Attachment A.** City of Sydney Affordable Housing Contributions Distribution Plan
- Attachment B.** Options Analysis Matrix
- Attachment C.** Resolution of Council
- Attachment D.** Copy of Summary of Submissions Made Regarding Interim Plan - November 2022 Consultation
- Attachment E.** Summary of Consultation with Community Housing Providers - December 2023



## Background

1. This report recommends Council adopt the City of Sydney Affordable Housing Contributions Distribution Plan and repeal and the Interim Plan adopted by Council in June 2023.
2. In June 2023, Council adopted the City of Sydney Affordable Housing Contributions Interim Distribution Plan (Interim Plan) to guide the distribution of contribution funds collected under the City of Sydney Affordable Housing Contribution Program (Program). The Interim Plan is to come into effect on 1 July 2024. Until that time, the arrangements for the distribution of contributions will remain unchanged from those in place under the City of Sydney Affordable Housing Program as adopted in 2020.
3. The Interim Plan says that contribution funds are to be split equally between three community housing providers (CHPs) in our local area, including:
  - (a) Bridge Housing;
  - (b) City West Housing; and
  - (c) St George Community Housing (St George Housing).
4. The above three Tier 1 CHPs identified in the Interim Plan have the scale and capability to develop ongoing projects in our local area.
5. The commencement of the Interim Plan was deferred to 1 July 2024 to allow for:
  - (a) further consideration of issues raised by CHPs and the Department of Communities and Justice (DCJ) in their submissions to the public exhibition of the Interim Plan, including:
    - (i) concerns that if contributions funds are split between three CHPs that the contribution would not be enough to support the delivery of new supply; and
    - (ii) concerns that the Interim Plan creates serious risks to the delivery of the existing development pipeline of over 500 affordable dwellings in the local area;
  - (b) additional consultation with CHPs identified by the Interim Plan to better understand their capabilities and willingness to manage affordable housing in accordance with the requirements of the Program, and how funds would likely be used;
  - (c) consideration of forthcoming Federal and State Government affordable housing policies, for example, details of the Federal Government's Housing Australia Future Fund (HAFF) which were yet to be announced;
  - (d) administrative arrangements will be required, including the preparation of funding agreements between the City and the receiving CHPs, that will set out the CHPs obligations for using the contribution funds; and
  - (e) where possible, the completion of a (final) distribution plan to minimise the administrative disruptions that are expected when moving from one approach to distribution to another.

6. This report addresses those matters raised in prior submissions and recommends Council adopt the City of Sydney Affordable Housing Contributions Distribution Plan (Distribution Plan), shown at Attachment A, and repeal the Interim Plan adopted by Council in June 2023.

**The City's affordable housing contribution requirements have successfully delivered significant amounts of affordable housing in the local area**

7. The purpose of the LEP requirements and the distribution of contribution funds is to maximise the number of additional affordable housing dwellings in the LGA.
8. The City has 1,464 "built" affordable housing dwellings in the local area and 565 dwellings in the development "pipeline". Over 1,100 further dwellings are "expected" to be built in the future, but are not yet in the development pipeline. Expected dwellings only include those that have funding available.
9. Of the above, over 60 per cent of the City's built and pipeline dwellings have resulted from its LEP affordable housing contribution scheme.
10. A high-level projection shows the City's affordable housing contribution scheme will deliver a further 1,950 affordable dwellings to 2036 (in addition to those dwellings already built, in the pipeline or expected).
11. If considered all together, the built, pipeline, expected and projected affordable housing dwellings, including dwellings resulting from the City's LEP contribution scheme, as well as other sources of affordable housing, will equal over 5,100 affordable rental dwellings and affordable diverse dwellings by 2036. This is about 43 percent of the 12,000 affordable dwellings target for 2036.

**The Distribution Plan protects the City's significant investment in the affordable housing pipeline while facilitating the distribution of contributions to two other CHPs**

12. The Distribution Plan, shown at Attachment A, provides a five-year plan for the distribution of both monetary and in-kind affordable housing contributions. It has been developed with reference to the Distribution Plan principles, discussed in detail later in this report.
13. The Interim Plan identifies the following not for profit CHPs for receiving contributions:
  - (a) Bridge Housing;
  - (b) City West Housing; and
  - (c) St George Community Housing.
14. For monetary contributions, the Distribution Plan says in every year:
  - (a) Tranche 1 - the first \$20 million in funds are to be allocated to City West Housing;

- (b) Tranche 2 - the second \$20 million in funds are to be shared equally between Bridge Housing and St George Housing; and
  - (c) Tranche 3 - any residual funding is to be split equally between City West Housing, Bridge Housing and St George Housing.
15. This ensures that City West meets its current projects before the allocation changes. Funds will only be allocated where they exceed \$1 million per CHP per tranche, the smallest amount of 'useful' funding that could be allocated to purchase an existing property. Where a tranche falls below that amount, it will be given to the CHP who last received funding.
16. For in-kind contributions (floor space built by the developer as part of their development and dedicated to a CHP), the Distribution Plan says dwellings are to be offered to Bridge Housing and St George Housing, with any monetary contributions being adjusted accordingly.
17. In-kind contributions are to be allocated to Bridge Housing and St George Housing because in consultation both expressed a greater willingness to receive in-kind contributions, noting existing systems for their management are in place for accepting property, while City West Housing expressed a preference for monetary contributions to develop new affordable housing.

**The Distribution Plan will be subject to annual reporting and will be reviewed in five years to ensure the best approach for distributing contributions**

**Implementation**

18. Prior to the Distribution Plan coming into effect on 1 July 2024, the City will work with City West Housing, Bridge Housing and St George Housing to finalise funding agreements. The purpose of the funding agreement is to ensure contribution funds are being used for the provision of affordable housing in the local area in accordance with the requirements of the Environmental Planning and Assessment Act 1979, the Environmental Planning and Assessment Regulation 2021, the Sydney LEP and the Program.
19. The funding agreement will generally detail the following requirements and terms:
- (a) the obligations of the parties, being the CHP and the City;
  - (b) the way in which funds can be spent, being in accordance with the principles and requirements of the Program;
  - (c) dispute resolution protocols;
  - (d) terms for returning funds where they are not spent or for their allocation to projects inside reasonable timeframes;
  - (e) terms of termination of any agreement; and
  - (f) reporting and monitoring requirements (discussed in more detail below).

**Annual monitoring**

20. The funding agreement between the City and the receiving CHPs will require CHPs to submit an annual report to provide information about the following:
  - (a) compliance with the national regulatory code for community housing providers;
  - (b) appropriate use of contribution funds, ensuring it is consistent with legislative requirements and the Program; and
  - (c) efficient use of contribution funds, ensuring they are being used and/or allocated to projects within reasonable timeframes.
  
21. The community housing sector has been subject to a national regulatory system since the 1980s. The regulation of the sector has been key to building confidence in the capacity of the sector to borrow funds, develop housing and deliver high quality services to the community. This confidence is evidenced by:
  - (a) the levels of private sector finance;
  - (b) the transfer of properties from the NSW Government to the sector;
  - (c) substantial funding amounts in the sector;
  - (d) the creation of a bond aggregator by Housing Australia, formerly National Housing Finance and Investment Corporation (NHFIC); and
  - (e) the introduction of complex financing arrangements in the sector, beyond reliance on capital grants and property transfers.
  
22. In NSW, the Registrar of Community Housing is responsible for monitoring adherence to the national regulatory code by providers based on their placement in one of three tiers. The approach to regulation is risk based with Tier 1 CHPs (the most regulated due to higher levels of risk exposure) monitored annually. Annual reports include information about:
  - (a) tenant and housing services;
  - (b) housing asset management;
  - (c) community engagement;
  - (d) governance arrangements;
  - (e) probity arrangements;
  - (f) management; and
  - (g) financial viability.

23. Given recipients of the City's contributions are overseen by an established and robust regulatory system, it is beneficial to avoid duplicating the reporting to the Registrar of Community Housing. It is instead proposed that the funding agreement include a requirement for the CHPs to share a copy of their annual compliance determination from the Registrar of Community Housing within four weeks of receipt. A satisfactory compliance determination will be deemed sufficient evidence of appropriate governance arrangements with no further reporting required.
24. The proposed data to be reported annually to satisfy the remaining criteria includes:
  - (a) updates on the use of the funds, including but not limited to the amount and percentage of funding expended expenditure to date and any commitment of funding to projects;
  - (b) project information about planned developments including: status of projects; milestone dates; project budgets; evidence of the purchase of sites; design and construction plans; project risks (including mitigation strategies); other funding and contribution sources; information on key project partners including details of subcontracting and consortia entered into; building sustainability details; and the number and type of dwellings; and
  - (c) allocations information, including: tenant cohorts in built developments; intended tenant cohorts in future developments; and evidence of compliance with the rent model in the Program.
25. In the funding agreement, the City will reserve the right to reasonably request additional information to determine whether the provider is adhering to the terms and conditions of the funding agreement.

#### **Five-year review**

26. The Distribution Plan includes a requirement for it to be reviewed prior to the end of its five year life (year four). The purpose of the review is to explore new opportunities that may have emerged over the life of the Distribution Plan, to consider opportunities for new providers and to ensure it remains fit for purpose.
27. The review of the Distribution Plan is likely to be informed by an invited Expression of Interest notified to all Tier 1 CHPs who operate, or express a desire to operate, in the City of Sydney LGA. The following will be considered when the Distribution Plan is reviewed:
  - (a) any advice provided by the NSW Registrar of Community Housing;
  - (b) the current affordable housing development pipeline (including whether land has been acquired and the estimated dates for the completion of construction);
  - (c) development capability and delivery experience;
  - (d) capacity of applying CHPs to bring co-contributions to development projects;
  - (e) demonstrated innovation in increasing the supply of affordable housing shown;
  - (f) capacity to leverage contributions given existing debt;
  - (g) financial liabilities;

- (h) capacity for growth;
  - (i) success in partnering with and growing the Aboriginal Community Housing Provider sector; and
  - (j) where the applying CHP is already identified on the Distribution Plan, their performance in using contributions.
28. The Distribution Plan may be reviewed earlier than five years where:
- (a) reporting and monitoring processes reveal concerns about the outcomes of the Distribution Plan;
  - (b) a change in the Distribution Plan is required to respond to or to take advantage of significant changes in Federal or State government affordable housing policies or programs; or
  - (c) there is evidence a Recommended CHP has misused funds or funds have been poorly administered.

### **Uncertain market conditions may impact on the pace at which contributions are paid**

29. Most lodged and approved development applications in the City's development pipeline will be required to make an affordable housing contribution when seeking a construction certificate.
30. An analysis of lodged and approved development applications in the City's development pipeline indicates affordable housing contributions to 1 July 2028 may be around 10,000 square metres to 27,000 square metres of affordable housing. This is equivalent to \$200 million to \$285 million where a monetary contribution is made instead of built floor space. This does not include monetary contributions that may arise from development applications that are not yet lodged with the City.
31. On the assumption that contributions continue primarily as monetary contributions, rather than in-kind contributions (dedicated built housing), the projected average income is \$40 million to \$57 million per year over the next five years. This assumption could change over time.
32. The projected average income over the life of the Distribution Plan is significantly higher than the \$30 million average annual contributions that were received in the 5-years between 2017 and 2021. The actual annual income has ranged between a low of \$16 million and a high of \$55 million. The increase in projected income is because of the expansion of the City's contribution scheme to the whole of the local area came into effect in July 2021 and significant pent-up approvals in the pipeline.
33. While there are over 10,500 market dwellings that are lodged or approved in the development pipeline as at 30 June 2023, the timing for the construction of those dwellings and payment of contributions is highly impacted by prevailing market conditions.
34. Given the above, it is to be noted the actual annual income of contribution funds cannot be projected with any certainty and are likely to vary over time. Some years

may see a relatively low contributions income, and some years a very high contributions income.

### **The CHPs on the Interim Plan were consulted in the preparation of the Distribution Plan**

35. The Distribution Plan has been informed by further consultation with CHPs identified on the Interim Plan. A detailed summary of the outcomes of that consultation is provided at Attachment E. Key findings of the consultation include:
- (a) City West Housing has the largest, most immediate and mature pipeline of affordable dwellings in the City by some margin;
  - (b) spreading the distribution of funds too thinly will place that pipeline at real risk, and threatens previous contributions remitted by the City which have been utilised by City West to secure land for the delivery of over 400 affordable dwellings;
  - (c) funding of about \$100 million is required to deliver City West's current pipeline over time. Where ultimate funding is less than this amount, affordable housing dwellings are at risk;
  - (d) all three CHPs are registered Tier 1 Providers, and are therefore well-regulated by the Registrar of Community Housing;
  - (e) all have experience operating within the same tenancy provisions and income limitations as those detailed in the City's affordable housing program. All have an ability to safeguard and re-invest City contributions funds independently of projects and assets within their portfolios and regularly account for separate funding streams as a matter of course in their current operations;
  - (f) Tier 1 CHPs undertake development at scale. Of the three CHPs identified on the Interim Plan, City West Housing has the greatest development and construction experience and the greatest experience in affordable housing provision in the local area. St George Housing also have extensive development experience, though mostly outside of the local area. Bridge Housing also have development experience, but generally smaller (noting they are currently the lead developer on a large development at Elizabeth Street, Redfern);
  - (g) in exploring each CHPs ability to work with (potentially limited) funds from the City, the response was varied and influenced by the preferred operating model and scale of the provider;
  - (h) Both St George Housing and Bridge Housing expressed interest in channelling City contributions opportunistically towards a variety of affordable housing projects, including the purchase of turn-key units (sometimes in stratum), refurbishment of older units, or achieving a proportion of affordable housing in identified mixed-housing projects. This approach may lend itself to best use of smaller amounts of contribution funds compared with the delivery model favoured by City West, to acquire land and build new dedicated, medium-density affordable housing;

- (i) each approach presents different opportunities for the delivery of affordable housing in the City, where both land and construction costs are high and the funds generated by the Program vary year on year;
- (j) all three CHPs work to similar unit costs; and
- (k) certainty over funding was important to all three providers. For City West, this would safeguard the delivery of its existing pipeline, which has been planned and progressed to this point in the expectation that necessary funds would be provided by the City over time to secure its delivery. For Bridge Housing and St George Housing, certainty of receiving a periodic injection of funds via the Distribution Plan was preferred over a grants-style allocation on a project-by-project basis, to allow for forward planning, the leveraging of funds and the ability to capitalise on project opportunities as they arise.

### **Distribution Plan Principles guided the development of the Distribution Plan**

36. Distribution Plan Principles (Principles) set out the high-level objectives which guide the development of the recommended Distribution Plan.

#### **Principle 1: The distribution of funds maximises additional affordable housing dwellings and facilitates their quick delivery**

37. Given the current housing affordability challenges, it is essential the Distribution Plan allocates contributions where affordable housing dwellings can be maximised through development and construction capability in reasonable timeframes.
38. Tier 1 CHPs are the best placed organisations to deliver affordable housing at scale because:
- (a) CHPs can deliver housing more cost effectively than for profit organisations or government organisations because they attract favourable tax settings and concessions and can access low cost finance; and
  - (b) CHPs have access to various funding sources, the most recent being the Housing Australia Future Fund (HAFF), that can be paired with and used to further leverage to support more affordable housing.
39. Greater certainty about future funding will result in more affordable housing. Where the scale of future funding is known, with as much certainty as possible, CHPs can plan out for the longer term, confidently commit to new project opportunities when they arise. It allows for funding to be secured, sites to be purchased when they are available (particularly important in the City where competition for sites is high), development partners can be sought, and operations can be scaled up when needed.
40. CHPs with an existing pipeline of projects will deliver affordable housing dwellings quicker. Amassing sufficient contribution funds for a housing development will take time, depending on the pace of contributions. Once sufficient funding is available, CHPs must find the right site, plan the development, secure financing, seek development approval, and finally construct the development. In addition, the development process can take up to five years. It follows that the Distribution Plan should prioritise funding where projects are already underway.



**Principle 2: The distribution of funds is subject to good governance arrangements, including periodic review**

41. Tier 1 CHPs are subject to a high degree of regulation, ensuring that the use of funds is supported by a strong governance framework. This includes establishing performance outcomes for tenant and housing services, housing assets, community engagement, governance, probity, management and financial viability.
42. It is important any plan adopted by Council for the distributions of contribution funds be equitable, transparent, ensure accountability and minimise risk. This is essential to maintain both government and public trust in the outcomes of the contribution scheme and to demonstrate its benefit and efficacy over time. Good governance can be assured where a plan for distribution:
  - (a) is applied consistently in accordance with a policy adopted by Council;
  - (b) is monitored on a regular basis with monitoring outcomes publicly available;
  - (c) is subject to periodic holistic review, to ensure it remains fit for purpose over time;
  - (d) allocates funds to well-regulated recipients; and
  - (e) allocates funds to recipients that have demonstrated ability delivering promised outcomes.

**Principle 3: The distribution of funds grows the CHP sector in the local area and enables ongoing investment in more affordable housing**

43. Currently, affordable housing contributions are allocated to one CHP, being City West Housing. While this has resulted in significant outcomes in the local area, there is now opportunity to expand the distribution of contribution funds to other CHPs. The benefits of a wider distribution of funds is:
  - (a) two more funded Tier 1 CHPs operating at scale in the City creates more, and move diverse opportunities, for the City, government and private entities to undertake affordable housing projects with a trusted CHP development partner;
  - (b) different CHPs will take different approaches, and innovate in different ways, to support more affordable housing in the local area. For example, one CHP may focus on development of large-scale projects only, another may be best suited to manage dedicated dwellings dispersed across certain geographic areas; and
  - (c) minimises the exposure of the City to the risks associated with only having one funding recipient.
44. Noting there are benefits in growing the pool of CHPs that operate at scale in the City, in this first term of a Distribution Plan, there is benefit in allocating funds to CHPs that already have a presence in the City because they have:
  - (a) a demonstrated commitment to operating in the City and growing their presence;
  - (b) experience in a complex and high value development environment such as the City; and

- (c) worked with the City previously and are familiar with its requirements for the management of affordable housing in perpetuity.

**Principle 4: The distribution of funds ensures the City's investment to date in the affordable housing pipeline is secured for future affordable housing outcomes**

- 45. The majority of affordable housing contributions arising from development in the local area have been passed to City West Housing (NSW Government created, not for profit) since 1996. This excludes a small amount of funds distributed to the Department of Communities and Justice from contributions arising from development in the City's employment lands. As at June 2023, over \$399 million in contributions have been used to deliver affordable housing in the local area, resulting in 876 built dwellings
- 46. The City's affordable housing contributions have also been used to progress a significant development pipeline of over 400 affordable dwellings.
- 47. These new affordable dwellings could be delivered between 2025 and 2027, providing sufficient funding is available for their completion. Where funding is not available, delivery of the pipeline is at risk of delay or potential cancellation of projects.
- 48. The Distribution Plan aims to avoid the delayed delivery or the reduction of the City's affordable housing pipeline. This not only protects the City's past investment of contribution funds, ensuring they are not wasted because planned projects no longer have adequate funding to complete them, but it also ensures affordable housing projects that are significantly progressed are delivered quickly to house people in need.
- 49. Withdrawing expected funding from projects already progressed, and risking the delivery of affordable housing, is counter to this principle and to the City's strategic objective to increase the amount of affordable housing in the local area.

**Principle 5: The distribution of funds is consistent with the requirements of NSW Government legislation and regulation and the principles set out in the City's Affordable Housing Program (mandatory)**

- 50. Council cannot adopt a plan for the distribution of contributions that is inconsistent with the requirements set out under the Environmental Planning and Assessment Act 1979 (Act) and State Environmental Planning Policy (Housing) 2021 (Housing SEPP). Nor can it adopt a plan that is inconsistent with the City's LEPs (including the Sydney LEP and the LEPs that apply to the Green Square Town Centre) or the Program.
- 51. The Act and Housing SEPP enable the imposition of affordable housing contributions in LEPs and specify how, and under what circumstances, a contribution can be applied. The City's LEPs apply contribution rates to certain types of development. The Program, which is 'called up' by the LEPs, sets out detailed requirements for the operation and administration of the contribution scheme.
- 52. In summary, the key requirements for the use of contribution funds include:
  - (a) contributions must be used for the purpose of providing affordable housing;
  - (b) dwellings are to be rented to very low-income households, low income households or moderate income households. Income ranges are updated each year in the NSW Affordable Housing Ministerial Guidelines;
  - (c) tenants pay no more than 30 per cent of the gross household income in rent;

- (d) contributions can only be used in the LGA or an adjoining area;
- (e) contributions must be used in a reasonable time;
- (f) land or housing provided for affordable housing must be used for affordable housing;
- (g) resulting affordable housing must be managed to maintain their continued use for affordable housing (this is often referred to as affordable housing in perpetuity, that is, it does not allow a model with time limited affordable housing);
- (h) resulting affordable housing must be constructed to a standard that is consistent with other dwellings in the area; and
- (i) the developer can choose to make the required contribution as a monetary contribution or an in-kind (built) contribution.

### **The Distribution Plan Principles were used to evaluate the advantages and disadvantages of options for distributing funds**

53. Five options for the distribution of contribution funds were evaluated with reference to the Principles. The purpose of the evaluation is to understand the comparative advantages and disadvantages of different approaches and apply the best fit across a range of criteria. Options included:
- (a) Option 1 - proposes City West Housing receive the first \$20 million in any year. The next \$20 million is split equally between Bridge Housing and St George Housing. Then any residual funding is split equally between City West Housing, Bridge Housing and St George Housing;
  - (b) Option 2 - proposes City West Housing receives the first \$100 million in contributions over the five year period, with contributions being split equally between City West Housing, Bridge Housing and St George Housing thereafter;
  - (c) Option 3 - proposes City West Housing receives all contributions over the next four years, with contributions being split equally between Bridge Housing and St George Housing in the final year;
  - (d) Option 4 - proposes contribution funds be split equally between City West Housing, Bridge Housing and St George Housing; and
  - (e) Option 5 - proposes contribution funds be split equally between City West Housing and one other provider.
54. The evaluation considers the implications of two market scenarios, including a poor market scenario, where only 50 per cent of lodged and approved development applications in the City's pipeline progress to construction within the 5 year life of the Plan, and a moderate market scenario where 70 per cent of lodged and approved development applications in the City's pipeline progress to construction. It assumes that contribution funds are received in equal amounts across the 5 year life of the Distribution Plan. Each option has been evaluated against the principles using a five-point scale of: excellent; very good; good; poor; and very poor.

55. The full evaluation matrix is provided at Attachment B and had been summarised in Table 1.

Principle / Option	Option 1	Option 2	Option 3	Option 4	Option 5
The distribution of funds maximises affordable housing outcomes and facilitates their quick delivery.	Excellent	Excellent	Good	Poor	Very good
The distribution of funds is subject to good governance arrangements, including periodic review.	Excellent	Excellent	Excellent	Excellent	Excellent
The distribution of funds grows the CHP sector in the local area and enables ongoing investment in more affordable housing.	Excellent	Very good	Poor	Excellent	Excellent
The distribution of funds ensures the City's investment to date in the affordable housing pipeline is secured for future affordable housing outcomes.	Very good	Excellent	Excellent	Poor	Very good
The distribution of funds is consistent with the requirements of state government legislation and regulation and the principles set out in the City's Affordable Housing Program.	Excellent	Excellent	Excellent	Excellent	Excellent

Table 1: Summary matrix of options evaluation

56. While Option 1 and Option 2 perform well in the assessment, Option 1 is recommended because:
- relative to Option 2, it provides early opportunity and sufficient funding to Bridge Housing and St George Housing to meaningfully grow their operating footprint in the local area;
  - it provides good certainty the funding required to deliver the City's affordable housing pipeline can be achieved. This is critical to ensure the City's investment to date in the pipeline results in the intended affordable housing outcomes;
  - it recognises and capitalises on City West Housing's development experience in the local area, its knowledge of the limitations operating within the City's affordable housing scheme, and familiarity with operating and delivering housing in the City;
  - by allowing for the first time, other CHPs to receive funds, it enables the City to take advantage of the different areas of specialisation, the diversity in approaches and the mix of strengths that each of the CHPs offer. It also minimises the exposure of the City to the risks associated with having only one funding recipient;
  - funding is allocated to Tier 1 CHPs with an existing presence in the City of Sydney with proven capability in delivering affordable housing outcomes;

- (f) based on the projected average income of \$40 to \$57 million per year, sufficient funds will be available to all CHPs identified on the Distribution Plan to make a significant and meaningful contribution to affordable housing projects in the local area. Spreading funds to a fourth CHP could risk insufficient funds being available;
- (g) the allocation of funds to Tier 1 CHPs ensures the use of funds, and resulting affordable housing, are subject to robust oversight by the NSW Registrar of Community Housing; and
- (h) it is consistent with legislation and the Program.

### **The City supports diversity in affordable housing using its grants system and by selling its land below cost for affordable housing**

- 57. Diversity in affordable housing outcomes is an important consideration. How the housing needs of different lower income cohorts within the community can be met is an important consideration in any holistic affordable housing strategy.
- 58. It is acknowledged the Distribution Plan is likely to deliver a reasonably standard affordable housing product, typically:
  - (a) being a private dwelling, in a "normal" residential flat building, delivered using a conventional development model. The benefit of this is that this product is well understood by financiers, and by the community, and can be rolled out with relative ease compared with more complex models, that is, it supports the delivery of housing at pace;
  - (b) having some wrap around support services coordinated by the CHP, but typically not high needs or specialist services that may need to be accessed elsewhere, for example, extensive disability support services;
  - (c) rent will typically be charged at 25 per cent to 30 per cent of income, which is consistent with social housing rent policies;
  - (d) some apartments will be available in the development for people with disabilities (consistent with the City's planning requirements), although typically the whole of the development would not be targeted specifically for people with disabilities;
  - (e) a proportion of apartments will be made available for Aboriginal and Torres Strait Islander households, consistent with the policies of the CHPs in the Distribution Plan.
- 59. There are many different economic models and built form formats that can deliver high quality affordable housing. These may include housing for people with a particular disability that requires bespoke wrap around services, or co-op housing, or Youth Foyer housing (such as that provided in Chippendale using funding support from the City), or Common Ground housing for people who have experienced long term homelessness, rent to buy models, or community land trusts, to name a few.

60. The City uses other approaches to support the delivery of these more diverse forms of affordable housing in the local area. This includes providing grants for affordable housing projects that are less conventional, are often for bespoke purposes, but that are still aligned with the City's strategic housing objectives. The City also sells land at subsidised cost where affordable housing is to be provided.
61. It is noted the City's Affordable and Diverse Fund will be reviewed mid-2024. The review will consider options to promote and expand the take up of funding under the Fund.

### **Further review of the City's affordable housing contribution requirements is underway in accordance with Council's June 2023 resolution**

62. On 26 June 2023, Council resolved to review what changes could deliver more affordable housing in the local area, including a review of contribution rates, policies, planning controls and rezoning proposals.
63. This review is underway and expected to be reported to Council in the first half of 2024.
64. Where the review results in recommended changes to the Sydney LEP and/or the Program, a planning proposal will be required to be publicly exhibited and eventually approved by Council and the Central Sydney Planning Committee. This process would likely take about one year from the date it is first reported.
65. The review is exploring the merits of encouraging more in-kind contributions, and how that could be achieved (if considered beneficial). Should there be increased in-kind contributions in future, the Distribution Plan includes information about how it would be distributed to CHPs.

### **The Distribution Plan is consistent with Sustainable Sydney 2030-2050 Continuing the Vision, the Region Plan and the District Plan**

66. Sustainable Sydney 2030-2050 Continuing the Vision renews the communities' vision for the sustainable development of the city to 2050. It includes 10 strategic directions to guide the future of the city, as well as 10 targets against which to measure progress. The Distribution Plan is aligned with the strategic directions and objectives.
67. The Distribution Plan gives effect to the infrastructure, liveability, productivity and sustainability priorities in the Greater Sydney Commission's Greater Sydney Region Plan and Eastern City District Plan and the City's Local Strategic Planning Statement.

### **The Distribution Plan is informed by submissions made to the publicly exhibited Interim Plan, in addition to subsequent consultation with CHPs**

68. Council and the CSPC, at their meetings on 27 June and 23 June 2022 respectively, approved the draft Interim Plan for public exhibition. The Interim Plan was publicly exhibited from 18 October to 29 November 2022. A proposed update to the Program, as well as Planning Proposal: Affordable Housing Review (planning proposal) was publicly exhibited at the same time as the Interim Plan.

69. The City notified the 24 Tier 1 and Tier 2 CHPs operating in the Sydney metropolitan area and peak housing bodies, including Shelter NSW and the Community Housing Industry Association (CHIA). The exhibition was also advertised on the City's Sydney Your Say webpage. The NSW Land and Housing Corporation (LAHC) and the NSW Department of Communities and Justice (DCJ) were also notified in writing.
70. Twenty-four submissions were received to the public exhibition of the planning proposal, draft Program and the Interim Plan, including 19 submissions from the general community, two from public authorities, and three from those CHPs that were identified as recipients of Affordable Housing contribution funds in the exhibited draft Interim Plan. No other CHPs made submissions. A copy of the summary of submissions that relate to the Interim Plan, and the City's response, is at Attachment D of this report, and have been addressed in this report.
71. Council approved the Interim Plan with a delayed commencement, together with the planning proposal and Program update on 26 June 2023. The Council resolution is provided at Attachment C.
72. In addition to further consideration of submissions, further consultation has been undertaken with CHPs to develop the final Distribution Plan. The outcomes of that consultation provided at Attachment E and are discussed in detail elsewhere in this report.
73. No further consultation on the Distribution Plan is required.

**GRAHAM JAHN AM**

Director City Planning, Development and Transport

Tamara Bruckshaw, Manager Green Square and Major Projects

# **Attachment A**

**City of Sydney Affordable Housing  
Contributions Distribution Plan**



# City of Sydney Affordable Housing Contributions Distribution Plan



## 1. Purpose

This City of Sydney Affordable Housing Contributions Distribution Plan (Distribution Plan) sets out how monetary affordable housing contributions (monetary contributions) and dedicated built affordable housing (in-kind contributions) received under the City of Sydney Affordable Housing Program (Program) are to be distributed to community housing providers (CHPs).

This Distribution Plan was adopted by Council on **XX XX XXX** and commences 1 July 2024.

## 2. What are Recommended CHPs and Eligible CHPs?

**Recommended Community Housing Providers (CHPs)** are:

- City West Housing;
- St George Community Housing; and
- Bridge Housing.

Recommended CHPs are the only recipients of monetary contributions under the Program. Monetary contributions must be used to provide affordable housing in accordance with the Program.

**Eligible CHPs** are CHPs classified as a Tier 1 or Tier 2 provider under the National Regulatory Code.

Eligible CHPs may receive in-kind contributions, being contributions of affordable housing built by a developer and dedicated to a CHP, where Recommended CHPs opt not to receive them. In-kind contributions must be used to provide affordable housing in accordance with the Program.

## 3. Allocation of monetary contributions

<p><b>Year 1 (2024/2025) to Year 5 (2029/2030)</b></p>	<ol style="list-style-type: none"> <li>1. First \$20m remitted to City West Housing</li> <li>2. Second \$20m is remitted in equal portions to St George Community Housing and Bridge Housing, unless the amount is less than \$2m in which case it will be remitted to City West Housing</li> <li>3. Residual funds are remitted in equal portions to City West Housing, St George Community Housing and Bridge Housing, unless the amount is less than \$3m in which case it will be remitted to City West Housing.</li> </ol>
<p><b>Ongoing - indicative only - pending review</b></p>	<p>Residual funds are remitted in equal portions to City West Housing, St George Community Housing and Bridge Housing, unless the amount is less than \$3m in which case it will be remitted to City West Housing.</p>

## 4. Allocation of in-kind contributions

Where a developer makes an in-kind contribution, dwellings are to be dedicated to:

- Bridge Housing; or
- St George Community Housing.

Where Bridge Housing or St George Community Housing elects to not receive the in-kind contribution, the in-kind contribution may be dedicated to another Eligible CHP.

The monetary contributions allocated to any Recommended CHP in Section 3 of this Distribution Plan will be reduced commensurately by any in-kind contribution received by that CHP.

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## 5. Review of Distribution Plan

This Distribution Plan will be reviewed every 5 years.

The Distribution Plan may be reviewed earlier where:

- reporting and monitoring processes reveal concerns about the outcomes of the Distribution Plan;
- a change in the Distribution Plan is required to respond to or to take advantage of significant changes in the affordable housing policy landscape; and
- there is evidence a Recommended CHP has misused funds or funds have been poorly administered.

Distribution of funds may be paused where a review of the Distribution Plan is announced.

The review of the Distribution Plan is to be informed by an invited Expression of Interest notified to all Tier 1 CHPs who operate in the City of Sydney area.

The following will be considered when the Distribution Plan is reviewed:

- the current affordable housing development pipeline (including whether land has been acquired and the estimated dates for the completion of construction);
- the development experience of the CHP;
- capacity to bring co-contributions to development projects;
- innovation in increasing the supply of affordable housing;
- the capacity of the CHP to leverage contributions given existing debt or financial liabilities;
- the CHPs capacity for growth;
- success of the CHP in partnering with and growing the Aboriginal Community Housing Provider sector;
- any advice provided by the NSW Registrar of Community Housing; and
- where the CHP is already identified on the Distribution Plan, their performance in using contributions.



# **Attachment B**

<h2><b>Options Analysis Matrix</b></h2>
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Attachment B - Options analysis matrix

Principle / Distribution scenario	Option 1	Option 2	Option 3	Option 4	Option 5
<p><b>Distribution implications</b></p>	<p><b>This analysis assumes two scenarios for how much contribution funding may be received over the next 5 years.</b></p> <p><u>50% conversion of lodged and approved DAs results in a five-year income of \$200 million.</u> Assuming an even spread of funds paid annually, this option would result in:</p> <ul style="list-style-type: none"> <li>Year 1 to Year 5 - City West Housing receives \$100 million of funds; and</li> <li>Year 1 to Year 5 – Bridge Housing and St George Housing receive about \$50 million each.</li> </ul> <p><u>70% conversion of lodged and approved DAs results in a five-year income of \$285 million.</u> Assuming an even spread of funds paid annually, this option would result in:</p> <ul style="list-style-type: none"> <li>Year 1 to Year 5 - City West Housing receives \$100 million of funds;</li> <li>Year 1 to Year 5 - City West Housing receives about \$27.5 million (in addition to the \$100 million above); and</li> <li>Year 1 to Year 5 – Bridge Housing and St George Housing receive about \$77.5 million each.</li> </ul>	<p><b>This analysis assumes two scenarios for how much contribution funding may be received over the next 5 years.</b></p> <p><u>50% conversion of lodged and approved DAs results in a five-year income of \$200 million.</u> Assuming an even spread of funds paid annually, this option would result in:</p> <ul style="list-style-type: none"> <li>Year 1 to Year 3 - City West Housing receives \$100 million;</li> <li>Year 3 to Year 5 - City West Housing receives about \$33 million (in addition to the \$100 million above); and</li> <li>Year 3 to Year 5 - Bridge Housing and St George Housing receiving about \$33 million each in total.</li> </ul> <p><u>70% conversion of lodged and approved DAs results in a five-year income of \$285 million.</u> Assuming an even spread of funds paid annually, this option would result in:</p> <ul style="list-style-type: none"> <li>Year 1 to Year 2 - City West Housing receives \$100 million;</li> <li>Year 2 to Year 5 - City West Housing receives about \$61 million (in addition to the \$100 million above); and</li> <li>Year 2 to Year 5 - Bridge Housing and St George Housing receiving about \$61 million each in total.</li> </ul>	<p><b>This analysis assumes two scenarios for how much contribution funding may be received over the next 5 years.</b></p> <p><u>50% conversion of lodged and approved DAs results in a five-year income of \$200 million.</u> Assuming an even spread of funds paid annually, this option would result in:</p> <ul style="list-style-type: none"> <li>Year 1 to Year 4 - City West Housing receives \$160 million;</li> <li>Year 5 - City West Housing receives about \$13 million (in addition to the \$160 million above); and</li> <li>Year 5 - Bridge Housing and St George Housing receive about \$13 million each.</li> </ul> <p><u>70% conversion of lodged and approved DAs results in a five-year income of \$285 million.</u> Assuming an even spread of funds paid annually, this option would result in:</p> <ul style="list-style-type: none"> <li>Year 1 to Year 4 - City West Housing receives \$228 million;</li> <li>Year 5 - City West Housing receives about \$19 million (in addition to the \$228 million above); and</li> <li>Year 5 - Bridge Housing and St George Housing receive about \$19 million each.</li> </ul>	<p><b>This analysis assumes two scenarios for how much contribution funding may be received over the next 5 years.</b></p> <p><u>50% conversion of lodged and approved DAs results in a five-year income of \$200 million.</u> Assuming an even spread of funds paid annually, this option would result in City West Housing, Bridge Housing and St George Housing receiving a total of about \$66 million each.</p> <p><u>70% conversion of lodged and approved DAs results in a five-year income of \$285 million.</u> Assuming an even spread of funds paid annually, this option would result in City West Housing, Bridge Housing and St George Housing receiving a total of about \$95 million each.</p>	<p><b>This analysis assumes two scenarios for how much contribution funding may be received over the next 5 years.</b></p> <p><u>50% conversion of lodged and approved DAs results in a five-year income of \$200 million.</u> Assuming an even spread of funds paid annually, this option would result in City West Housing and the other CHP receiving a total of about \$100 million each.</p> <p><u>70% conversion of lodged and approved DAs results in a five-year income of \$285 million.</u> Assuming an even spread of funds paid annually, this option would result in City West Housing and the other CHP receiving a total of about \$142.5 million each.</p>

<p><b>The distribution of funds maximises affordable housing outcomes and facilitates their quick delivery</b></p>	<p>Excellent</p> <ul style="list-style-type: none"> <li>Provides good certainty of funding for City West Housing pipeline.</li> <li>The \$100 million required to deliver the pipeline is only assured where contributions are consistently in excess of \$20 million per year. This is achieved under both the 50% scenario and the 70% scenario.</li> <li>Provides early opportunities for other CHPs to contribute to their respective pipelines.</li> </ul>	<p>Excellent</p> <ul style="list-style-type: none"> <li>Provides the highest level of certainty of funding for City West Housing pipeline.</li> <li>The pipeline is assured where there is over \$100 million in contributions over the next 5 years. This is achieved under both the 50% scenario and the 70% scenario.</li> <li>Provides opportunities for other CHPs to contribute to their respective pipelines, although later in the 5 year period.</li> </ul>	<p>Good</p> <ul style="list-style-type: none"> <li>Provides good certainty of funding for City West Housing pipeline.</li> <li>The pipeline is assured where there is over \$100 million in contributions over the next 4 years. This is achieved under both the 50% scenario and the 70% scenario.</li> <li>Opportunities for other CHPs to contribute to their respective pipelines are delayed to Year 5.</li> </ul>	<p>Poor</p> <ul style="list-style-type: none"> <li>Provide low certainty of funding for City West Housing pipeline.</li> <li>The pipeline is not assured under both the 50% scenario and the 70% scenario (though marginally under the 70% scenario).</li> <li>Provides early opportunities for other CHPs to contribute to their respective pipelines.</li> </ul>	<p>Very good</p> <ul style="list-style-type: none"> <li>Provides good certainty of funding for City West Housing pipeline.</li> <li>The \$100 million required to deliver the pipeline is assured under both the 50% scenario and the 70% scenario.</li> <li>This Option provides significantly more funding to a second CHP, providing an opportunity to significantly scale up the operations and pipeline of a second provider in the local area.</li> </ul>
<p><b>The distribution of funds is subject to good governance arrangements, including periodic review</b></p>	<p>Excellent</p> <ul style="list-style-type: none"> <li>Allocated to Tier 1 CHP.</li> <li>Distribution Plan to be applied consistently over the life of the plan.</li> <li>It is proposed to set out the high-level review criteria in the distribution plan.</li> <li>All CHPs subject to annual reporting requirements set out in a funding agreement between the City and the CHP.</li> <li>Funds are distributed to Tier 1 CHPs with an existing presence in the City of Sydney with proven capability in delivering affordable housing outcomes.</li> </ul>	<p>Excellent</p> <ul style="list-style-type: none"> <li>Allocated to Tier 1 CHP.</li> <li>Distribution Plan to be applied consistently over the life of the plan.</li> <li>It is proposed to set out the high-level review criteria in the distribution plan.</li> <li>All CHPs subject to annual reporting requirements set out in a funding agreement between the City and the CHP.</li> <li>Funds are distributed to Tier 1 CHPs with an existing presence in the City of Sydney with proven capability in delivering affordable housing outcomes.</li> </ul>	<p>Excellent</p> <ul style="list-style-type: none"> <li>Allocated to Tier 1 CHP.</li> <li>Distribution Plan to be applied consistently over the life of the plan.</li> <li>It is proposed to set out the high-level review criteria in the distribution plan.</li> <li>All CHPs subject to annual reporting requirements set out in a funding agreement between the City and the CHP.</li> <li>Funds are distributed to Tier 1 CHPs with an existing presence in the City of Sydney with proven capability in delivering affordable housing outcomes.</li> </ul>	<p>Excellent</p> <ul style="list-style-type: none"> <li>Allocated to Tier 1 CHP.</li> <li>Distribution Plan to be applied consistently over the life of the plan.</li> <li>It is proposed to set out the high-level review criteria in the distribution plan.</li> <li>All CHPs subject to annual reporting requirements set out in a funding agreement between the City and the CHP.</li> <li>Funds are distributed to Tier 1 CHPs with an existing presence in the City of Sydney with proven capability in delivering affordable housing outcomes.</li> </ul>	<p>Excellent</p> <ul style="list-style-type: none"> <li>Allocated to Tier 1 CHP.</li> <li>Distribution Plan to be applied consistently over the life of the plan.</li> <li>It is proposed to set out the high-level review criteria in the distribution plan.</li> <li>All CHPs subject to annual reporting requirements set out in a funding agreement between the City and the CHP.</li> <li>Funds are distributed to Tier 1 CHPs with an existing presence in the City of Sydney with proven capability in delivering affordable housing outcomes.</li> </ul>
<p><b>The distribution of funds grows the CHP sector in the local area and enables ongoing investment in more affordable housing</b></p>	<p>Excellent</p> <ul style="list-style-type: none"> <li>This Option provides certainty of funding to City West Housing, recognising it has the greatest development experience, knowledge of operating within the City's affordable housing scheme, and familiarity with operating and delivering housing in the City out of the three providers.</li> <li>Notwithstanding the above, this Option allocates funds to other CHP's early in the life of the Distribution Plan. This is true under both the 50% scenario and the 70% scenario.</li> <li>Other CHPs bring other opportunities. Support for two additional CHPs enables the City to take advantage of the different areas of specialisation, the diversity in approaches and the mix of strengths that each of the CHPs offer. It also minimises the exposure of the City to the risks associated with having only one funding recipient.</li> </ul>	<p>Very good</p> <ul style="list-style-type: none"> <li>This Option provides certainty of funding to City West Housing, recognising it has the greatest development experience, knowledge of operating within the City's affordable housing scheme, and familiarity with operating and delivering housing in the City out of the three providers.</li> <li>Notwithstanding the above, this Option allocates funds to other CHP's in about Year 2 under the 70% scenario and Year 3 of the 50% scenario.</li> <li>Other CHPs bring other opportunities. Support for two additional CHPs enables the City to take advantage of the different areas of specialisation, the diversity in approaches and the mix of strengths that each of the CHPs offer. It also minimises the exposure of the City to the risks associated with having only one funding recipient.</li> </ul>	<p>Poor</p> <ul style="list-style-type: none"> <li>This Option provides certainty of funding to City West Housing, recognising it has the greatest development experience, knowledge of operating within the City's affordable housing scheme, and familiarity with operating and delivering housing in the City out of the three providers. This is true under both the 50% scenario and the 70% scenario.</li> <li>However, this Option provides limited opportunity for other CHPs who will only receive funding in Year 5.</li> </ul>	<p>Excellent</p> <ul style="list-style-type: none"> <li>This Option shares the funds equally from Year 1.</li> <li>While the Option creates risk to the pipeline, it shares opportunities amongst all CHPs.</li> </ul>	<p>Excellent</p> <ul style="list-style-type: none"> <li>This Option shares the funds equally from Year 1.</li> <li>This Option focuses on growing two CHPs at scale in the local area.</li> <li>The existing pipeline can be delivered under this Option.</li> </ul>

<p><b>The distribution of funds ensures the City's investment to date in the affordable housing pipeline is secured for future affordable housing outcomes</b></p>	<p>Very good</p> <ul style="list-style-type: none"> <li>The City's past investment in affordable housing has resulted in a significant pipeline with City West Housing.</li> <li>City West Housing has identified a further \$100 million is required to deliver the City's pipeline.</li> <li>The \$100 million required is only assured where contributions are consistently in excess of \$20 million per year. This is achieved under both the 50% scenario and the 70% scenario.</li> <li>The \$100 million is secured in Year 5.</li> </ul>	<p>Excellent</p> <ul style="list-style-type: none"> <li>The City's past investment in affordable housing has resulted in a significant pipeline with City West Housing.</li> <li>City West Housing has identified a further \$100 million is required to deliver the City's pipeline.</li> <li>Assuming more than \$100 million is achieved over the life of the Distribution Plan, the \$100 million required is assured under both the 50% scenario and the 70% scenario.</li> <li>The \$100 million is secured in Year 2 (70% scenario) or Year 3 (50% scenario).</li> </ul>	<p>Excellent</p> <ul style="list-style-type: none"> <li>The City's past investment in affordable housing has resulted in a significant pipeline with City West Housing.</li> <li>City West Housing has identified a further \$100 million is required to deliver the City's pipeline.</li> <li>The \$100 million required is only assured where contributions are consistently in excess of \$20 million per year.</li> <li>The \$100 million is secured in Year 2 (70% scenario) or Year 3 (50% scenario).</li> </ul>	<p>Poor</p> <ul style="list-style-type: none"> <li>The City's past investment in affordable housing has resulted in a significant pipeline with City West Housing.</li> <li>City West Housing has identified a further \$100 million is required to deliver the City's pipeline.</li> <li>The pipeline is not assured under both the 50% scenario and the 70% scenario (though marginally under the 70% scenario).</li> </ul>	<p>Very good</p> <ul style="list-style-type: none"> <li>The City's past investment in affordable housing has resulted in a significant pipeline with City West Housing.</li> <li>City West Housing has identified a further \$100 million is required to deliver the City's pipeline.</li> <li>The \$100 million would be achieved by both CHPs in Year 5 under the 50% scenario and Year 4 under the 70% scenario.</li> </ul>
<p><b>The distribution of funds is consistent with the requirements of state government legislation and regulation and the principles set out in the City's Affordable Housing Program.</b></p> <p><i>Note: Council cannot adopt a plan for the distribution of contributions that is inconsistent with the requirements set out under an Environmental Planning Instrument. Nor can it adopt a plan that is inconsistent with the Program unless it first makes changes to those provisions.</i></p>	<p>Excellent</p> <ul style="list-style-type: none"> <li>Consistent with current legislation.</li> <li>The funding agreement can include requirements that ensure resulting housing is managed in accordance with the City of Sydney Affordable Housing Program (June 2023).</li> </ul>	<p>Excellent</p> <ul style="list-style-type: none"> <li>Consistent with current legislation.</li> <li>The funding agreement can include requirements that ensure resulting housing is managed in accordance with the City of Sydney Affordable Housing Program (June 2023).</li> </ul>	<p>Excellent</p> <ul style="list-style-type: none"> <li>Consistent with current legislation.</li> <li>The funding agreement can include requirements that ensure resulting housing is City of Sydney Affordable Housing Program (June 2023).</li> </ul>	<p>Excellent</p> <ul style="list-style-type: none"> <li>Consistent with current legislation.</li> <li>The funding agreement can include requirements that ensure resulting housing is City of Sydney Affordable Housing Program (June 2023).</li> </ul>	<p>Excellent</p> <ul style="list-style-type: none"> <li>Consistent with current legislation.</li> <li>The funding agreement can include requirements that ensure resulting housing is City of Sydney Affordable Housing Program (June 2023).</li> </ul>



# **Attachment C**

**Resolution of Council**

## Resolution of Council

**26 June 2023**

### Item 8.3

**Post Exhibition - Planning Proposal - Affordable Housing Program Update - Sydney Local Environmental Plan 2012, Sydney Local Environmental Plan (Green Square Town Centre) 2013, Sydney Local Environmental Plan (Green Square Town Centre - Stage 2) 2013**

It is resolved that:

- (A) Council note the matters raised in response to the public exhibition of Planning Proposal: City of Sydney Affordable Housing Program Update and draft City of Sydney Affordable Housing Program Amendment 2022 and draft City of Sydney Affordable Housing Contributions Interim Distribution Plan, as described at Attachment A to the subject report;
- (B) Council approve Planning Proposal: City of Sydney Affordable Housing Program Update, shown at Attachment B to the subject report, as amended, to be made as a local environmental plan under Section 3.36 of the Environmental Planning and Assessment Act 1979, subject to the making of minor amendments to align the planning proposal with the resolution at (C);
- (C) Council approve the draft City of Sydney Affordable Housing Program Amendment 2022, shown at Attachment C to the subject report, as amended, noting that it will come into effect on the date of publication of the subject local environmental plan, in accordance with Clause 20 of the Environmental Planning and Assessment Regulation 2021, subject to the following amendment as underlined:
  - (i) amendment of Section 2.1.6 – Satisfying a contributions requirement by dedicating dwellings, to read at the second dot-point “affordable rental dwellings are owned by government or a nominated and Recommended and Eligible CHP or as otherwise provided for in any distribution plan adopted by Council”;
  - (ii) amendment of Section 2.1.6 – Satisfying a contributions requirement by dedicating dwellings, to read at the last paragraph “Appendix C details the process for dedicating dwellings for affordable housing unless otherwise provided for in any distribution plan adopted by Council”;

- (iii) amendment of Section 2.9.1 – How in-kind contributions are to be used, to read “In-kind contributions of affordable housing dwellings are to be given/dedicated, free of cost, to a Recommended CHP, or as otherwise provided for in any distribution plan adopted by Council as identified in a Distribution Plan. Where dedication is in accordance with this Program, ~~In~~ in the circumstances that no Recommended CHP is willing to accept the in-kind contribution, then it may instead be given/dedicated by the developer to another Eligible CHP according to the terms of any planning agreement. In-kind contributions are to remain affordable housing in perpetuity and to be owned and managed ~~by the receiving CHP~~ in accordance with this Program.”
- (D) Council approve the draft City of Sydney Affordable Housing Contributions Interim Distribution Plan, shown at Attachment D to the subject report, as amended, noting it will not commence until 1 July 2024;
- (E) Council note that following further research and stakeholder consultation it is intended that a final distribution plan will be reported to Council prior to 1 July 2024; and
- (F) authority be delegated to the Chief Executive Officer to make any minor amendments to Planning Proposal: City of Sydney Affordable Housing Program Update, the draft City of Sydney Affordable Housing Program Amendment 2022 and the draft City of Sydney Affordable Housing Contributions Interim Distribution Plan, to correct any drafting errors or inconsistencies, prior to finalisation.

Carried unanimously.

X084801

# **Attachment D**

**Copy of Summary of Submissions Made  
Regarding Interim Plan – November 2022  
Consultation**

## Attachment D

### Interim Distribution Plan – Summary of Submissions and Responses

(received during 2022 Public Exhibition and duplicated below)

#### Community submissions

Summary of key matter raised	Officer response
<u>Support for additional affordable housing providers</u> (raised in 2 submissions)	
<p>Two submissions expressed support for expanding the distribution of contributions to other affordable housing providers, so long as:</p> <ul style="list-style-type: none"> <li>i) the provider(s) are genuine, not-for-profit affordable housing providers, and</li> <li>ii) it is controlled to ensure the continued viability of City West Housing, who are supported in the Pyrmont area.</li> </ul>	<p>Recommended CHPs that are identified to receive affordable housing funds in the City must be registered Tier 1 or Tier 2 community housing providers, assessed and regulated under a national code.</p> <p>The City acknowledges the concern that distributing the funds more widely may threaten the continued viability of projects City West has in the development pipeline. This matter will be further considered in the development of the final distribution plan, being prepared for Council consideration.</p> <p><b>Action:</b> Consider impact on City West Housing further in the finalisation of the Distribution Plan.</p>

#### Community Housing Provider submissions

Summary of key matter raised	Officer response
City West Housing (CWH)	
<p>Highlights the need for certainty around future funds as the incumbent Recommended CHP to service its existing pipeline of over 500 dwellings in the City of Sydney local area, noting that the draft Interim Distribution Plan in its current form risks their delivery.</p> <p>Recommends that the proposed changes to distribution of funding should be phased in to ensure CWH's capacity to service:</p> <ul style="list-style-type: none"> <li>• its established properties;</li> <li>• properties that have been committed to in the development pipeline;</li> </ul>	<p>The City recognises the importance of certainty for City West's current development pipeline and that City West will have undertaken future investment decisions based on an expected continuation of funds under current affordable housing programs.</p> <p>Funds levied under the current affordable housing programs are subject to market forces and already vary, sometimes greatly, year on year. The City's intention to move to a wider distribution of funds has also been highlighted since June 2022. Nevertheless, the City acknowledges the potential impact that a</p>

Summary of key matter raised	Officer response
<ul style="list-style-type: none"> <li>other properties in the development pipeline in the development application or pre-development application stage; and</li> <li>the level of support and devices it has promised to deliver its residents and partner agencies.</li> </ul> <p>CWH’s operating conditions, as stipulated in the Program, mean that annual operating surpluses are small. When combined with the high cost of land in the City of Sydney, and escalating cost of construction, City West Housing is heavily reliant on contribution funds in the short to medium term to fund existing affordable housing projects in the development pipeline.</p>	<p>change in distribution of funds may have on City West's ability to deliver affordable housing in their development pipeline.</p> <p>While the draft Interim Distribution Plan is recommended for adoption as it was publicly exhibited, it is noted that a final distribution plan will be prepared for the consideration of Council.</p> <p><b>Action:</b> This impact on City West’s development pipeline will be further considered in the preparation of the final Distribution Plan.</p>
<p>To safeguard its ability to deliver its current development pipeline, City West requests existing funding arrangements under the current affordable housing programs be 'grandfathered' to avoid an inadvertent dilution of funds.</p>	<p>The City notes City West’s request to 'grandfather' existing funding arrangements.</p> <p><b>Action:</b> This will be considered further in the finalisation of the Distribution Plan.</p>
<p>Recommends that funds should not be distributed to more than two CHPs at any one time.</p> <p>This considers the efficiencies that scale of operation can bring for not-for-profit CHPs, including:</p> <ul style="list-style-type: none"> <li>efficiencies in servicing properties;</li> <li>efficiencies from larger portfolios, enabling the leveraging of rental surpluses from other properties own or managed in the same area and for gaining access to finance to further increase affordable housing in the local area;</li> <li>effective relationship building and efficiencies for support service providers servicing tenants of the CHPs.</li> </ul>	<p>The City acknowledges that this issue needs further consideration.</p> <p><b>Action:</b> Efficiencies from larger scale operations and the optimal number of CHPs will be considered further in the finalisation of the Distribution Plan.</p>
<p>The City should acknowledge the innate complexities and risk of undertaking medium density housing capital developments in high-cost inner-city markets when selecting additional CHPs to receive the contribution funds.</p> <p>Recommends that the City requires evidence of development expertise both in capital project delivery and on market site acquisition, as well</p>	<p>The three CHPs identified in the draft Interim Distribution Plan are all Tier 1 CHPs with demonstrated development capacity and experience.</p> <p>Notwithstanding the above, the City agrees that the selection of the right CHPs to receive contribution funds is critical to the successful delivery of affordable housing.</p>

Summary of key matter raised	Officer response
<p>as evidence of operations in this area when selecting CHPs to be considered for the distribution plan.</p>	<p><b>Action:</b> Appropriate criteria to assess the experience and capabilities of CHPs will be given further consideration in the preparation of the final Distribution Plan.</p>
<p>Recommends more detail be provided in any future distribution plan, to give certainty around:</p> <ul style="list-style-type: none"> <li>• where collected affordable housing funds will be held</li> <li>• how funds will be distributed to recommended providers</li> <li>• the frequency of release of funds, and</li> <li>• the calculation and distribution of interest.</li> </ul>	<p>The administrative detail of funds distribution is not required to be detailed in the distribution plan – this simply sets out apportionment of funds to receiving CHPs. This type of administrative information will instead form part of the City’s internal processes and where appropriate may form part of a funding agreement that is to be agree with identified CHPs prior to funds being issued.</p> <p><b>Action:</b> Further work will be undertaken to establish the administrative processes that will support the distribution plan before it commences.</p>
<p>Bridge Housing</p>	
<p>Identifies Bridge Housing as the CHP with the largest social and affordable housing footprint in the City of Sydney LGA.</p> <p>They have a deep connection to the local community, with a head office in the LGA.</p> <p>Expresses the belief that chosen additional providers should be those with their operations based primarily in the LGA, so that they understand and are focussed on delivering outcomes for the local community.</p>	<p>Noted. The City recognises the experience, capabilities and established partnerships Bridge Housing has in the community housing sector and in providing affordable housing within the City of Sydney LGA.</p> <p>The City acknowledges that there needs to be careful consideration of any CHP that is recommended to received contribution funds.</p> <p><b>Action:</b> Choice of CHP will be considered further in the finalisation of the Distribution Plan.</p>

## Public Authority submissions

Summary of key matter raised	Officer response
NSW Department of Communities and Justice (DCJ)	
<p>Expresses concern around the proposed mechanics and practicalities of equal distribution of funds across three CHPs.</p> <p>Highlights that distributing funds across three CHPs will dilute the impact of the funds and delay delivery of affordable housing, as more time will be required for fund accumulation before a CHP can initiate an affordable housing project.</p> <p>The extremely high land values in the City in itself requires larger amounts to be provided to CHPs to support financially viable projects.</p> <p>Thought should be given to the administrative burden linked with the number of CHPs chosen and frequency of remittance of funds, together with the reporting requirements on how the money is quarantined, invested and spent which would be required from both Council and CHP.</p> <p>DCJ advises that the approach be considered for efficient delivery and value for money proposition.</p>	<p>The City notes DCJ's concerns around the optimal number of CHPs for the distribution of funds, both from the perspective of spreading the funding too thinly, with inevitable delays to affordable housing projects, and from the resourcing strain to both Council and CHP if too many providers are chosen to receive funding.</p> <p><b>Action:</b> The optimal number of CHPs will be considered further in the finalisation of the Distribution Plan.</p>
<p>DCJ suggests Council might consider retaining a funding pool until such time as a sizeable amount has accumulated and then inviting CHPs to submit an EOI. DCJ considers that disbursing all accumulated funds to a single CHP through a competitive process would provide the best results in terms of affordable housing delivery within the City of Sydney boundary.</p>	<p>The City's preferred approach for the use of affordable housing contribution funds is to allocate them directly to a CHP. The benefits of this approach are to immediately move funds into the hands of the community housing sector who have the expertise to then purchase sites when they become available, without the need to wait for government to allocate them funding, and then develop them. It effectively allows CHPs to operate as a developer, without the challenges and uncertainties that may come from having to apply for grants on a case-by-case basis, allowing them to move forward with certainty.</p> <p>The City undertakes to do further work to determine the optimal number of CHPs funded at any one time.</p>



	<p><b>Action:</b> The optimal number of CHPs will be considered further in the finalisation of the Distribution Plan.</p>
<p>DCJ acknowledges the significant achievements of their partnership with the City in jointly managing the planning and development of affordable housing in the LGA, particularly since 2015.</p> <p>The submissions notes there may be further opportunities for partnership in the future, including various tender programs run by DCJ and possible funding being explored through the Commonwealth Government’s Housing Australia Future Fund (HAFF).</p>	<p>The City considers it prudent to delay the finalisation of the distribution plan given the fast-evolving housing policy landscape. Opportunities may arise from the introduction of the HAFF or complementary incentive/funding schemes that may be announce as the new state government resolves its approach to addressing the housing crises.</p> <p><b>Action:</b> These opportunities will be further explored in the finalisation of the Distribution Plan.</p>

# **Attachment E**

**Summary of Consultation with Community  
Housing Providers – December 2023**

**Attachment E**

**Summary of consultation with CHPs identified on Interim Distribution Plan**

City officers met with representatives from the three CHPs identified on the Interim Plan to further explore issues raised at the time of its preparation and better inform the detail of the finalised Distribution Plan.

<b>Topic</b>	<b>City West Housing</b>	<b>Bridge Housing</b>	<b>St George Community Housing</b>	<b>City of Sydney comment</b>
<p>Ability to operate within the conditions and restrictions of the City of Sydney Affordable Housing Program and any barriers to operations that it may create, especially:</p> <ul style="list-style-type: none"> <li>the limits on rental incomes and eligible households</li> <li>the need to quarantine funds and channel them back into the LGA</li> <li>on-going caveats on housing to ensure it is used for affordable housing in perpetuity</li> </ul>	<p>Has been operating within the requirements of the City’s scheme for 30 years and understand the restrictions on its operating processes and limits on surpluses that the Program presents.</p> <p>To date, the need to quarantine funds has not been necessary as City West was exclusively based in the City. As it is now expanding to other areas, it will be establishing formal structures to support this function.</p> <p>City West noted that covenants placed on affordable housing can reduce the leveraging capacity of properties, impacting valuations and reducing the amount of money that lenders are willing to offer when covenants are in place.</p>	<p>The requirements of the City’s scheme are consistent with how other affordable housing is managed by Bridge and would not present an issue.</p> <p>Bridge already undertakes quarterly reporting to DCJ and has systems in place to support and monitor funds received from different Programs in separate accounts. The need to quarantine funds from the City’s Program would not be problematic.</p>	<p>Confirmed that no elements of the City’s scheme would present a barrier for its operations.</p> <p>Managing the separate accounting of projects and funds is common practice for St George. It has systems to monitor and prevent the leakage of funds into other projects.</p> <p>Reporting on separate housing projects is already required by the Registrar of Community Housing. Reporting protocols under the City’s scheme could be similar and not represent an additional administrative burden to the CHP. St George also reports to DCJ for the Social and Affordable Housing Fund and can provide examples to demonstrate what type of reporting is available to assist the City.</p>	<p>The City notes that all three CHPs understand the requirements of the City’s Program and have indicated their ability to operate within its restrictions – noting the implications this has for reduced operating surpluses and borrowing.</p> <p>All of the providers have the ability to account for and manage funds from the City separately from other projects in their portfolios and to ensure the City’s contributions and any residual income is channelled back into affordable housing outcomes in the City.</p> <p>Existing reporting requirements may be sufficient for the City’s purposes to track funding flows and housing outcomes rather than creating additional administrative burden for the CHP. The City will work with CHPs to finalise reporting requirements in due course.</p>
<p>Housing delivery</p> <ul style="list-style-type: none"> <li>Existing pipeline – opportunities and threats</li> <li>Housing delivery models</li> </ul>	<p>City West has a pipeline of over 400 affordable dwellings in the local area.</p> <p>Additional pipeline capacity could be created at the Waterloo Estate,</p>	<p>Bridge is partnering with LAHC to deliver 339 units at Elizabeth Street, Redfern. Current breakdown of dwellings (based on known funding) is:</p> <ul style="list-style-type: none"> <li>100 units to be sold to market</li> </ul>	<p>St George’s pipeline includes:</p> <ul style="list-style-type: none"> <li>112 units at Ashmore connector road site</li> <li>24 affordable housing units at Waterloo Metro site</li> </ul>	<p>City West and St George are operating at a larger scale than Bridge, with City West having the largest presence and committed pipeline in the LGA.</p>

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<ul style="list-style-type: none"> <li>Managing dedicated dwellings</li> </ul>	<p>should the consortia that City West is part of be successful.</p> <p>City West has the internal resources and capability to deliver its pipeline.</p> <p>However, at current levels of funding (which have dropped significantly due to market conditions) and the recent escalation of construction costs, the delivery of its pipeline is at risk.</p> <p>There are challenges in borrowing sufficient funds to deliver the pipeline with debt sized according to cash flow. Even with its wide asset base, City West is restricted by its limited capacity to service debt, because it must charge a below-market rent based on household income.</p> <p>Based on the FY24-33 10-year budget, and assuming \$10m per annum is received from the City, the full pipeline cannot be delivered within the ten-year timeframe due to insufficient funding (equity and debt). The scale of City West's Ashmore Connector project, with development costs of over \$200m, depletes City's West's available equity for project delivery, even after accounting for debt.. City West is applying for HAFF funding for one or more of its projects, in an attempt to make up the shortfall, but this isn't guaranteed, and the outcome will not</p>	<ul style="list-style-type: none"> <li>80 key worker units to be sold to super funds (not subject to ministerial guidelines on affordability)</li> <li>109 to be handed back to LAHC</li> <li>39 units to be affordable housing</li> <li>11 units for disability housing</li> </ul> <p>DA to be submitted mid-2024.</p> <p>Bridge has aspirations for no market housing on the site – those units being affordable housing instead. Funding is required to make this happen and Bridge will apply for HAFF funding for this. The City's contributions would also enable this and ensure that the units are a genuine affordable product and not just a discounted market rent.</p> <p>Funding to secure this outcome will need to be known before construction commences (expected end 2025).</p> <p>Bridge has capacity to expand as an organisation should funding for increased stock become available.</p> <p>Developing from scratch is expensive and difficult. Getting access to land is hard. To supplement difficulties in development projects, Bridge has also previously bought pre-existing buildings and refurbished/redeveloped, utilising various forms of government grants</p>	<ul style="list-style-type: none"> <li>72 social housing units at Waterloo Metro</li> <li>50 units at Barangaroo – to be owned in stratum</li> </ul> <p>Waterloo Estate (if successful) With the right funding, St George considers it has capacity to grow stock in the City – which, whilst an expensive and challenging market, is needed.</p> <p>Waterloo Estate could also impact St George's capacity. However, a dedicated unit would be created in time so as not to affect day to day operations.</p> <p>The Development and Construction Team at St George expands and contracts as new projects cycle through – its processes support this type of growth.</p>	<p>All three CHPs have expertise and capacity to deliver affordable housing outcomes in the City, but large projects such as the Elizabeth Street project or redevelopment of the Waterloo Estate require alternative approaches and resources.</p> <p>There is a clear risk to significant City funds already committed by City West in acquiring sites in the LGA, if future funding is shared too thinly in the medium term.</p> <p>St George and Bridge have used more flexible housing delivery models than City West's, whose current strong preference is for acquiring land and developing.</p>

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	<p>be known until later this year. Housing Australia has also indicated it is looking to fund projects that represent value for money.</p> <p>A reduction in funding (developer contributions) would delay projects significantly. As an example, one project in City West’s pipeline has a total development cost of \$70m (land cost was \$16.5m) and in the tendered construction price significantly exceeded what had been budgeted. It takes significant time to accumulate such funds.</p> <p>City West’s specialisation is in new-build, medium density developments. Smaller scale projects suffer from inefficiencies in construction, operation and maintenance costs. Developments of less than 100 units are on estimate 20% less economically efficient .</p>	<p>to assist the funding structure. This is cheaper than building new, but has higher maintenance costs.</p> <p>Bridge has upgraded purchased properties to improve amenity, increase ESD outcomes and minimise ongoing maintenance liability.</p>		
<p>Finance and leveraging</p> <ul style="list-style-type: none"> <li>• Housing delivery costs</li> <li>• How would your organisation make use of City funds of varying amounts?</li> <li>• How much funding would be useful in generating additional housing supply in the City?</li> <li>• What timeframe could the City expect delivery outcomes?</li> </ul>	<p>Building costs are around \$620K - \$650K per unit at present. Site acquisition costs vary. A recent acquisition was around \$400K per unit in land costs, with sites purchased in prior years being cheaper.</p> <p>City West’s FY24-33 10-year budget, assumes \$10m per annum is received from the City. Notwithstanding these contributions, the full pipeline cannot be delivered within the ten-year</p>	<p>Bridge assumes \$600K plus per unit for build costs, with land on top. In areas outside of the City, it works on \$100K - \$250K per lot for land.</p> <p>The Elizabeth Street development is approximately \$220m, with no land costs as the cost of land is funded through the development costs of delivering 109 units back to LAHC.</p> <p>Bridge has had success with layering different subsidies to deliver outcomes – for example Community</p>	<p>Construction costs are roughly \$600K per unit.</p> <p>St George highlighted its experience in leveraging debt and has developed a high level of trust with its lenders.</p> <p>It works on 30% equity: 70% leverage, so \$3m from the City would generate \$10m for St George to spend. It also works to 40 year cash flow models, so needs long-term investors.</p>	<p>Each CHP works to a similar housing delivery cost and seeks funding from a similar variety of sources including grants, housing funds, leasing subsidies and rental from their own properties.</p> <p>St George also has good levels of experience generating funding from investors and superannuation.</p> <p>All agreed that HAFF funding was unlikely to go to City-based projects in the first round of allocation given</p>

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<ul style="list-style-type: none"> <li>HAFF funding</li> </ul>	<p>timeframe due to insufficient funding (equity and debt)</p> <p>Small amounts of additional funding would have limited impact on increasing supply given land and development costs are so high.</p> <p>The reality in the City of Sydney relative to other areas is that there is little residential land available for purchase, so it's a very competitive environment driving high land costs.</p> <p>Projects under an investment value of \$100m are evaporating. The number of Tier 2 builders has reduced significantly, particularly in this area, as land costs are so high that lower density builds don't stack up. Land is not used efficiently at smaller scales and this type of project isn't competitive against others wanting to build at high density.</p> <p>Splitting the funds 3 ways will not generate 3 times more housing. This would only occur if each of the CHPs has large amounts of equity and/or very low debt. Due to the restrictions of the program, CHPs will be bound by an income-based rent model which is the equivalent of a 50% discount on market rents (on average) which means debt leveraging ability is low.</p> <p>Receiving greater funds earlier in the timeframe would secure all planned</p>	<p>Housing Innovation Fund money, grants from the City and leasing subsidies from renting out its own properties.</p> <p>Certainty of funding would allow for planning and programming.</p> <p>Bridge has been opportunistic in taking advantage of different funding streams when they become available. As grants become available, opportunities are identified.</p> <p>Bridge also has a pipeline of projects that it could direct funds towards and have an immediate effect, in particular, increasing the amount of affordable housing on the Elizabeth Street development.</p> <p>A small amount of funding wouldn't make a new build project feasible, but could be put towards changing the housing mix in other projects. For example, a small contribution could mean more affordable units in perpetuity instead of market housing in the Elizabeth Street development.</p> <p>Debt serviceability can be limited by income-based rent restrictions and higher interest rates.</p> <p>It will be difficult to secure HAFF funding in the City. Given that the funding source is limited, the Commonwealth may be limited in the amount of developments that can be</p>	<p>As St George's balance sheet is almost fully leveraged, it is now focussed on attracting investors.</p> <p>Any funds received would be considered co-investment funding rather than capital investment – acting as a springboard for projects rather than the sole source of funding.</p> <p>If speed of delivery is important to the City, it can consider spot-purchasing key-turn ready projects, which St George has some experience of. Refurb costs may need to be factored in.</p> <p>Timing for delivery is also dependent on planning pathways.</p>	<p>that the funds would go further in cheaper locations and that the projects in question had a higher likelihood of progressing without the need for HAFF funding.</p> <p>Debt leveraging is utilised by all three CHPs but is limited in utility given the restricted serviceability of debt, driven by the limits on rental revenue associated with genuine affordable housing.</p> <p>With their more nimble and flexible housing delivery models, St George and Bridge would appear to be able to make best use of smaller amounts of contribution funds – by securing a greater proportion of affordable dwellings in existing mixed-income housing projects or securing turn-key properties.</p> <p>In contrast, City West has identified that small amounts of funding will make little difference to its projects, which ideally need more than \$10m per annum over 10 years to deliver. Receiving greater funds earlier in that timeframe would recognise the substantial investment already committed to sites in its pipeline and allow for the earlier delivery of a significant number of units in the City.</p> <p>All agreed that speed of delivery is subject to planning.</p>

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	<p>units and allow them to be delivered earlier, subject to planning.</p> <p>It is typically a 4-year process from receiving funds, making a commitment on a site, and securing a DA approval.</p>	<p>funded in high cost locations – although Bridge understands that a spread of new housing across all geographical areas is desired. Bridge believes that the Elizabeth Street site is a unique opportunity to deliver more social and affordable housing in one of these high cost locations at a reasonable cost to government.</p>		
Optimal form of the Distribution Plan	<p>The Distribution Plan first reported to Council (which split the money between two CHPs and allocated a fixed amount to City West each year) had merit, although the amounts should be considered in light of City West's pipeline.</p> <p>Reasonable certainty is needed for City West to deliver its pipeline. Leveraging debt can only go so far.</p> <p>It is unreasonable to withdraw/significantly reduce funding now. Projects have been in the planning stages in some cases for more than 3 years, so the first \$50m-\$100m ought to go to City West to reflect sunk costs and facilitate delivery of the pipeline.</p>	<p>The City could consider linking funding to their land sales and should be open to spot rezonings. This would provide more land opportunities in the LGA.</p> <p>More collaboration between CHPs is possible to share funds depending on what is in their pipeline. Otherwise, taking turns in funding allocation would work – say \$10m - \$20m to each CHP in turn.</p> <p>A grant model wouldn't be optimal. Applying for funding is a big administrative burden and does not build in certainty to support planning or enable providers to capitalise on opportunities.</p>	<p>Sharing the contribution funds between three CHPs would be optimal.</p> <p>There is an opportunity for greater co-operation between CHPs.</p>	<p>All three CHPs agreed that there were opportunities to share funding more widely and for greater co-operation between CHPs.</p> <p>This would recognise a CHP's existing pipeline and commitments and its capacity to deliver additional housing outcomes at any particular time.</p> <p>None favoured having to apply for funding and preferred a more consistent funding arrangement to facilitate forward planning. Certainty is important.</p>