Attachment B

Options Analysis Matrix

Attachment B - Options analysis matrix

Principle / Distribution scenario	Option 1	Option 2	Option 3	Option 4	Option 5
	City West Housing receives 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. This approach guarantees a dollar amount to City West Housing each year, providing the annual contributions received are equal to this amount. Bridge Housing and St George Housing are brought into a potential share of contributions from Year 1, allowing an immediate contribution to their respective pipelines. Trends in the property market year on year will influence the total contributions received. If contributions are low in any year, City West may not reach the \$20 million threshold and there would be no funds for the remaining CHPs. If contributions are high in any year, all three CHPs receive more and the extra funds are shared equally.	City West Housing receives the first \$100 million in contribution over the 5-year period, with residual contributions being split equally between City West Housing, Bridge Housing and St George Housing thereafter. This approach guarantees a total of \$100 million to City West Housing to deliver its pipeline over the life of the Distribution Plan before any other CHP receives funding. The influence of trends in the property market in the timeframe are minimised. Bridge Housing and St George Housing only receive funds if contributions exceed this amount. If more than \$100 million is received, all three CHPs benefit, with additional funds shared equally.	City West Housing receives all contributions over the first 4 years. In Year 5 contributions are split equally between Bridge Housing and St George Housing in the final year. This approach does not guarantee a dollar amount to any provider and is subject to variations year on year in contributions received. As this approach is market-led, the risk or benefit sits with the provider. Certainty is provided to Bridge Housing and St George Housing on the timing that they would be brought into the distribution of funds. This occurs at Year 5.	Contribution funds are split equally between City West Housing, Bridge Housing and St George Housing. This approach shares funds between the three providers equally from the outset and funds received are subject to variations in year on year contributions. A market-led approach where risk or benefit sits with the provider depending on property trends.	Contribution funds are split equally between City West Housing and one other CHP. This approach shares funds between two CHPs equally from the offset and funds received are subject to variations in year on year contributions. Funds will be greater than those achieved under Option 4. A market-led approach where risk or benefit sits with the provider depending on property trends.
Distribution implications	This analysis assumes two scenarios for how much contribution funding may be received over the next 5 years. 50% conversion of lodged and approved DAs results in a five-year income of \$200 million. Assuming an even spread of funds paid annually, this option would result in: Year 1 to Year 5 - City West Housing receives \$100 million of funds; and Year 1 to Year 5 - Bridge Housing and St George Housing receive about \$50 million each. 70% conversion of lodged and approved DAs results in a five-year income of \$285 million. Assuming an even spread of funds paid annually, this option would result in: Year 1 to Year 5 - City West Housing receives \$100 million of funds; Year 1 to Year 5 - City West Housing receives about \$27.5 million (in addition to the \$100 million above); and Year 1 to Year 5 - Bridge Housing and St George Housing receive about \$77.5 million each.	This analysis assumes two scenarios for how much contribution funding may be received over the next 5 years. 50% conversion of lodged and approved DAs results in a five-year income of \$200 million. Assuming an even spread of funds paid annually, this option would result in: Year 1 to Year 3 - City West Housing receives \$100 million; Year 3 to Year 5 - City West Housing receives about \$33 million (in addition to the \$100 million above); and Year 3 to Year 5 - Bridge Housing and St George Housing receiving about \$33 million each in total. 70% conversion of lodged and approved DAs results in a five-year income of \$285 million. Assuming an even spread of funds paid annually, this option would result in: Year 1 to Year 2 - City West Housing receives \$100 million; Year 2 to Year 5 - City West Housing receives about \$61 million (in addition to the \$100 million above); and Year 2 to Year 5 - Bridge Housing and St George Housing receiving about \$61 million each in total.	This analysis assumes two scenarios for how much contribution funding may be received over the next 5 years. 50% conversion of lodged and approved DAs results in a five-year income of \$200 million. Assuming an even spread of funds paid annually, this option would result in: Year 1 to Year 4 - City West Housing receives \$160 million; Year 5 - City West Housing receives about \$13 million (in addition to the \$160 million above); and Year 5 - Bridge Housing and St George Housing receive about \$13 million each. 70% conversion of lodged and approved DAs results in a five-year income of \$285 million. Assuming an even spread of funds paid annually, this option would result in: Year 1 to Year 4 - City West Housing receives \$228 million; Year 5 - City West Housing receives about \$19 million (in addition to the \$228 million above); and Year 5 - Bridge Housing and St George Housing receive about \$19 million each.	This analysis assumes two scenarios for how much contribution funding may be received over the next 5 years. 50% conversion of lodged and approved DAs results in a five-year income of \$200 million. 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. 70% conversion of lodged and approved DAs results in a five-year income of \$285 million. 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.	This analysis assumes two scenarios for how much contribution funding may be received over the next 5 years. 50% conversion of lodged and approved DAs results in a five-year income of \$200 million. 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. 70% conversion of lodged and approved DAs results in a five-year income of \$285 million. 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.

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The distribution of funds maximises	Excellent	Excellent	Good	Poor	Very good
affordable housing outcomes and facilitates their quick delivery	 Provides good certainty of funding for City West Housing pipeline. 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. Provides early opportunities for other CHPs to contribute to their respective pipelines. 	 Provides the highest level of certainty of funding for City West Housing pipeline. 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. Provides opportunities for other CHPs to contribute to their respective pipelines, although later in the 5 year period. 	 Provides good certainty of funding for City West Housing pipeline. 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. Opportunities for other CHPs to contribute to their respective pipelines are delayed to Year 5. 	 Provide low certainty of funding for City West Housing pipeline. The pipeline is not assured under both the 50% scenario and the 70% scenario (though marginally under the 70% scenario). Provides early opportunities for other CHPs to contribute to their respective pipelines. 	 Provides good certainty of funding for City West Housing pipeline. The \$100 million required to deliver the pipeline is assured under both the 50% scenario and the 70% scenario. 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.
The distribution of funds is subject to good	Excellent	Excellent	Excellent	Excellent	Excellent
governance arrangements, including					
periodic review	 Allocated to Tier 1 CHP. Distribution Plan to be applied consistently over the life of the plan. It is proposed to set out the high-level review criteria in the distribution plan. All CHPs subject to annual reporting requirements set out in a funding agreement between the City and the CHP. Funds are distributed to Tier 1 CHPs with an existing presence in the City of Sydney with proven capability in delivering affordable housing outcomes. 	 Allocated to Tier 1 CHP. Distribution Plan to be applied consistently over the life of the plan. It is proposed to set out the high-level review criteria in the distribution plan. All CHPs subject to annual reporting requirements set out in a funding agreement between the City and the CHP. Funds are distributed to Tier 1 CHPs with an existing presence in the City of Sydney with proven capability in delivering affordable housing outcomes. 	 Allocated to Tier 1 CHP. Distribution Plan to be applied consistently over the life of the plan. It is proposed to set out the high-level review criteria in the distribution plan. All CHPs subject to annual reporting requirements set out in a funding agreement between the City and the CHP. Funds are distributed to Tier 1 CHPs with an existing presence in the City of Sydney with proven capability in delivering affordable housing outcomes. 	 Allocated to Tier 1 CHP. Distribution Plan to be applied consistently over the life of the plan. It is proposed to set out the high-level review criteria in the distribution plan. All CHPs subject to annual reporting requirements set out in a funding agreement between the City and the CHP. Funds are distributed to Tier 1 CHPs with an existing presence in the City of Sydney with proven capability in delivering affordable housing outcomes. 	 Allocated to Tier 1 CHP. Distribution Plan to be applied consistently over the life of the plan. It is proposed to set out the high-level review criteria in the distribution plan. All CHPs subject to annual reporting requirements set out in a funding agreement between the City and the CHP. Funds are distributed to Tier 1 CHPs with an existing presence in the City of Sydney with proven capability in delivering affordable housing outcomes.
The distribution of funds grows the CHP	Excellent	Very good	Poor	Excellent	Excellent
sector in the local area and enables ongoing investment in more affordable housing	 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. 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. 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. 	 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. 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. 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. 	 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. However, this Option provides limited opportunity for other CHPs who will only receive funding in Year 5. 	 This Option shares the funds equally from Year 1. While the Option creates risk to the pipeline, it shares opportunities amongst all CHPs. 	 This Option shares the funds equally from Year 1. This Option focuses on growing two CHPs at scale in the local area. The existing pipeline can be delivered under this Option.

The distribution of funds ensures the City's	Very good	Excellent	Excellent	Poor	Very good
The distribution of funds ensures the City's investment to date in the affordable housing pipeline is secured for future affordable housing outcomes	 The City's past investment in affordable housing has resulted in a significant pipeline with City West Housing. City West Housing has identified a 	The City's past investment in affordable housing has resulted in a significant pipeline with City West Housing. City West Housing has identified a	The City's past investment in affordable housing has resulted in a significant pipeline with City West Housing. City West Housing has identified a	The City's past investment in affordable housing has resulted in a significant pipeline with City West Housing. City West Housing has identified a	The City's past investment in affordable housing has resulted in a significant pipeline with City West Housing. City West Housing has identified a
	further \$100 million is required to deliver the City's pipeline. 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. The \$100 million is secured in Year 5.	further \$100 million is required to deliver the City's pipeline. 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. The \$100 million is secured in Year 2 (70% scenario) or Year 3 (50% scenario).	further \$100 million is required to deliver the City's pipeline. The \$100 million required is only assured where contributions are consistently in excess of \$20 million per year. The \$100 million is secured in Year 2 (70% scenario) or Year 3 (50% scenario).	further \$100 million is required to deliver the City's pipeline. The pipeline is not assured under both the 50% scenario and the 70% scenario (though marginally under the 70% scenario).	further \$100 million is required to deliver the City's pipeline. The \$100 million would be achieved by both CHPs in Year 5 under the 50% scenario and Year 4 under the 70% scenario.
The distribution of funds is consistent with	Excellent	Excellent	Excellent	Excellent	Excellent
the requirements of state government					
legislation and regulation and the principles set out in the City's Affordable Housing Program. 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.	 Consistent with current legislation. The funding agreement can include requirements that ensure resulting housing is managed in accordance with the City of Sydney Affordable Housing Program (June 2023). 	Consistent with current legislation. The funding agreement can include requirements that ensure resulting housing is managed in accordance with the City of Sydney Affordable Housing Program (June 2023).	Consistent with current legislation. The funding agreement can include requirements that ensure resulting housing is City of Sydney Affordable Housing Program (June 2023).	Consistent with current legislation. The funding agreement can include requirements that ensure resulting housing is City of Sydney Affordable Housing Program (June 2023).	Consistent with current legislation. The funding agreement can include requirements that ensure resulting housing is City of Sydney Affordable Housing Program (June 2023).