

# AILG

Association of Irish Local Government



# Introduction and Overview of Housing

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[www.housing.ie](http://www.housing.ie)

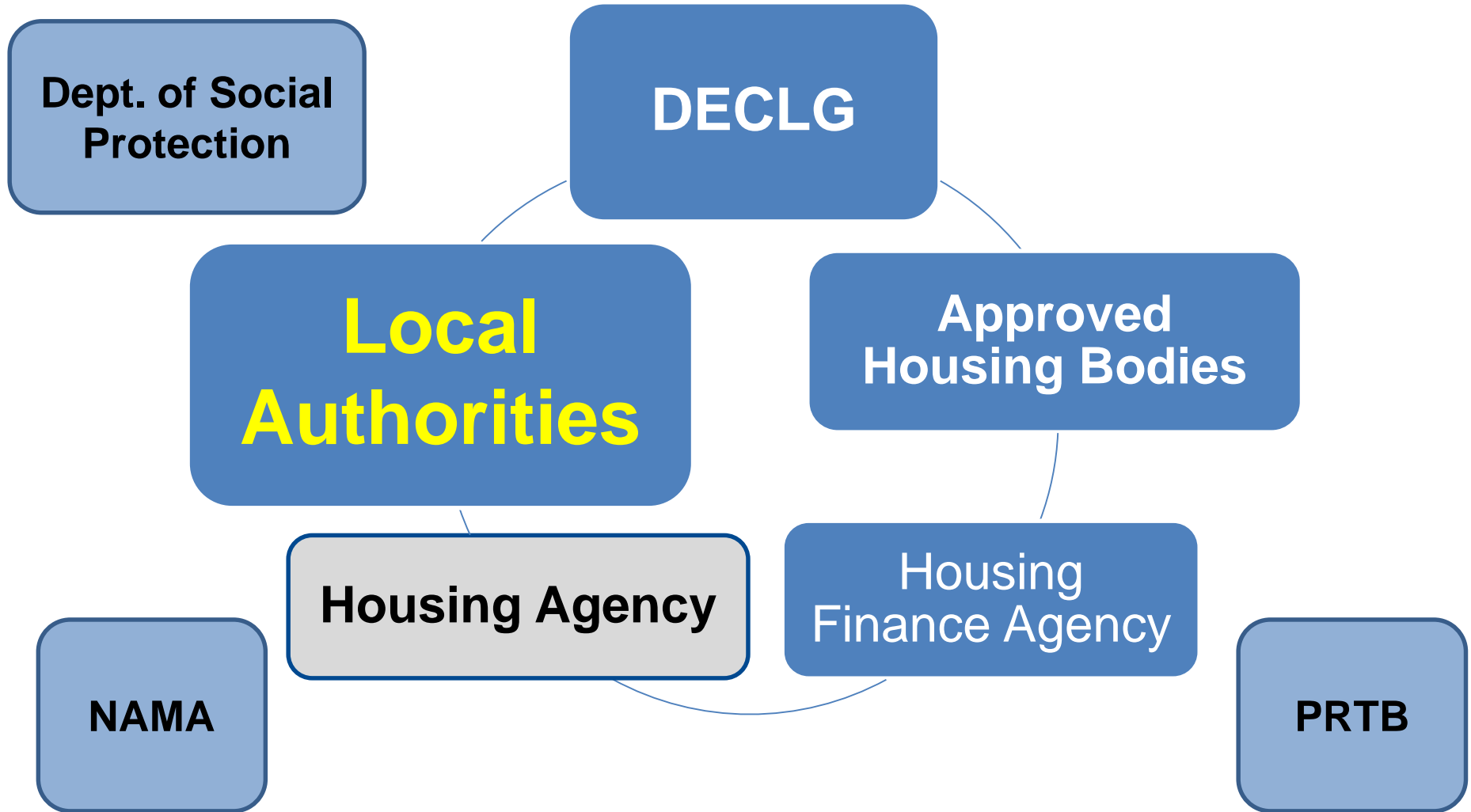
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communities*



# Agenda

- Overview of housing services / functions
- Supply Programmes
- Housing Management and the introduction of Regulations
- Future developments in Housing
- Other housing issues
- Q&A

# Structures - Housing



# DECLG



- Government Department that has responsibility for housing and local authorities
- Develops and implementations housing policy and legislation
- Provides funding for social housing and housing support



# Approved Housing Bodies

- Voluntary Housing Associations
- Co-operatives
- Approved by DECLG
- Provide and manage housing
- Funded by government through local authorities

# Local Authorities

- Are the Housing Authorities
- Statutory role in provision of social housing
- Operate under housing legislation
  - Acts
  - Regulations



# Housing Finance Agency

- Set up initially to provide lending for home purchase
- Provides funding to local authorities for
  - Home purchase loans
  - Land purchase
  - Funding for Approved Housing Bodies
- Lends directly to Approved Housing Bodies



# Housing Agency

The Agency works with and supports:

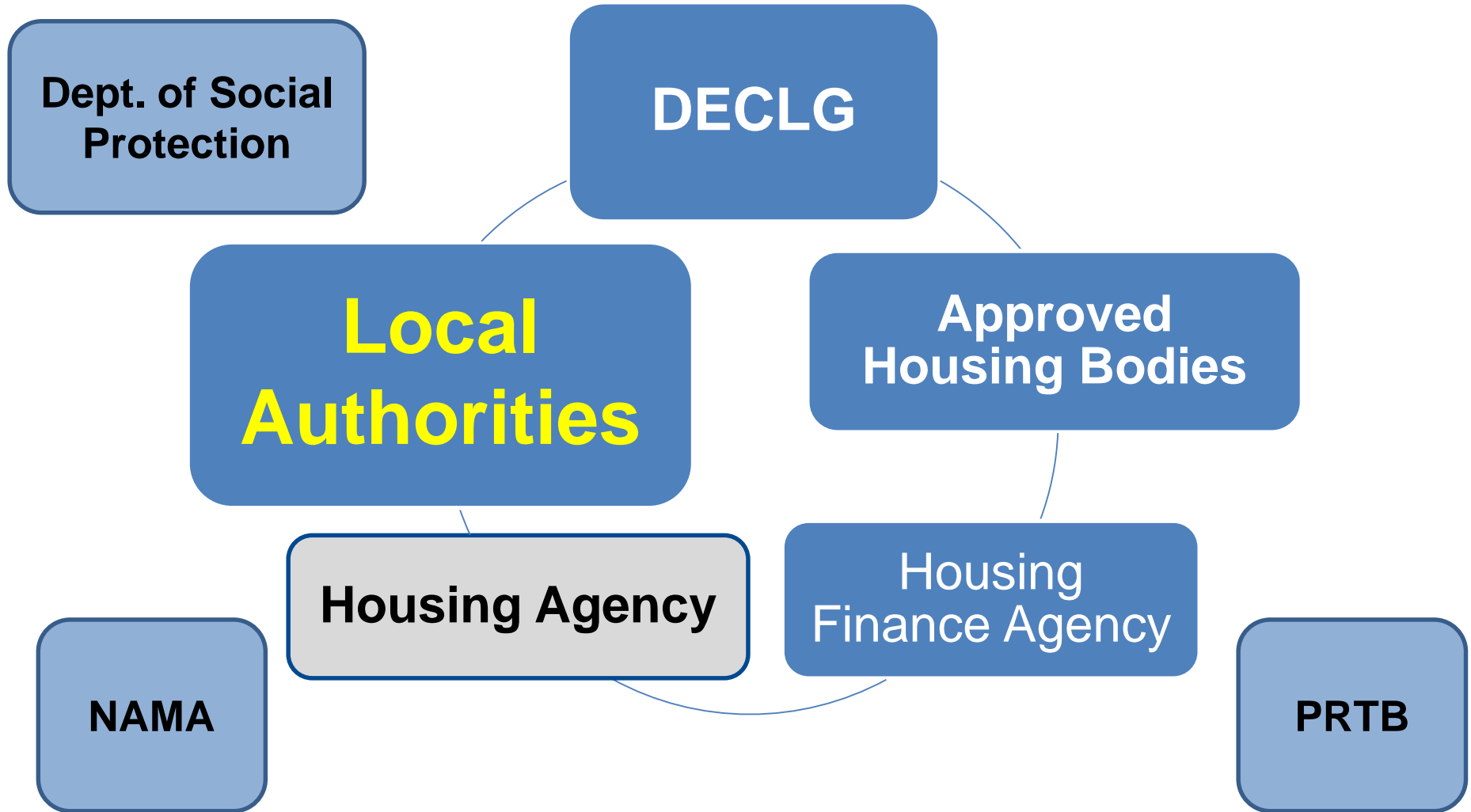
- Local Authorities
- Housing Associations & Co-operatives
- Department of the Environment
- Private Sector

in the delivery of housing  
and housing services.



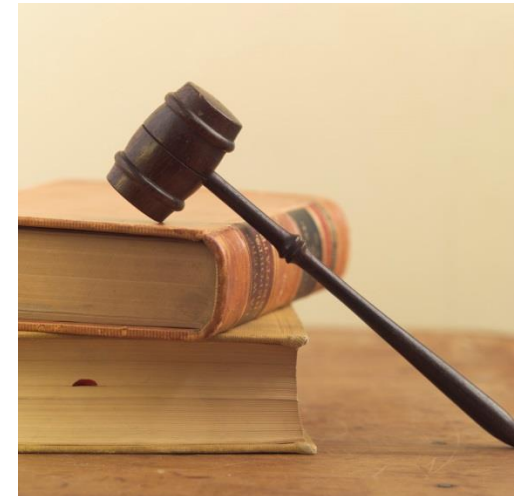


# Structures - Housing



# Housing Legislation

- Housing Acts 1966 to 2014
- Local Authorities are Housing Authorities
- Powers set in legislation

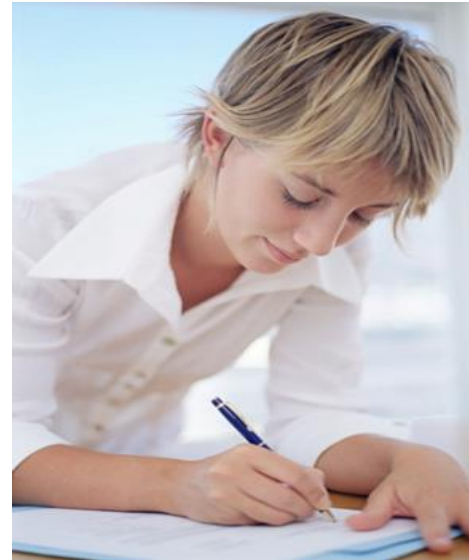


# What are the different elements of Housing?

- Housing Management
  - Social Housing Assessment
  - Allocations
  - Rents
- Housing Maintenance
- Housing Supply
- Homeless Services
- Pathways to Home Ownership – Tenant Purchase, incremental Purchase, home purchase loans
- Grant schemes – DPG, Elderly



# Housing Management



# Applying for Social Housing

- Social Housing Assessment Regulations 2011 set out procedures to assess applicants.
- Rules apply to time for processing, who you can apply to, what assessment consists of.
- Objective: consistency, transparency, fairness.

# Assessment – Application

- Prescribed application form and period in which to process (12 weeks)
- Apply to one authority only (but choices where to live may be outside that particular authority)
- Which authority to apply to?
  - Where you live now or
  - Local connection (this is defined) or
  - authority agrees to consider application

# Qualification for social housing support



- To qualify must be in eligible and in need of SHS
- Eligibility has 4 elements
  - Residency Status
  - Income
  - Rent arrears (s.20(5) of 2009 Act)
  - Availability of alternative accommodation

# Eligibility: Income limits

- Minister set maximum (net) income threshold of €35,000, €30,000, and €25,000 for a single person household in each area, with allowance of
  - 5% for each additional adult household member, subject to a maximum allowance under this category of 10%
  - 2.5% for each child household member, subject to a maximum allowance under this category of 10%
- So maximum income band for household of 3 adults and 4 children (or more) is €42,000, €36,000 or €30,000, depending on the area



# Need for social housing support



- Institution, emergency accommodation or hostel?
- Overcrowded?
- Unfit?
- Meets specific accommodation requirements of household member with a physical, sensory, mental health or intellectual impairment?
- Involuntary sharing?
- Unsustainable Mortgage
- Otherwise unsuitable, having regard to particular HH circumstances or on exceptional medical or compassionate grounds?

# Allocation Scheme

- Each Authority is required to have an Allocation Scheme
- 2011 Housing Allocation Regulations
- Main changes:
  - Common Refusals policy (2 refusals in 12 months = suspension)
  - Allow for Choice Based Lettings (CBL), which allow Council advertise properties
  - Indication there will be further changes

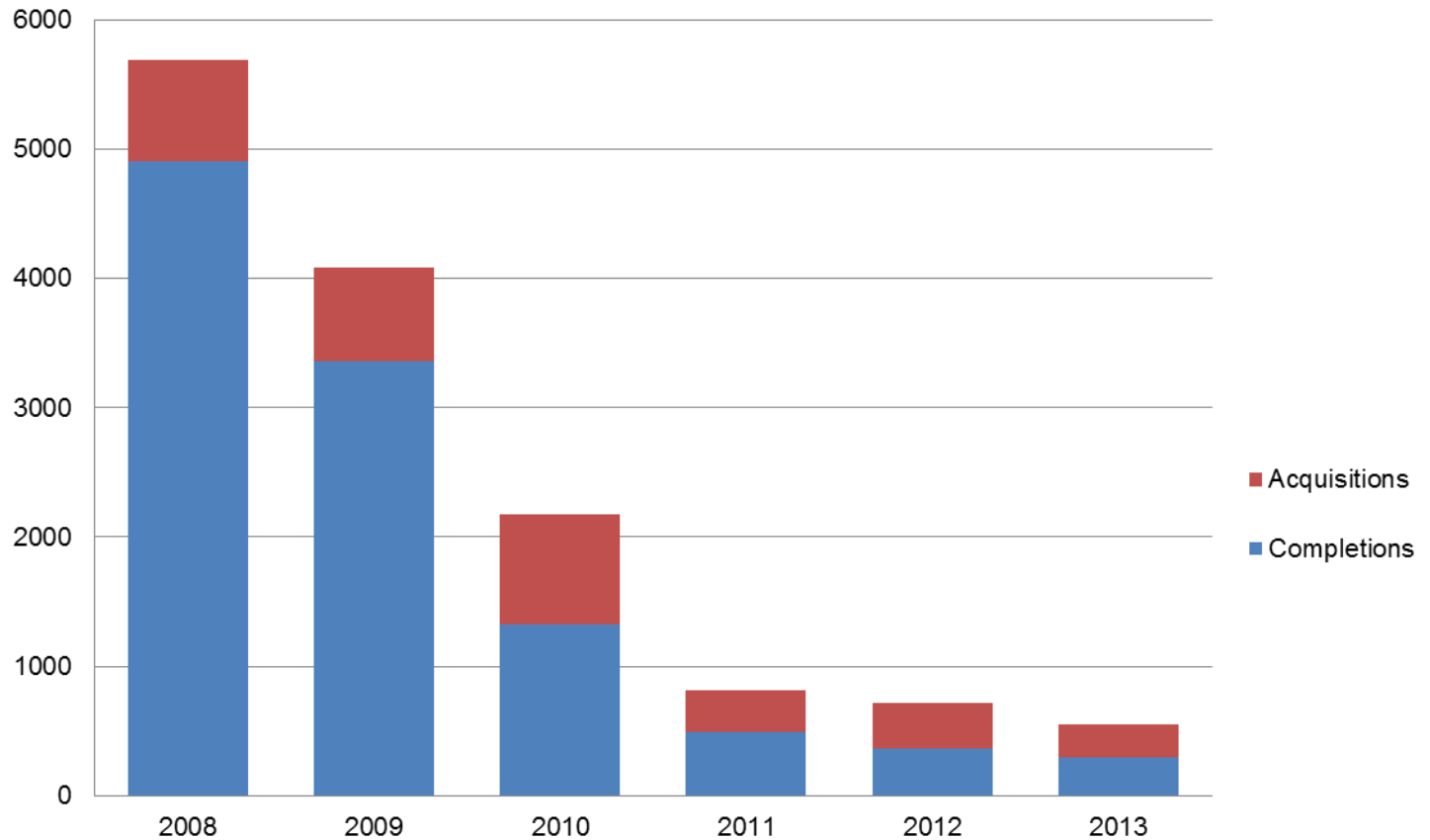
# Differential Rents

- Until recently 80 schemes in operation
- Different parameters in each scheme
- Proposed to have new rents framework
- Regulations will set national parameters for all LAs to operate
- Introduce base rents for all households under certain threshold
- Facilitate activation

# Supply



# Social Housing Completions and Acquisitions 2008 - 2013



# Supply - Context

- Traditional Delivery – LA & AHB Build/Buy
- Capital Funding provided by Government
- Part V broadened the approach to supply
- Rental Accommodation Scheme (RAS) enabled private landlords to engage
- Policy reform agenda - towards mixed tenure, sustainable communities.
- Capital Constraints
- Finance provided is revenue based and must remain off the GGB

# Capital Programmes

- Local Authority
  - LA Build/Buy
  - Regeneration
  - Retrofit/ Voids
- Approved Housing Body (AHB)
  - Capital Assistance Scheme (CAS)
  - Capital Loan and Subsidy Scheme (CLSS) – historical
  - Loan finance underpinned by Payment & Availability Agreements plus CALF

# Revenue Programmes

- 1) Rental Accommodation Scheme (RAS)
- 2) Leasing
- 3) Housing Assistance Payment (HAP)
- 4) Rent Supplement – by Dept. of Social Protection





# Rental Accommodation Scheme

- a) Commenced September 2005
- b) Marked a shift towards a more flexible and graduated housing support
- c) Accommodation sourced by LA in private rented sector
- d) Payment made directly to landlord, reduced risk for landlord
- e) Tenant pays Differential Rent, no employment traps
- f) RS remains a short term income support option

# Leasing Options

- Lease properties from private owners –
  - 10-20 yrs
  - 80% of market rent
  - LA/AHB manage and maintain
- Availability agreements with private landlords
  - same terms as RAS
- Temporary use of unsold affordable properties
  - lease (or SLA) to AHB temporarily
  - Recoup interest only on HFA loan from DECLG

# AHB Loan Finance arrangements

- AHB borrows the required finance from bank or HFA.
- AHB enters into a **Payment and Availability Agreement** with LA.
- Availability Payment =  
**92% of the market rent**  
*(This is reviewed periodically, typically every 4 years based CPI rental index and be reviewed upwards or downwards)*
- AHB receives a differential rent payment from the tenant.

# Capital Advance Leasing Facility (CALF)



To offset some of the potential liquidity issues with some projects, DECLG introduced CALF

- Limited Capital made available to AHBs by DECLG/LA
- Fund a portion of property acquisition or construction project (max. 30%)
- Capital is provided in the form of unsecured loan
- No repayments required during the term
- Interest accrues at a nominal rate of 2%
- Capital + Interest to be repaid at end of term

# Housing Assistance Payment (HAP) – Basic features



- New form of **Social Housing Support**
- Replace Rent Supplement for households with long term need
- Housing authority **responsible for all households** where housing need determined
- Short term cases stay as Rent Supplement
- Household source own accommodation
- Landlord paid directly by authority
- Once in HAP accommodation housing needs are met

# Comparison between Rent Supplement and HAP



## RS

- Tenant sources own accommodation
- Tenant pays landlord
- Maximum working hours
- Withdrawal rate of supplement
- May be on the Housing List

## HAP

- Tenant sources own accommodation
- Local authority pays landlord
- Tenant pays differential rent (income based rent)
- Can work full-time
- Housing need considered met

# HAP – Eligibility

- Any household that is qualified for social housing support is eligible for HAP
- Four main cohorts of household are to be addressed with the introduction of HAP:
  - **Long term rent supplement recipients** – referred from DSP and to be transferred to HAP on phased basis
  - **Existing households on housing list** who may present to the local authority seeking HAP.
  - **New social housing applicants** who wish to apply for HAP
  - Rent supplement recipients changing tenancies. DSP have agreed to approve a new RS tenancy for these households for an interim period



# Rent Supplement Trends

## Expenditure on scheme:

- 2005 - €369 million
- 2011 - €503 million
- 2012 - €423 million

## Household Numbers

- 2005 - 60,200
- 2011 - 96,800 (61% increase)
- 2012 - 87,000



35% of Private Rented Sector receiving Rent Supplement



# Wave 1 Authorities

- 1) Limerick (lead authority)
- 2) Cork County
- 3) Waterford
- 4) South Dublin
- 5) Louth
- 6) Monaghan
- 7) Kilkenny

# Future?



# Housing Act 2014

Provides for

- Housing Assistance Payment
- Section 62 – Notice to Quit
- Tenant Purchase

# Budget measures

- €2.2 billion provided over 3 years
- 2015 - €453m capital: €345m revenue
- Additional €10.5m for Homeless

# Other Housing areas

- Part V Amendments
- Social Housing Strategy
- Public Private Partnerships
- European Funding

# Final Thoughts

- Housing has become more complex
- Housing management more accountable, consistent and transparent
- Various vehicles there to increase delivery

# Thank You

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