



**An Ghníomhaireacht
Tithíochta**
The Housing Agency

Association of Irish Local Government

Key Developments in Housing Policy and Practice

25 June 2021

Agenda



John O'Connor, CEO
Role of Local Authorities
& Programme for Government on Housing



Gwen Perry, Head of the Affordable Housing Unit
Affordable Housing Bill



Alex Dowdall, Senior Staff Officer
Whitepaper to End Direct Provision

Who is the Housing Agency?



- It is a State Agency that provides a wide range of housing related services, delivery and supports policy implementation
- Working with stakeholders
 - Department of Housing, Local Government & Heritage
 - Local Authorities
 - Approved Housing Bodies
 - Private sector providers
- Need to know more? publicreps@housingagency.ie



Organisations



**Department of
Housing, Local
Government, and
Heritage**

**Private
Sector**

**Home Building
Finance Ireland**

**Land
Development
Agency**

**Local
Authorities**

**Housing
Agency**

**Approved
Housing
Bodies**

**Housing
Finance Agency**

**Residential
Tenancies Board**

Websites



- [Housingagency.ie](https://www.housingagency.ie) – Main Housing Agency website
- [Housingmanual.ie](https://www.housingmanual.ie) - The Housing Manual is a comprehensive resource for housing practitioners. It contains a wide range of information from basic overviews of housing issues, to detailed references to legislation, regulations, circulars and guidance.
- [Rebuildingirelandhomeloan.ie](https://www.rebuildingirelandhomeloan.ie) – Information on the Rebuilding Ireland Home Loan
- [Mortgageorent.ie](https://www.mortgageorent.ie) – Information on the Mortgage to Rent scheme
- [Hap.ie](https://www.hap.ie) – Information on the Housing Assistance Payment
- [Agefriendlyhomes.ie](https://www.agefriendlyhomes.ie) – Key resource on age friendly housing in Ireland
- [Housingtraining.ie](https://www.housingtraining.ie) – Information on housing training and education events
- [Housingdesignforall.ie](https://www.housingdesignforall.ie) - Key resource on housing and disability in Ireland

Ballymoneen Road, Galway



Craddockstown, Naas



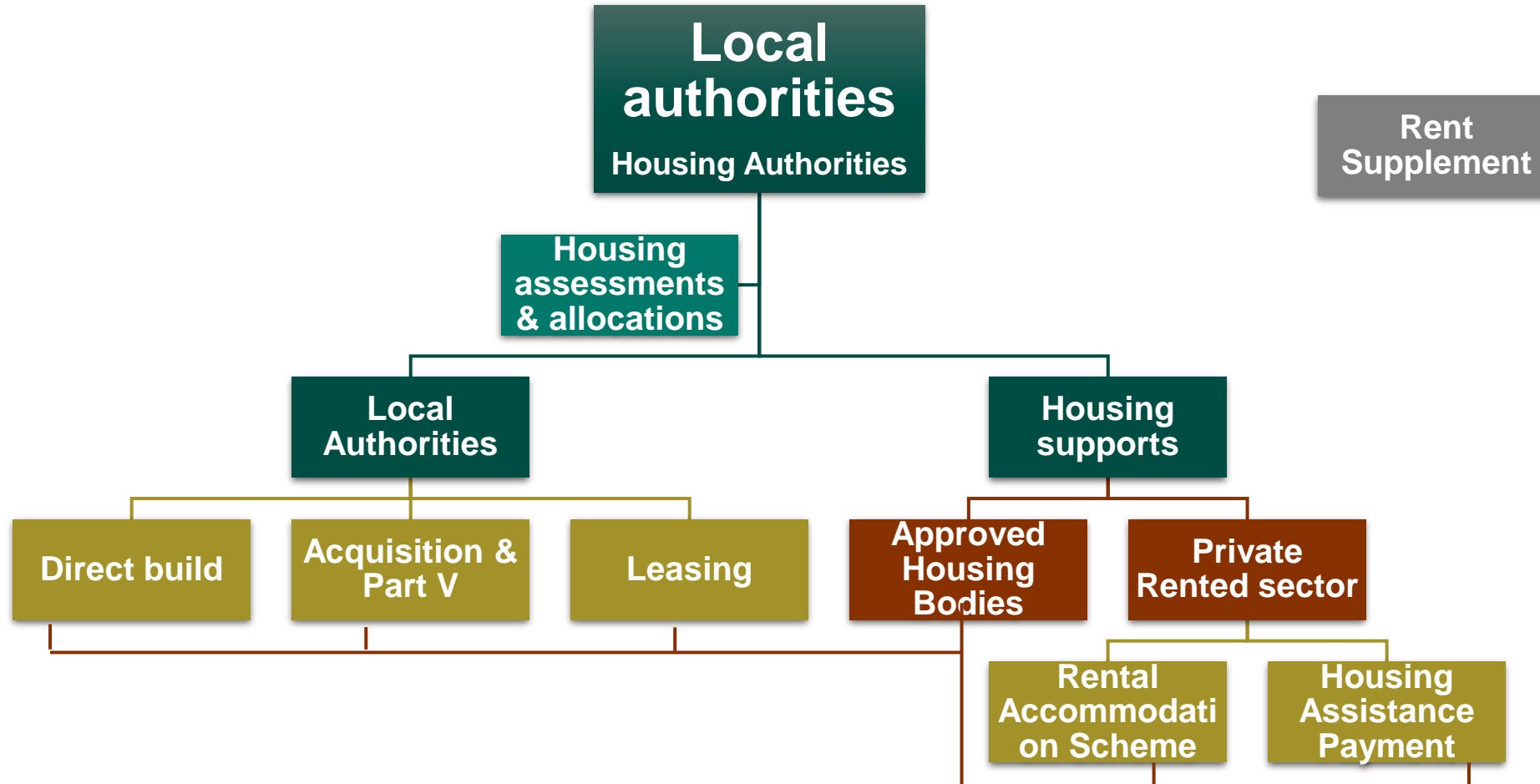
Stepaside, Dublin



Local authorities & social housing



Local Authorities are the Housing Authorities



Elected Councillors & Housing

- **Local Authorities are:**
 - Housing Authorities
 - Planning Authorities
 - Building Control Authorities
- **Housing** – reserved functions incl.
 - Scheme of allocations for social housing
 - Scheme of priorities for affordable purchase and cost rental housing
- **Planning** – reserved functions incl.
 - Adoption of Development Plans
 - Approval of Material Contraventions of Development Plan
 - Approval of Applications under Part 8
- **Land & Buildings**
 - Approval to dispose – section 183

Programme for Government: Housing for All



“Put affordability at the heart of the housing system”

Increased supply:
Public & social
Affordable

State backed
affordable
home
purchase
scheme

50,000+
social
homes -
emphasis
on new
builds

Renting:
Supply
Affordability
Security of
tenure

Central
role for
LAs
Private
sector for
mix & type



Programme for Government



Housing for All Plan

Elected Councillors & Policy



- Councillors have invaluable local knowledge which can be used to inform housing policy.
- Importance of a unified approach.
- Working with officials on agreed approach



**An Ghníomhaireacht
Tithíochta**
The Housing Agency

Affordable Housing Bill 2021

25th June 2021

Policy Overview



Programme for Government

- **Commitment to provide new homes that are accessible and affordable**
- **Objective to put affordability at the heart of the housing system**

Budget 2021

- €160m for affordability measures:**
- **€75m Affordable Purchase Shared Equity scheme**
 - **€35m Cost Rental delivered via AHBs**
 - **€50m Serviced Site Fund**

Affordable Housing Bill 2021



Local Authority Affordable Purchase Shared Equity Scheme

Delivery by Local Authority with the assistance of Serviced Sites Fund and using public land.

National Affordable Purchase Shared Equity Scheme

Delivery by private sector that will allow households to buy new homes on open market.

Cost Rental

Initial delivery by Approved Housing Bodies using a Cost Rental Equity Loan.



Two new options for affordable home ownership

Local Authority Affordable Purchase

Affordable Purchase Shared Equity

Which homes?



Any home advertised for sale by a local authority and designated for affordable purchase.

Eligible homes in private developments with a sale price lower than location based price caps.

Which buyers?



First time buyers availing of their maximum mortgage entitlement, and unable to buy the home at its market price.

How will the schemes work?



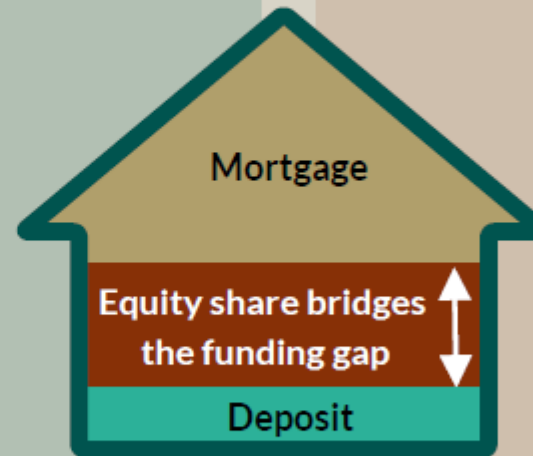
Bridging the funding gap with an equity share



First time home buyers can face a funding gap where the combination of deposit, and the maximum mortgage, from a participating bank, is lower than the cost of a home:

$$\text{Price} - (\text{Deposit} + \text{Mortgage}) = \text{Funding Gap}$$

Home buyers can bridge this funding gap with an equity share.



Households can use the Help to Buy incentive towards a deposit where their mortgage is at least 70% of the price of the home. The equity amount may vary depending on whether the buyer avails of the Help to Buy scheme

Overview: Local Authority – Affordable Purchase Shared Equity Scheme



- Amendments to Part 5 of the Housing (Miscellaneous Provisions) Act 2009.
- A **simplified approach** to the Scheme of Priorities.
- Amendment to charging period – indefinite length
- Makes provision for the purchase of affordable homes provided by the Land Development Agency to local authority eligible applicants.

LA Scheme Provisions cont'd



- Simplified **Scheme of Priorities** (subject to regulations)
 - Suitability of property to household size/composition
 - Based on the time and date of application
 - Length of time living in the administrative area of a Local Authority
 - The making of the Scheme is a reserved function.
- **Affordable Dwelling Purchase Arrangements**
 - Legally enforceable burden on the folio of the property
 - Will rank behind the mortgage charge on the property
 - **Has no pre-determined end date**

LA Scheme Provisions cont'd



- **Affordable Dwelling Purchase Arrangements cont'd**
 - Can be redeemed over time by the property owner by making payments to the LA based on market value of the property at the time of payment
 - If property is sold then equity must be redeemed
 - If the property owner dies the equity must be redeemed from the estate

LA Scheme Provisions cont'd



- Local authorities can provide homes on their lands **but also in arrangements with the LDA and on private lands**
- Homes **can be sold by developers** to qualifying households nominated by LAs using a Direct Sales Agreement (Section 7)
- Separate/divorced applicants and **applicants whose accommodation is too small or who have lost their property through insolvency** are catered for (subject to regulations)

National Affordable Purchase Shared Equity Scheme



- Provides a statutory basis for the Minister to contribute funds to a **Special Purpose Vehicle** for the purpose of operating a national Affordable Purchase Shared Equity Scheme - **€75m funding for 2021.**
- Targeted at **First Time Buyers** and new build homes.
- Provision to set conditionality linked to price, geographical location and minimum/maximum levels of equity support.

National Affordable Purchase Shared Equity Scheme cont'd



- It is intended that the **main mortgage banks** will participate and match funds.
- **Income eligibility** will work similarly to the LA scheme – **based on the price of the property** and ability of household to acquire under **macro prudential rules**.
- **Price caps** will be used to target both the income cohorts and to limit the potential effect on house price inflation



What is cost rental?



Cost rental means that the rent charged is enough to cover only the costs of building and maintaining the home. This means cost rents are lower than in the comparable private rental market.

Cost rental homes are intended to meet the housing needs of middle-income households who do not qualify for social housing.

Maximum income limits for eligibility for cost rental are currently being finalised.

There will be no minimum income, but households must be able to pay the cost rent from their current income.

Cost rental is not a social housing support.

Cost Rental



- Bill provides first legislative basis for Cost Rental in Ireland
- **Minister will have the power to designate** Cost Rental dwellings subject to them meeting certain criteria:
 - **Cost covering rents** – to include the cost of delivery, finance, management and maintenance of the cost rental homes.
- Delivery of Cost Rental homes by a Local Authority, Approved Housing Bodies, and Land Development Agency.

Cost Rental can deliver:



1. **Stable** rents that are affordable for moderate income households independent of private rental market.
2. **Secure** tenancies through professional long-term management and retention of cost rental housing.
3. **Sustainable** funding model and a form of tenure that will develop over the coming years.
4. **Moderating** influence on market rents as scale is achieved over time.

Rent Reviews in Affordable Housing Bill



- Rent reviews dealt with specifically in the Bill
- Rent review calculation **subject to regulation** by the Minister based on **HICP**
- Reviews cannot happen more than once in a 12 month period

How Can LA Make Cost Rental affordable?



1. Local Authority land may be available **at low cost**.
2. Serviced Sites Fund or **Cost Rental Equity Loan** can **reduce the initial cost burden** that needs to be serviced by rental income – **lowering rents**.
3. **Long term debt arrangements** play a key role in lowering rents e.g. 40 year financing term.
4. **Keeping operational costs down** while maintaining good properties that are desirable to rent.

Enniskerry Road Update



- Pilot Cost Rental scheme
 - 155 houses & apartments – 105 social rental & 50 cost rental
 - Jointly financed & managed by Respond & Tuath
 - Due for delivery 2021
- **The key to reducing rents:**
 - Site provided by State
 - Infrastructure partly funded by Serviced Sites Fund
 - Long-term low cost finance
 - Low rent increases over time



What Next?



- Affordable Housing Act, 2021 to be enacted.
- **Eligibility Criteria** for the Affordable Purchase and Cost Rental Homes to be set out in regulations.
- The legislative framework to set out how **affordable housing** can be provided and sold by local authorities, including the **priority to be assigned to applicant households** and the rules related to the equity charge and repayment to be put in place.

Points for Consideration



- The role of the Councillors in progressing the provisions of the Bill.
- How LA can make cost rental homes affordable.
- Affordable Purchase Shared Equity Schemes – Investment by the state in homeownership.
- How the local authority develop sites – there are options in the Bill. Is it better to transfer the financing, delivery, selling and long-term liability risks to the builder/developer?



**An Ghníomhaireacht
Tithíochta**
The Housing Agency

Thank You

Tel: +353 1 656 4100

E-mail: gwen.perry@housingagency.ie



**An Ghníomhaireacht
Tithíochta**
The Housing Agency

White Paper to End Direct Provision and to Establish a New International Protection Support Service (Feb 2021)

Direct Provision

- Began 1999
- Support applicants for refugee status/ international protection
- Criticisms
- Reports (McMahon 2015; Expert Advisory Group 2020)
- Reforms to date
 - Minimum standards
 - Right to work
 - Self catering facilities
 - Processing times
 - Vulnerability assessment

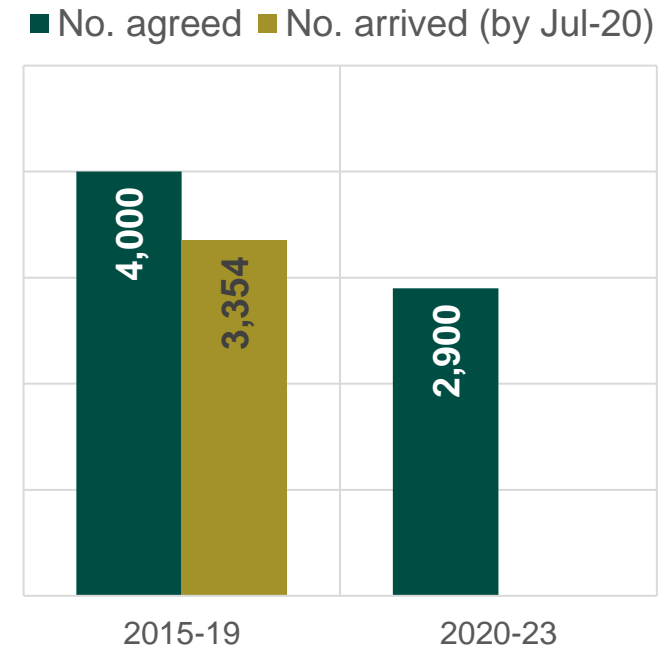


The Irish Refugee Protection Programme (IRPP)



- ‘Programme Refugees’: accepted for resettlement on agreed & planned basis, usually in response to a humanitarian request
 - Initially accommodated in Emergency Reception & Orientation Centres (EROCs)
 - Average length of stay 6 months
 - Applications assessed, supports available
 - Resettled in the community,
 - Via host families, supported housing provided by AHBs or other NGOs
 - Do not enter Direct Provision

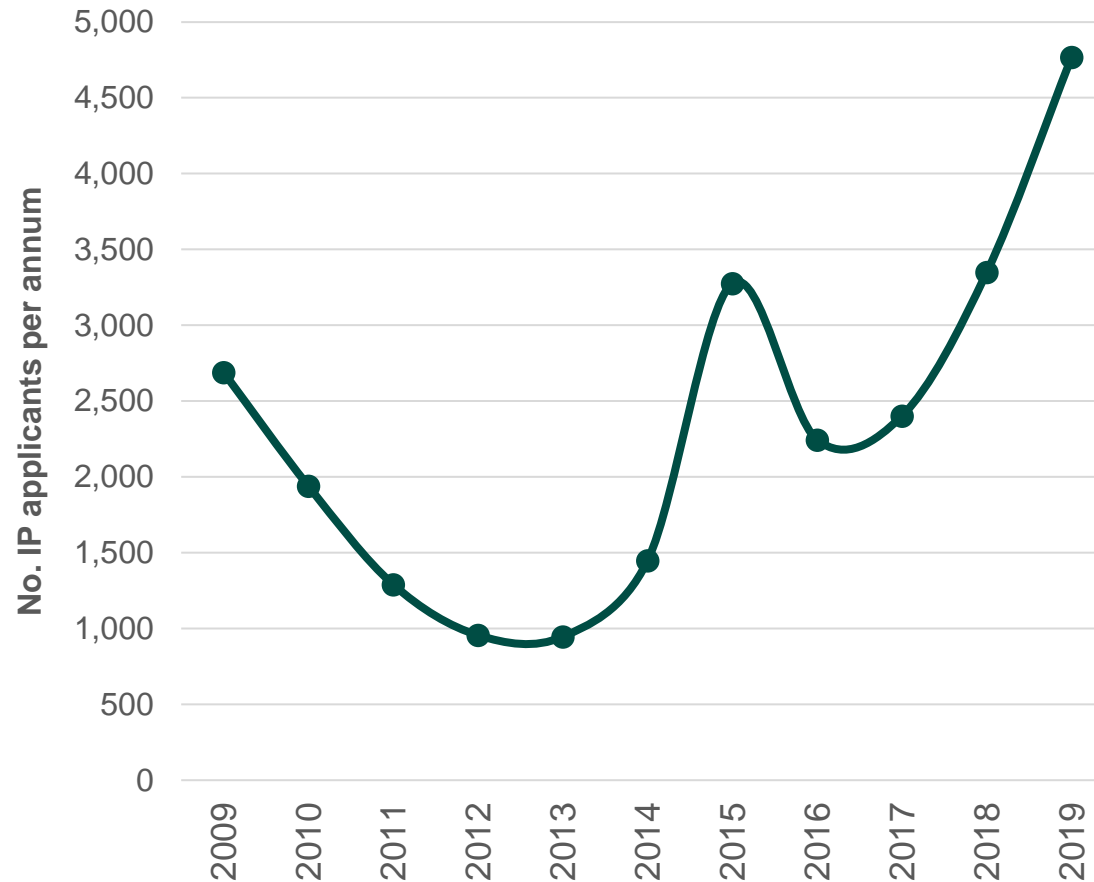
IRPP: numbers agreed & arrived



Applications under International Protection Act 2015



- ‘Unplanned’ applications
- Annual variance
 - Low of 946 in 2013
 - High of 4,767 in 2019
 - Average over 2017-19 = 3,506 per annum



Applicants for international protection (excl. IRPP)

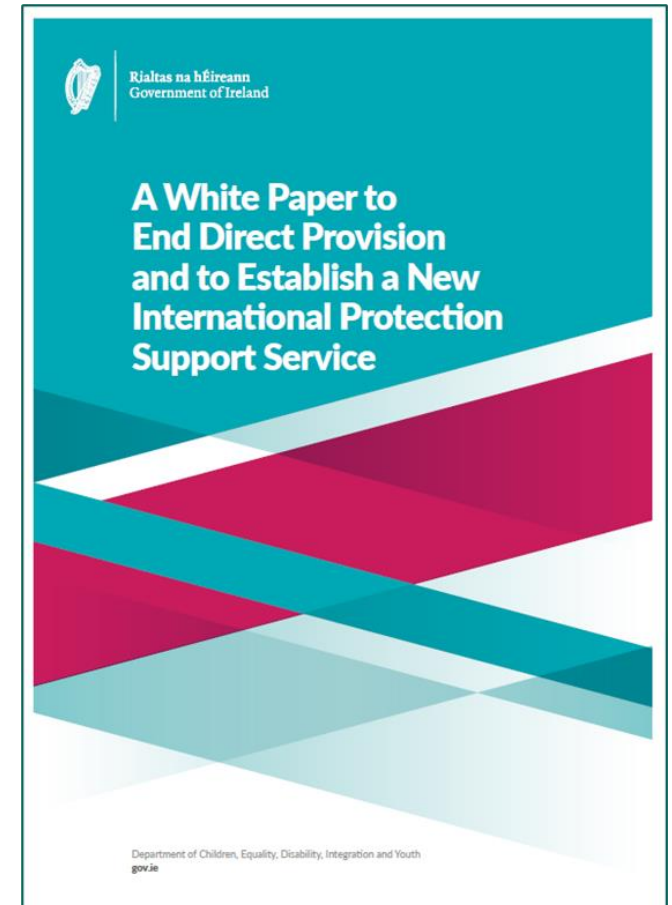


- Number of new applications exceeds number of applications processed
- July 2020: 8,812 applicants awaiting decision
- 2017-2019: 81.5% of applicants accommodated in Direct Provision
- July 2020: 7,151 people living in Direct Provision

White Paper – New International Protection Support Service



- End Direct Provision
- Not-for-profit
- 5 guiding principles
 1. Integration from day one
 2. Human Rights and Equality
 3. High standards of support
 4. Experienced delivery and training
 5. Not for profit/ community involvement



Phase 1: Reception & Integration Centres



Reception & Integration Centres

- 6 Centres
- State ownership
- Managed by new International Protection Support Service

Accommodation

- 4 month stay
- Families: own-door
- Singles: own-room
- Specific tailoring of accommodation for people with identified vulnerabilities

Supports

- Links to services
- Intensive orientation & English language
- Health Assessment
- 'Vulnerability assessments'
- Child needs focus

Phase 2: Independent living in the community



After 4 months in RIC

- Families: 'own door' i.e. including kitchen & living space
- Singles: 'own room' i.e. shared kitchen & living spaces
- Applicants must enter RIC in order to be eligible for Phase 2 accommodation

What is suitable accommodation?

- Consult with applicants
- Decision subject to
 - Household composition
 - Option availability
 - Applicant preferences

Phase 2 accommodation strands



AHBs & not for profits

- AHBs to provide & manage housing for families
- Sourced & financed separately from social housing

Urban renewal

- Incentivise release & refurbishment of vacant properties (including commercial) for own-room provision
- Lease & manage by NGOs

Hosting in the community

- In property owner's home
- State matches applicants with hosts, monitors & supports
- Inter-national Protection Community Hosting Scheme to be developed

Private tenancies

- HAP-like arrangements
- Support to secure properties (risk of discrimination)
- Families main target group
- 350 units pa
 - Reduce over time
 - Emergency contingency

White Paper – other key points



- Multi-strand approach - risk mitigation
- Flexibility – fluctuations in demand
- Application processing times
- National settlement – CCMA/ DCEDIY Settlement Pattern
- Integrated services – Inter-Agency Working Groups
- Transition period – Feb 2021-Dec 2024



**An Ghníomhaireacht
Tithíochta**
The Housing Agency

Thank You

publicreps@housingagency.ie

training@housingagency.ie