

30th September 2020

To the Chairperson and Members of  
The Central Area Committee

Meeting: 13<sup>th</sup> October 2020

**With reference to the proposed disposal of fee simple interest in a site at Railway Street, Dublin 1.**

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Approved Housing Bodies are a key part of the Government's strategy and policy on the delivery, regeneration and management of social housing and as such are key partners for Dublin City Council. Housing and Community Services Department has requested the disposal of the fee simple interest in a site at Railway Street, Dublin 1 to Circle Voluntary Housing Association, an Approved Housing Body, who intends to secure private funding for this scheme along with funding under the Capital Advance Lease Agreement Scheme.

Circle Voluntary Housing Association, received planning permission (planning reference 4268/18, granted on 17<sup>th</sup> January 2020)) to develop 47 units on the site. The proposed accommodation will go towards the City Council's housing need in accordance with the Housing Allocations Scheme.

In disposing of the fee simple in this site to Circle Voluntary Housing Association Approved Housing Body, the following should be noted:

1. Approved Housing Bodies are not for profit bodies that provide and manage social housing.
2. Approved Housing Bodies are subject to a number of regulatory regimes, including the Companies office, the Charity Regulator, the Housing Regulator and are accountable to their stakeholders. In this regard, a Regulation Office was established within the Housing Agency in 2014 with responsibility for regulating Approved Housing Bodies. The Regulation Office oversees the assessment of Approved Housing Bodies in respect of their financial viability, governance and management along with the compliance with the Regulatory Framework. The majority of Approved Housing Bodies are Companies Limited by Guarantee and are required to comply with legal obligations set out in the Companies Acts, 2014 making their annual accounts freely available for public inspection.
3. In addition to being registered charities, they are regulated by the Charities Regulator and details of an AHB's activities are available for inspection on the Charities Regulator's public register.
4. They are not free to manage their assets in any way they wish. They must use their assets in accordance with their charitable status and any surpluses generated must be applied back to benefit their charitable aims.
5. A restriction on title will be applied to ensure the continued use of the units as social housing.
6. There are financial implications if they fail to comply with their loan obligations to use their properties for social housing.
7. Should they cease to exist, in the first instance, they will seek to transfer their assets to another organisation with similar charitable aims or their assets will be transferred free of charge to Dublin City Council.

It is now proposed to dispose of the fee simple interest in the site to Circle Voluntary Housing Association (the proposed Purchaser) subject to the following terms and conditions:

1. The subject property comprises a site at Railway Street, Dublin 1 shown outlined in red on the attached indicative map SM-2017-0499.
2. The Council shall dispose of its fee simple interest in the subject property to the proposed Purchaser for the delivery of social housing.
3. The subject property will be disposed of with vacant possession.
4. The disposal price shall be the sum of €1,000,000 (one million euro) plus VAT (if applicable) payable on lodgement of the commencement notice to the Planning Department
5. The title shall be transferred to the proposed Purchaser subject to a Building Covenant.
6. There is an inhibition on the title that the subject property can only be used for social housing purposes.
7. The Development shall comply with the planning permission granted and all other necessary statutory approvals/regulations.
8. The Development will include a permanent vehicular and pedestrian access off Railway Street to the communal parking, open space and services areas for the proposed development and the adjoining Kiln and Forge developments. The Council and its nominees will retain a right of access (vehicular and pedestrian) from Railway Street to and over the shared area coloured pink on the attached indicative map SM-2017-0499.
9. The Council will grant a license of the area coloured green on the attached indicative map SM-2017-0499 to the proposed Purchaser to facilitate the development of the site. That the License shall commence on a date to be agreed with the Executive Manager, Housing and Community Services. The License shall be for twelve months with an option to extend on the recommendation of the Executive Manager, Housing and Community Services.
10. The development must be fully completed and made fit for occupation within 36 (thirty six) months of the transfer of title. At the absolute discretion of the Executive Manager, Housing and Community Service, there may be an option to extend the time-frame, any extension of the time-frame to be agreed with the Executive Manager, Housing and Community Service.
11. The proposed Purchaser shall satisfy the Council that it has adequate public liability and employer's liability insurance and shall indemnify the Council against any claims for compensation that may be made arising from its usage of the site. The current levels of insurance are €6.5m public liability insurance and €13m employer's liability insurance.
12. The proposed Purchaser shall insure the buildings during construction against fire and all other insurable risks with an approved insurance company and pay all necessary premiums. The insurance shall be in the joint names of the parties and will be for such an amount as will provide cover for full reinstatement values of so much of the buildings as is erect at any time together with a sum for professional fees and removal of debris charges.

13. All roads and footpaths works shall be completed to the written satisfaction of the Council.
14. The Council shall have 100% nomination rights to all of the units constructed on site.
15. The Council shall enter into a Payment and Availability Agreement, a Capital Advance Agreement and a Continuation Agreement with the proposed Purchaser.
16. Should the subject property cease to be used for social housing purposes at any stage, then the units will revert free of charge to the Council, save in the case of a financial institution which has entered into a mortgage with the proposed Purchaser for the purpose of financing development of the site.
17. Should the proposed Purchaser not proceed with the development or complete the development within the agreed timeline that the benefit/ownership of the planning permission, design of the scheme and certification shall transfer, free of charge, to the Council.
18. In the case where the proposed Purchaser is obtaining a loan from the Housing Finance Agency (HFA) to finance the development of the site, the transfer to the proposed Purchaser is subject to a building covenant and step-in arrangements will need to be provided to the HFA, should the proposed Purchaser not be in a position to comply with the building covenant.
19. In the event of the proposed Purchaser going into bankruptcy or insolvency, the Council reserves the right to take possession of the site and all of the housing units (partially completed or otherwise) at no cost to the Council. This condition applies except in the case where the proposed Purchaser has entered into a mortgage with a private financial institution, for the purpose of financing development of the site.
20. The proposed Purchaser shall be liable for the payment of VAT and/or Stamp Duty should any such payments arise from this disposal.
21. That the each party shall be responsible for the own legal fees.
22. The proposed Purchaser shall not carry out any alterations or development of the area without prior written consent of the Council and without receiving full planning permission where necessary.
23. The proposed Purchaser shall not sell, assign, sublet or part with possession of the property or part thereof without obtaining the written consent of the Council, with the exception of tenancy and licence agreements with tenants or licensees for supported housing.
24. The proposed Purchaser and its tenants shall have right of access and egress over the roads and footpaths within the site at Railway Street.

The disposal shall be subject to any such covenants and conditions as the Law Agent in her discretion shall stipulate.

No agreement enforceable at law is created or intended to be created until an exchange of contracts has taken place.

**Helen McNamara**  
**Senior Executive Officer**

**6/10/2020**  
**Date**