



Report from the Housing Strategic Policy Committee- Public Housing Working Group

Background and Context

Brief and Remit of Group as agreed at SPC

The Working Group will follow up on the *Symposium on Public Housing* held in the Mansion House on 27th November 2019. It will:

- Analyse the suggested definition of public housing as '*high quality sustainable housing for all citizens regardless of income that is rented from one's local authority or its nominees (AHBs) so as to affordably and securely provide for one's particular housing needs*' as presented at the Symposium on Public Housing
- Consider the feedback from the Symposium on Public Housing on the proposed definition for public housing
- Consider key questions with regard to public housing tenure: rental, tenant purchase, affordable purchase
- Consider key questions with regard to public housing income levels
- Draw up a public housing policy paper for consideration by the Housing SPC and ultimately for agreement by Dublin City Council

Reporting back to SPC: The Working Group will report back to the Housing SPC on a bimonthly basis over the course of 6 months, February to July 2020.

End Date of Working Group: July 2020*

No of Elected Members: A minimum of 5

No of External Members: A minimum of 2

* given the disruption caused by Covid19 restrictions the July 2020 end-date was not realisable.

Working Group Structure

Chairperson: Cllr. Alison Gilliland

Elected Representatives: Cllr. Pat Dunne, Cllr. Donna Cooney, Cllr. Hazel Chu, Cllr. Cieran Perry, Cllr. Mary Callaghan, Cllr. Mary Fitzpatrick (subsequently elected to Seanad Eireann in April 2020), Cllr. Criona Ni Dhalaigh, and Cllr. Catherine Stocker.

External Representatives: Mike Allen (Focus Ireland), Karen Murphy (Irish Council for Social Housing)

Dublin City Council Officials input: Dave Dinnigan, Bernie Roe, Darach O'Connor, Dymphna Farrell, Lorraine Gaughran, Sandra McAleer, and James Nolan.

Format and Inputs

Five Public Housing Working Group meetings have been held to date and a summary of the themes covered and emerging issues is captured below.

Session One

Date: 4th March 2020

Number in attendance: Twelve

Themes covered in session:

- General discussion on proposed definition of public housing
- Dublin City Council Tenant Purchase Scheme

Input given by: Lorraine Gaughran- Housing Department.

Session Two

Date: 7th May 2020

Number in attendance: Seventeen

Themes covered in session:

- Four Stage Process
- Cost Rental Model
- AHB's Approval and Funding Process
- PPP Delivery Model

Inputs given by: Darach O'Connor, Sandra McAleer, Karen Murphy, James Nolan- Housing Department.

Session Three

Date: 4th June 2020

Number in attendance: Fourteen

Theme covered in session: Land Development Agency – An introduction

Input given by: Phelim O'Neill, Head of Property LDA

Session Four

Date: 10th September 2020

Number in attendance: Twelve

Themes covered in session:

- Part V (Policy and Procedures)
- Discussion of Public Housing Draft Policy Document

Input given by: Lorraine Gaughran- Housing Department.

Session Five

Date: 8th October 2020

Number in attendance:

Theme covered in session: Final discussion and sign off, Public Housing Policy Document

Input given by: Cllr. Alison Gilliland – overview of report.

Defining public housing

The provision of social housing is governed by the Housing Acts 1966 – 2015 and associated housing regulations. Legislation does not confer any statutory right to social housing but rather the right to apply for and be assessed for social housing. Under Section 19 (1) of the Social Housing (Miscellaneous Provisions) Act 2009, local authorities may provide, facilitate and manage the provision of social housing.

While the term public housing is frequently used in housing discussion, there is no definition in legislation for the term nor reference to its provision.

The key aim of the working group is to come to a consensus on a working Dublin City Council definition of public housing that allows purposeful policymaking and implementation.

The concept of public housing intimates both provision for the general public and by the public purse. The following definition, discussed at the *Symposium on Public Housing* held in the Mansion House on 27th November 2019, was central to the Working Group discussion on a definition:

'high quality sustainable housing for all citizens regardless of income that is rented from one's local authority or its nominees (for example AHBs) so as to affordably and securely provide for one's particular housing needs'

Rental vs Purchase

The suggested definition emphasises rental only therefore excluding the option for tenant purchase of a local authority/state unit or making available state subsidised units for affordable purchase. A comprehensive presentation of the current tenant purchase scheme was considered with the following issues discussed;

- Loss of housing stock/state stock through the tenant purchase scheme
- Contribution by tenant purchase scheme to the provision of tenure mix and possible income mix
- Loss of control of unit once purchased - possible future use of units as private rental, including for individuals/families on social housing lists
- Purchased units can no longer be considered 'public housing' given their private property status
- Lack of a significant uptake of the tenant purchase scheme (134 units in four years)

Following discussion and consideration the working group agreed that purchasing state provided or subsidised units would not constitute public housing but rather that any public housing would be only be offered for rental.

Note: *Following the meeting, the legal standing in relation to the suspension of the tenant purchase scheme was clarified. It is not possible for an individual local authority to alter the terms of the scheme as it is covered under legislation (Section 25 of the Housing Miscellaneous Act 2014).*

Security of tenure

The working group acknowledged the security of tenure provided by Dublin City Council and Approved Housing Bodies to their tenants and concurred that this would continue to be a key feature of a more inclusive public housing model. It also acknowledged that some differences do exist between the DCC tenure rights and AHB tenure rights and that AHB tenancies come under the remit of the Residential Tenancies Board as per The Residential tenancies (Amendment) Act 2015.

Affordability

While affordability is a subjective term, the working group acknowledged that the current differential rent model used by both Dublin City Council and Approved Housing Bodies comprises affordability for tenants. The working group recognised that the Rent Review Working Group has recommended that the current DCC differential rent model, based on a rent of 15%, should apply to more inclusive public housing model. However, the Working Group acknowledged concerns regarding the financial viability of this rent level and the need to conduct a financial analysis to ascertain whether it could be realised, particularly at scale.

While the working group was cognisant of the future ideal of opening such a model to all citizens regardless of income, it concurred that a gradual transition to a fully inclusive public housing model would be required. The working group also concurred that this transition would target, as an immediate imperative, middle-income earners whose incomes are above social

housing thresholds and who are currently struggling to pay high market rents that are consuming a significant proportion of their income.

Delivery of public housing

Dublin City Council currently has overall responsibility for a total of 71 social housing projects, these being at varying stages of development and using a range of delivery mechanisms. Dublin City Council is also charged with piloting a cost rental development and has identified four potential developments for further cost rental schemes and eleven developments identified for affordable purchase homes (Report 223/2020).

A further 240 DCC flat complexes were audited to identify priority schemes for regeneration that would both enhance the building/living standards of the complexes but also increase densities/additionality within the complexes.

Dublin City Council also acquire units through market acquisitions and Part V agreements.

In addition to Dublin City Council housing delivery and acquisitions, DCC collaborates with AHBs to deliver social housing to accommodate individuals and families on the DCC social housing waiting lists. All proposals by AHBs to build new social housing developments within the DCC jurisdiction must be approved by DCC.

A snapshot of the current programme (2020) shows that Dublin City Council currently has

- 1,311 homes under construction
- 856 units at tender stage
- 323 Acquisitions approved
- 259 Part V units approved
- 1,419 units at an advanced stage of design and planning
- 2,845 units at a preliminary stage of planning or design
- 1,005 units in negotiation for long term leasing
- 1,931 units being progressed for Affordable Purchase homes
- 2,025 potential units being progressed under the Cost Rental model

Our Shared Future

In Our Shared Future, the June 2020 programme for government, there is reference to an increased supply of public, social and affordable homes by more than 50,000 units with an emphasis on new builds that puts affordability at the heart of the housing system and tackles homelessness. The centrality of local authorities to delivering housing is recognised in Our Shared Future and, among other priorities, the emphasis is on developing sustainable, mixed tenure communities. The new housing strategies of local authorities, now being established under the policy objectives of the National Planning Framework, will be relied upon as the key development planning mechanism for delivery of this new affordable housing and sustainable communities.

Current DHPLG Schemes that facilitate the development of Social Housing:

The Social Housing Capital Investment Programme (SHCIP) provides funding to local authorities for the provision of social housing by means of construction and acquisition.

Capital Assistance Scheme (CAS) provides essential funding to AHBs for the provision of accommodation for persons with specific categories of housing need such as Homeless and Older Persons, People with Disabilities, Returning Emigrants and Victims of Domestic Violence

Capital Advance Leasing Facility (CALF) offers financial support to Approved Housing Bodies (AHBs) in the form of a long-term loan to assist with the financing of the construction or acquisition of homes that will be provided for social housing use. This loan facility can

support up to 30% of the eligible capital cost of the project, where the homes will be provided under long-term lease arrangements to local authorities for social housing use. Funding is provided to AHBs through Local Authorities. CALF approvals do not follow the same approval process as the SHCIP 4-Stage process. The assessment process includes a full financial evaluation that is carried out in conjunction with the Housing Agency.

4-Stage Approval Process for social housing projects

The funding approval process for social housing projects supported by the Department under the SHCIP and CAS schemes is in line with the Government's Capital Works Management Framework (CWMF).

The approach means that local authorities forward design proposals and costings to the Department sequentially, as the local authorities advance the projects through their own planning work.

The four stages are as follows:

- **Stage 1** – Capital Appraisal to verify the business case and basic project suitability – this is a light presentation of information and only indicative costs are required at this initial stage.
- **Stage 2** –Pre-planning outline design and cost check –following site investigations, this involves the level of designs that are required for the Part 8 planning process and a completed QS cost plan; detailed tender drawings and resulting costs are not needed at this stage until planning permission is obtained.
- **Stage 3** – Pre-tender costs check – the more detailed designs and cost estimates have been prepared by the local authority design team at this stage and a cost check submitted before going to tender. Unless there have been changes to the design following Part 8/planning, or conditions to be met, the design is not reviewed.
- **Stage 4** – Tender approval from Department – the tenders have been received and assessed by the local authority and approval is given to proceed to construction.

Target 59 week Programme

There is now a target of 59 weeks for advancing social housing capital-funded projects through design, planning and approval; from stage 1 submission by the local authority, to contract award for the construction. It establishes target turnaround times for the Department to carry out the review process and for the local authority to carry out the design of the scheme, the planning process and the procurement of a builder.

The single-stage approval process

A revised single-stage approval process for social housing projects less than €6m has been implemented. The main change from the previous single-stage approach is that in the event that the approved budget is not maintained, a second application for a budget revision will be facilitated on receipt of tenders. This will be facilitated where certain circumstances have caused the costs to rise – for example, tender inflation - and where such an adjustment will not increase the overall budget requirement beyond the €6m level.

Current delivery models

The working group considered comprehensive presentations on the main delivery models employed by Dublin City Council to improve the numbers and quality of DCC social housing stock. The group also received a presentation from the Land Development Agency on its remit and potential collaboration with Dublin City Council. These presentations are summarised below:

1.) Public Private Partnership (PPP) Schemes

A number of sites are being developed over a number of areas, spread across different local authorities, under the revised public private partnership scheme. A private sector company designs, builds, finances and maintains the social housing homes on sites that are provided by the local authority. In return, the local authority receives payments from the private sector company that are spread over 25 years. Financial penalties are imposed where agreed timeframe targets are not met. As the model is 'availability-based', the private sector partner is responsible for ensuring that homes are available for occupation. The local authority is responsible for allocating tenants. The private sector partner provides maintenance and upkeep services for 25 years. After this time, the homes are returned to the local authority in good condition, subject to reasonable wear and tear.

Dublin City Council is the lead authority and sponsoring agency for bundle 1 and bundle 3. There are bundle 1 schemes currently under construction in Ayrfield (150 units) and Scribblestown (70 units). Sites in East Wall (60 – 90 units), Collins Ave (80 – 100 units) and Shangan Road (80 – 100 units), have been designated as bundle 3 sites and the process of procuring design consultants is now underway.

2.) Cost Rental Model

A commitment to cost rental is part of the programme for Government 2016. It is supported by the Housing Agency, is recommended by the National Economic and Social Council and broadly supported by housing experts as a form of housing provision. By providing cost rental as a form of public housing catering for the middle-income groups, Ireland would be following the footsteps of countries such as the Netherlands, Denmark or Austria where there is greater equality in access to housing.

Cost Renting is defined by Kemeny as 'all rental housing, irrespective of ownership, the rents of which cover only actual incurred costs of a stock of dwellings' (1992:34). The rent is based on the cost of acquisition of land, construction of housing, financing costs and the maintenance of the building. This rent is directly linked to these costs, and is not tied in any way to prevalent market rents driven by market supply and demand forces in the area. In certain jurisdictions, additional housing support payments are available for those whose housing payments would see their remaining incomes after housing costs fall below a certain level. Therefore, the capital and current costs of finance, construction and ongoing maintenance determine the level of rent per unit. This rent is directly linked to these costs, and is not tied in any way to prevalent market rents driven by market supply and demand forces in the area. Once finances have been paid off all rent can be invested into the development or reinvested into further developments.

BENEFITS OF COST RENTAL:

- Provides affordable housing to a greater cohort of population
- Increases state assets
- Contributes to moderating rents in the private rental sector
- Contributes to increasing social inclusion
- More attractive to funders - enables long term debt by spreading repayments over the operating life of the development
- Allows reinvestment in further projects once the loan is paid
- Allows state owned lands to remain in public ownership
- Scalable

*With the absence of government policy or legislation in place, the cost rental model and criteria are not yet fixed.

In July 2020, Dun Laoghaire County Council and the Land Development Agency secured planning permission for the 597 homes in Shanganagh Castle in Shankhill. Currently this is

Ireland's largest proposed social and affordable scheme to receive planning permission, with 306 of the units affordable cost rental.

Dublin City Council are in the process of developing the Emmet Road site (formerly St. Michael's Estate) in Inchicore as a Pilot Cost Rental Scheme. The development proposed for the main c.4.9 hectares' site is predominantly residential in nature comprising of a mix of 70% cost rental and 30% social housing units, supplemented and supported by community facilities and a neighbourhood fronting a new civic space off Emmet Road.

In April 2019, Dublin City Council appointed an Urban Design Team led by DMOD Consultants to prepare a Development Framework Plan (DFP) for the optimum model of redevelopment for the site. The DFP provides a 'proof of concept' proposal. The comprehensive DFP formed the basis for the brief for the tender process for the procurement of the Architect led Integrated Design Team. In May 2020, Bucholz McEvoy were appointed as Architect lead for the design, obtaining all statutory consents and delivery on site of a new sustainable neighbourhood of the highest quality.

While it is noted that the cost rental model offers rents that are below market rents, such rent levels would be out of reach for some lower income earners. Therefore, to achieve an affordable rent on a cost rental model, a certain amount of rent subsidisation or cross subsidisation within the development would be required.

3.) Collaborative efforts with Approved Housing Bodies

The funding models under which the AHB's operate are the Capital Assistance Scheme, CALF, Payment, and Availability Agreements (P&A). Their delivery streams include construction, turnkey, Part V, leasing, acquisitions and vacant properties. The engagement with DCC varies according to the funding scheme. In general the steps are;

- AHB seeks support from DCC including confirmation of demand in the location of the proposal
- AHB works with DCC in submitting the proposal if they support it
- CAS – 4 stage approval process
- CALF and P&A – approval process through DHPLG and Housing Agency with funders on board
- DCC administers the payments; is the contractual partner and provides nominations

4.) Renovation and Renewal of existing Housing Stock

Dublin City Council's Bedsit Amalgamation Programme consists of the refurbishment and amalgamation of existing bedsit units to bring them up to appropriate size standards, improve overall energy efficiency and extend the life of existing housing blocks. The programme achieves this by reconfiguring two original bedsits into one new, larger unit. Many of these bedsits were built in the 60's and 70's and were designed to house one person.

Dublin City Council has successfully completed the reconfiguration and redevelopment of over 280 bedsits to provide 140 completed high quality one-bed apartments with the work at St Bricin's Park at Arbour Hill being the culmination of the citywide bedsit amalgamation programme. Renovation has ensured residents remain in their communities in comfortable, healthy and affordable homes. The standard of energy-efficient construction ensures these homes are exceptionally comfortable, healthy and affordable to occupy.

As well as providing energy efficient buildings, this approach also avoids further embodied carbon by prolonging the life of existing housing stock.

5.) Part V Delivery Model

The following is a summary of units that Dublin City Council has acquired through the Part V process since 2016.

- 2016 – 25 dwellings (all apartments)
- 2017 – 72 dwellings (56 apartments, 16 houses)
- 2018 – 78 dwellings (57 apartments, 21 houses)
- 2019- 201 dwellings (199 apartments, 2 houses)
- 2020- 135 dwellings (134 apartments, 1 house)
- Due to Covid-19 delays, a further 68 units scheduled for Q4 2020 have been pushed back to Q1 2021
- Projections to 2023 (based on planning permissions received) – 1,688

Section 96(3) sets out the 6 types of Part V agreements that may be made.

1. Transfer of land
2. Build and transfer of housing units (up to 10% of the units in the development).
3. Transfer of housing units on any other land in the functional area of the local authority
4. Leasing of housing units, either on the site or on any other land within the functional area
5. A combination of a transfer of land and one or more of the other options.
6. A combination of options not including a transfer of the ownership of land

Part V PROS

- Assists in the counteraction of undue segregation in housing between persons of different social backgrounds.
- Acquisition is based on Existing Use Value of land and Construction Costs Achieve an average of 20-40% discount to Market Value.
- Built to an extremely high standard and is not identifiable as social housing
- Increases supply of social housing
- Construction sector to increase level of supply = more social units
- Cost ceilings for acquisitions does not apply when acquiring Part V units – must ensure value for money

Part V CONS

- Not LA lands – therefore negotiations define what units LA achieve – pepper-potting V contained blocks
- Dependent on private developers to build – delivery from Part V slow since 2016
- Not always suitable to LA needs/requirements/costs – LA may have to consider off-site compliance

The Working Group recognised that should the current legislation be changed to oblige private developments to make available a greater proportion of units it would support greater social mix and inclusion. Such an increase could include a specification for public rental for those in the middle-income bands.

6.) Potential Land Development Agency/Dublin City Council Partnership approach

To be constituted under the GENERAL SCHEME OF LAND DEVELOPMENT AGENCY BILL 2019, the Land Development Agency is envisaged to be a state company with a mandate to deliver affordable homes throughout the country. Funded to deliver affordable cost rental product at scale they work in partnership with local authorities with key roles for the elected members and public stakeholders.

In the Dublin context the Land Development Agency are working on a proposal for St Teresa's Gardens. The steps involved are as follows;

- DCC and LDA to agree a Project Charter and Governance structure for the project
- LDA engage a design team to progress the scheme with a view to lodging this in early 2021
- DCC and LDA to develop a comprehensive public consultation plan
- Significant stakeholder engagement opportunities throughout the process
- LDA would deliver the social units on a turnkey basis ensuring swift delivery
- LDA would deliver cost rental units
- LDA will assign all necessary resources to ensure early delivery of scheme design, procurement and delivery

7.) Affordable Purchase Housing

Dublin City Council currently has three sites identified for Affordable Purchase Housing Schemes. There are two sites in Ballymun (Balbutcher and Sillogue) and one site in Cherry Orchard. Tenders are just in for the appointment of a design team to develop the sites through to planning and it is anticipated that we will get a yield of approximately 350 units across the three sites.

The rationale behind Dublin City Council choosing to adopt such a model is;

- Sites were selected on the basis of their being a perceived imbalance of social housing in an area already high on the social deprivation index.
- There is significant evidence of adverse anti-social behaviour in the adjoining estates to where we are proposing to build affordable housing.
- There has been an appetite for affordable units coming from the local community and the three schemes underway have been broadly welcomed by residents there.
- The governments Serviced Sites Fund offered Dublin City Council a unique opportunity to access direct government funding for our three affordable sites. It is quite unlikely that in the absence of these funds that these particular sites would have been developed due to the high infrastructure and some abnormal costs associated with them.

8.) Other delivery models referenced (not discussed in depth) over the course of the meetings

- Housing Land Initiatives
- Regeneration Strategy
- Traditional Build contracts
- Rapid and Volumetric Programme,
- Leasing,
- Acquisitions

Key considerations arising

The delivery model presentations provided an effective overview of the various models available to, employed by DCC, and allowed for discussion on the challenges, benefits and learnings regarding their use in practice.

The Working Group recognises that there are a significant number of delivery projects currently in train and agrees that DCC endeavours to bring these to fruition, subject to the outcome of all appropriate planning and democratic processes. However, recognising the need to grow DCC housing stock, the Working Group agrees that all schemes designated for

affordable purchase that are not in train should be re-designated unless in exceptional circumstances and in consultation with local Councillors.

The Working Group recognises that, while the cost rental model provides for a rent that can be below market rates, it cannot universally be described as affordable rental as families/individuals on lower/middle incomes or those who retire and experience a drop in their income may struggle to afford a cost rental unit. Therefore, to ensure affordability across a cost rental model, a certain amount of rent subsidisation or cross subsidisation within the development would be required to allow, in as far as possible, for rent levels to be linked proportionally to income levels, i.e. a differential rent. Consideration should be given to applying HAP to households to allow for affordability or alternatively an element of cross subsidisation within the development itself where some units would be rented at levels above the cost rental level and others below the cost rental level. It is noted that HAP is not available to those outside current social housing income thresholds.

While the working group recognises the key issue of financing the capital investment required to deliver a viable new public housing pilot, a number of projects and potential projects not yet formally assigned to a specific delivery model could be considered for the delivery of a new public housing model.

The Working Group recognises the need to build sustainable communities not only with appropriately designed residential units but that facilities and services that support the integration and needs of all residents are provided. The Working Group noted that current DHPLG funding for housing projects does not include funding for community spaces.

The Working Group also recognises that while achieving a social/income mix contributes to a more sustainable community it must not be an exercise of social engineering.

Realising a new model of public housing – key issues for resolution going forward

Financing

Including in any public housing model is support from the state and the public purse to provide for housing for its citizens. Finances to cover build, maintenance and upkeep need careful consideration. At present social housing schemes and cost rental schemes, tend to be separate schemes given their differing financial models. Therefore

- The role of the European Investment Bank (EIB) can play in any public housing model needs to be clarified, particularly the potential to secure loans to run over an extended 40+ years at low (2%) interest rates.
- The extent of the relationship between all in cost of land servicing/unit construction/communal spaces/car parking/landscaping/management/maintenance and rent needs to be understood.
- If differing financial models cannot be avoided, they must be used in a combined/integrated way to allow for an inclusive public housing tenancy/income mix.

Possible financial scenarios that may be considered include:

1. The state shoulders the land servicing and building costs of public housing as an investment in the public good, similar to the principle underpinning the provision of social housing, and the local authority sets a differential rent that seeks to cover its estate management and maintenance.
2. The local authority designs and builds the scheme with borrowings with the EIB at favourable terms and interest rate. This will still require significant state subsidy through for example the serviced sites fund.
3. The state secures a long-term loan on behalf of the local authority to cover all direct costs including the land servicing, building and maintenance costs of public housing. The local authority sets a rent to allow the loan to be repaid, similar to the cost rental calculation. The household pays a differential rent to the local authority and the state subsidises the balance through a universal HAP scheme.

Income and income mix

To realise a new public housing model, it is acknowledged that a transition system with regard to extending the current social housing income thresholds inclusively upwards needs to be put in place. A potential transition income bracket might be found in the income thresholds that apply to the Rebuilding Ireland Home loan Scheme i.e. an annual gross income of not more than €50,000 for single individuals or not more than €75,000 combined as a household. However, the Working Group acknowledged that an income cap on single individuals that is lower than that of a dual income household may exclude single individuals given that the rent for a 1-bed unit may not be proportionately lower than larger units. Mixed income communities work better than singular low-income communities do. Income mix refers to the range of earnings across tenancies in any development inclusive of those supported by the Department of Employment Affairs and Social Protection, including those who are retired and in receipt of a pension, and those in full or part-time time employment, those who care for their children or other family members and those who may be in full or part-time education/training.

Income mix also tends to support an age and life cycle mix as well as being more able to support privately provided retail and leisure services. This mix therefore contributes to more sustainable communities. A significant issue to be considered is transitioning to a public housing model and realising a sustainable income mix lies in the drawing up of an appropriate Scheme of Allocations/Lettings. Considerations with regard to such a scheme include the ratio of allocations from our current social housing waiting lists and from a new list of households from the transition income bracket noted above. Unintended consequences need to be considered including those that might be interpreted as social engineering.

Land availability

Dublin City Council is facing a serious land availability issue. At present DCC has 120 hectares of land zoned for residential use. The majority of this land has housing plans attached to them will yield approximately 11,000 housing units. It is therefore imperative that housing be maximised on all remaining land both in terms of developing sustainable communities but also in terms of growing DCC housing stock. It is also an imperative that DCC develop an active land management and acquisition role within the city to ensure it is in a position to continuously grow its housing stock.

A pilot public housing scheme

It is acknowledged that the concept of public housing as envisaged by the Working Groups needs to be road tested from an economic perspective and a housing allocations perspective. This would allow any challenges to be resolved particularly with regard to future ability to scale up to affect the rest of the market and to afford the concept a better survival rate through multiple local elections and national governments. Therefore, the Working Group recommends that a site be identified from among DCC sites that have not yet begun planning/development work for a pilot public housing scheme and a public housing development team be established within DCC to realise the scheme. The Emmet Road project will provide a useful indicator of how the model will be built out and operate in an Irish context.

Summary

The Public Housing Working Group considered the concept of public housing and means of delivering such public housing. It agreed that public housing be defined as *'high quality sustainable housing for all citizens regardless of income that is rented from one's local authority or its nominees (AHBs) so as to affordably and securely provide for one's particular housing needs'*. It recognised the importance of long-term housing security and affordability provided through an income linked differential rent calculation by the current social housing model and agreed that this principle should underpin a public housing model.

The Working Group acknowledged that Dublin City Council is currently engaged in providing a variety of housing (social, cost rental and affordable purchase) using a variety of vehicles of housing delivery, including collaborations with Approved Housing Bodies. It recognised that

interrupting any developments currently in train would cause significant delays in much needed housing provision and possible financial costs and therefore it should be endeavoured to bring these to fruition, subject to the outcome of all appropriate planning and democratic process. However, recognising the need to grow DCC housing stock, the working Group agrees that all schemes designated for affordable purchase that are not in train should be re-designated unless in exceptional circumstances and in consultation with local Councillors.

The Working Group recognised the considerable financial challenges that arise with regard to funding the public housing model envisaged including on/off balance sheet considerations as well as national policy and financial legislation/regulations at European levels. However, the need for a significant public investment in a viable financial model that would realise an affordable, mixed income sustainable housing/community model is recognised. The Working Group also recognised the need to pilot the agreed concept to ensure viability and scalability.

Recommendations:

The Working Group therefore makes the following recommendations:

That Dublin City Council:

1. Agree the working definition of public housing as *high quality sustainable housing for all citizens regardless of income that is rented from one's local authority or its nominees (AHBs) to affordably and securely provide for one's particular housing needs*'.
2. Agree to develop an approach to rent levels that recognises both the cost of building and maintenance, tenants' incomes levels and the principle of differential rent levels to ensure affordability.
3. Only in exceptional circumstances and in consultation with local councillors would a DCC site be considered for affordable purchase. Where affordable purchase is deemed of value and will contribute to community cohesion and sustainable development, affordable purchase may be agreed.
4. Engage with the Department to explore options regarding the suspension of the tenant purchase scheme.
5. Engage with the Department to explore the establishment of central funding for community amenities and infrastructure to remove this cost from the overall cost of building and maintaining the residential units.
6. Establish a public housing team within DCC to begin work on developing a public housing pilot – the first step would be to conduct a financial analysis of the proposed model.
7. Draft a Public Housing Scheme of Lettings to afford a fair and balanced transition from the current social housing scheme to a public housing scheme.
8. Establish a land management and acquisition section within DCC to ensure land availability within DCC to meet future public housing demands.
9. Engage with the Department to explore how additional public units could be acquired through the Part V process.
10. Provide quarterly updates on the implementation and realisation of these recommendations.

Councillor Alison Gilliland
Chairperson

23rd June 2021