

Central Area Committee Meeting

For many years now the Approved Housing Bodies have been a key and essential partner with DCC for the provision of Social Housing in Dublin City and indeed throughout the country. AHB's have a very strong track record of construction, delivery and estate management in Dublin City. They also bring an alternative and additional source of funding to the programme which augments mainstream Social Housing funding from the Department to Local Authorities.

The City Council has an ambitious Housing Supply Programme, with a delivery target of 9,094 for the period 2018-2021, across the various funding streams. Approved Housing Bodies play a critical role in delivering these targets and provide much needed additional social housing units. Without Approved Housing Bodies the challenges and timescales in delivering the above much needed programme would be much more difficult.

Approved Housing Bodies (Housing Associations and Co-operatives) are not for profit bodies that provide and manage social rented housing. The Government's Housing Policy Statement in June 2011, put the Voluntary Housing sector at the centre of future social housing delivery. This decision was in recognition of both the constrained funding levels available for local authority construction programmes, as well as the capacity and track record of the voluntary and co-operative sector. In addition the use of loan finance, from both commercial lending institutions and the Housing Finance Agency, provides a more sustainably funded voluntary and co-operative sector, without reliance on capital funding from the Exchequer.

AHB's are already using the private market to provide opportunities to achieve a greater number of acquisitions and avail of low cost finance from lenders, including the Housing Finance Agency. The construction of new homes directly by AHB's using private finance has also increased and AHB access to Dublin City Council lands is an important contributor in this context.

The Capital Funding Schemes for the Provision of Rental Accommodation by AHB's provides where a Housing Authority provides land/buildings to an AHB for social housing purposes, the Local Authority should continue to avail of the Low Cost Sites Scheme to recoup its costs (€127 per unit). The continuing availability of the funding stream through Capital Advance Leasing Facility (CALF) acts as an early injection of cash flow to support early project costs and provide the necessary leverage to allow AHB's to access private finance for the balance of costs. Additional funding under the Capital Assistance Scheme is also available to AHB's which contributes in increasing their build and acquisition output.

It is essential that local authorities maximise the capacity to deliver social housing, given the number of people on the housing waiting list currently stands at over 16,700.

There are over 500 AHB's in Ireland with a stock of almost 30,000. A Regulation Office was established within the Housing Agency in 2014, with responsibility for regulating AHB's, protecting social housing assets and ensuring quality services to tenants. The Office oversees the assessment of AHB's in respect of their financial viability, governance and management and compliance with the Regulatory Framework. The following safeguards are also in place:

- AHBs are now subject to a number of regulatory regimes, including the Companies Office, the Charity Regulator and the Housing Regulator and are accountable to their stakeholders
- AHBs are not free to deal with their assets in any way they wish. They must use their assets in accordance with their charitable objectives, and any surpluses generated must be applied

back to benefit their charitable aims. AHB's members/directors do not derive any personal financial gain from the AHB

- It is possible to place restrictions on title to ensure a property's continued use as social housing
- There are severe financial implications for AHBs if they fail to comply with their loan obligations to use their properties for social housing
- AHBs will not receive their Availability payment unless properties are used for social housing purposes
- On a winding up, AHB assets will not be distributed amongst its members, instead, they will be transferred to another AHB or organisation with similar charitable aims.
- On a winding up of an AHB, the P&A Continuation Agreement will ensure continuity of service to tenants, until such time as a permanent arrangement can be reached with another AHB.

In 2018 AHB's delivered approximately 448 units across the various funding streams. Current AHB construction projects, which are at various stages in the process, have potential to deliver a further 860 units on completion.

Given the scale of the task of increasing housing supply to meet the current housing need, DCC will require to work collaboratively with the AHB sector to deliver its ambitious housing delivery programme, indeed it is essential that we do this.

James McSweeney House - CABHRU

Background

4/7/1983: DCC entered into a 99 year lease to CHAS to develop site at McSweeney House.
62 years remaining

March 2017: EOI received from CHAS to redesign scheme

17/7/18: **3893/18** approved the demolition of McSweeney House and the re-development of the site with 35 one bedroom apartments over 4 floors and a ground floor community room.

The existing facility at James McSweeney House accommodates 21 apartments over 3 floors. Apartments are generally single aspect and are access from a central corridor connected by two stairs. There is no lift. There is no private open space provision for the residents and very poor amenity space.

Reason for Re-development:

The status and condition of the building:

- The building has had little refurbishment over the years, except where gas fired boilers were introduced into individual apartments in lieu of open fires.
- The kitchens and bathrooms need a complete upgrade to meet the needs of the elderly residents.
- The scheme is over 3 floors and there is no lift
- The roof has passed its life expectancy and consistently leaks, despite numerous repairs.
- Window replacement and insulation improvement to the entire building is required

- Significant structural cracking has occurred along the midpoint of the circular corridor which has affected internal finishes and exacerbated roof leaks
- The site has a small rear yard and apartments have no private open space.
- CABHRU have a duty of care to provide accommodation that meets modern standards.

The maintenance costs currently exceed the rental income thus making the long-term maintenance of the apartments unviable.

Re-development Strategy:

- A Feasibility was carried out as early as 2004. The study examined the options of refurbishment, extension and redevelopment to evaluate the most economically advantageous solution. The conclusion of the study was that the building on this site needs replacement due to above identified issues.
- The site has capacity well beyond that of the existing building stock and offers the greatest potential for optimising the sites residential amenity.
- The new development will also be used for the accommodation of older persons. The work is to be carried out in a single phase and CABHRU will provide residency for the existing tenants in off-site accommodation.

De-tenanting:

CHAS commenced de-tenanting in 2017 with some residents moving to Father Scully House. CALF applications have been submitted to acquire the following units (some of which will be used for de-tenanting):-

542 – 544 North Circular Road – 6 units

579/581/583 North Circular Road – 12 units

122 North Circular Road – 6 units

11 Charlemont Road, Dublin 3 – 4 units

58 Fontenoy Street, Dublin 7 – 3 units

Total: 31 units

Rental of unoccupied units:

CHAS offered short term rental agreements to foreign students through the “Believe Agency” who operate from a commercial unit in Father Scully House. They used 10 apartments (which were vacant following de-tenanting) with rent of €800 per month being charged. CHAS used this income to assist with the acquisition of properties for the de-tenanting process and towards maintenance costs for the facility.

Funding:

In order to avail of funding from the HFA, CHAS will require full ownership of the site. The CALF application is currently being assessed by the DHPLG. The maximum capital funding available for

this project by the DHPLG is 30% the balance being funded by the HFA or another financial institution.

DCC still retain 100% nomination rights. Tenants have the additional security of their tenancy being registered with the RTB giving them access to this service.

Governance:

AHBs must comply with a national code of governance (voluntary at present). DCC does not work in partnership with an AHB if they are not signed up and approved under the current code currently operated through the Housing Agency.

The commencement of The Housing (Regulation of Approved Housing Bodies) Bill 2019 will establish an independent Regulator to provide governance to the Sector and to safeguard the functions of AHBs into the future.

7/1/2020