

To the Lord Mayor and
Members of Dublin City Council

Report No. 311/2020
Report of the Assistant Chief Executive



Report on Development of Dublin City Council Land at Oscar Traynor Road in Coolock.



SITE HISTORY

The site has been in the long-term ownership of the Council. It was previously held as religious institutional lands until the 1970's. The site was intended to be used for road widening and providing a site compound for the Dublin Port Tunnel construction project. Following the completion of the tunnel project in January 2007 the Council brought forward development proposals, following a competitive process, the site was to have been developed under a public-private partnership. However, that proposal was abandoned in 2008 following the economic downturn. It is a vacant green field site covered in scrub vegetation bounding: the M1 motorway / Port Tunnel entrance to the west, R104 Coolock Lane (Oscar Traynor Road) to the north, astro park football pitches and Gaelscoil Cholmcille to the north-east, the front of two storey houses along Castletimon Gardens to the east, and the rear of two storey houses which front onto Lorcan Crescent to the south.

In 2015, it was considered that the building sector had recovered sufficiently for developers to have the capacity to develop out this site to the Council's requirements. A report was presented to, and approved by both the Housing and Planning Strategic Policy Committees. All this became known as the City Council's **Housing Land Initiative** following on from the major economic downturn between 2008 and 2014, and included two other sites at O Devaney Gardens and St Michael's Estate.

The following was agreed:

- The lands would be offered to the market with an indicative site layout
- Use private finance to eliminate / mitigate the planning and financial risk to the Council.
- Promote mixed tenure and income mix to ensure long term sustainability.

These proposals were subsequently approved overwhelmingly by the full City Council in January 2017 and are ostensibly the mandate that we have carried forward to this meeting of the City Council..

The main principles of the **Housing Land Initiative** were:

- A tenure mix of 30% social, 50% private, and 20% affordable purchase housing.
- Social and Affordable units are to be sourced at construction cost.
- Procurement through Competitive Dialogue, which places tight control over the developments, via contractual Development Agreement.
- Reduction of exposure of DCC to the inherent Planning Risk (and costs) involved in developing the site.
- Site development costs and associated infrastructure to be borne mainly by the preferred bidder.
- No Local Authority borrowing to develop site resulting in adherence to EU spending rules.
- Land Ownership remains under DCC control until each phase is complete.

THE PROCUREMENT PROCESS:

After an intensive analysis a decision was made that the Competitive Dialogue Procurement process was the most appropriate for this and the O'Devaney Gardens project. The Competitive Dialogue process involves the following key principles:

- Invitation, through a Pre-Qualifying Questionnaire (PQQ), for interested parties (developers etc.) to demonstrate that they are capable of delivering the project. These parties are assessed and shortlisted on the basis of the (mostly technical) information they submit.
- The shortlisted parties are then invited to submit their plan for the site (the Outline Submission) based on the Invitation to Participate in Dialogue (ITPD), which is essentially Dublin City Council's brief for the project - describing the project, the planning history, the site constraints, the financial requirements, City Council requirements etc.).
- The Shortlisted Parties then submit their development plans for the site (layout, heights, densities, materials, infrastructure etc.), a series of dialogue sessions between Dublin City Council's Project team and each of the developers' technical team ensues, at which the technical options are assessed and honed, after which a clearer understanding of the brief and solutions are arrived at.
- A final brief is drawn up (the Invitation to Submit Final Tender (ISFT)). The shortlisted parties submit their final tenders, the tenders are assessed and a preferred bidder is identified, a Development Agreement is drawn up and signed by both parties, thus ending the procurement process and allowing the project to progress to the next stage.
- The Project Board and the Process Auditor approved this approach at the various stages.

At the end of the Competitive Dialogue process there were a total of two bidders for the project. The preferred bidder is Glenveagh Living Limited and Glenveagh Homes Limited (jointly) ("**Glenveagh**") and their scheme comprises approximately **853** units subject to planning, together with all associated infrastructure works, commercial units and parks as outlined below.

Breakdown of proposal:

UNIT TYPE	SOCIAL 30%	AFFORDABLE 20%	Private	Total
Studio	25	0	12	37
1 Bed	52	51	63	166
2 Bed	101	87	164	352
3 Bed	75	34	170	279
4 Bed	0	0	19	19
TOTAL	253	172	428	853
Total %	255.9	170.6	426.5	853
%	29.66	20.16	50.18	100

AFFORDABLE HOMES

The Affordable Purchase scheme will be based on the 2009 Housing (Miscellaneous Provisions) Act, Part 5, of which was commenced in June 2018 to provide a statutory basis for the delivery of affordable housing for purchase. Even though the legislation has been enacted, the affordable dwelling purchase arrangements require further regulations to be put in place over the coming months. DCC would expect the details of the scheme to be finalised before these particular homes are available for purchase.

Under the proposed agreement with the developer, prices will be set at 1st Jan 2019 prices and fixed until the end of 2024. The other advantages to Affordable Purchase include:

- Improving social inclusion and tenure diversity.
- Satisfying the stated objectives of the Housing Land Initiative by providing the “affordability” element.
- Providing a more straightforward model to potential bidders and simplifying the procurement process.
- Providing the opportunity for some local residents to purchase high quality homes in their own neighbourhood.
- The Development Agreement obliges the developer to sell the affordable homes in the first instance to nominees of the Council.

We do expect that there will be strong demand for these affordable homes because most will be within reach of families/persons applying for the current Rebuilding Ireland Home-Loan Scheme. In the Oscar Traynor Road proposal the discount relating to the 20% affordable homes comes from the following:

- Land /site costs are not included
- Contribution from Government Services Sites Fund
- Affordable homes being provided at construction cost rather than open market value

OSCAR TRAYNOR ROAD AFFORDABLE PURCHASE PRICE RANGE PER UNIT		
SIZE	PRICE RANGE *	NO. OF HOMES
1 BED	€230,000 – €260,000	51
2 BED	€250,000 - €300,000	87
3 BED	€270,000 – €320,000	34
TOTAL		172

*The figures in the above table include the Site Services Subsidy and the Grant under the Help to Buy Scheme.

The maximum dwelling price under the Rebuilding Ireland Home Loan is €320,000. There have been 373 City Council Home Loans drawn down since this scheme was introduced.

TENDER PRICES

The developer was required, as part of the Invitation to Submit Final Tender (ISFT), to submit prices for each size, typology and tenure. These prices (amongst other criteria) were evaluated by both Dublin City Council's Quantity Surveyors Division, and the National Treasury Management Agency (with advice from KPMG). The evaluation ended in the developer being awarded a score based on a scoring matrix that allowed for their prices to be assessed against the evaluation criteria. It should be noted that neither the Quantity Surveyors Division or the NTMA contended that the tender prices were excessive or were not in line with expectations.

AN GAELSCOIL CHOLMCILLE:

Gaelscoil Cholmcille is the nearest school to the site and the school's management and the parents have been engaged in lobbying the Department of Education and Skills for new school buildings. The City Council will help in any way it can, however the Department of Education's criteria for funding will most likely apply. The Council has agreed to engage in a land swap procedure so that the school can be built on a more appropriate site. The school has representation on the Local Consultative Forum for the project.

THE LAND:

Although the developer will be paid for the social and the affordable units, this payment will be at the construction cost detailed in the tender rather than open market value.

The developer is also responsible for the infrastructure on site, the development of the park, the play areas, community facilities, landscaping, design, planning, financing, and carrying any inflation risk on the 1 Jan 2019 fixed price, along with a cash payment of €14 million.

The unencumbered land is valued under the Vacant Sites Register at around €44 million. However, the City Council is achieving an agreement which realises the monetary value of the land in such a way as to satisfy the original vision for Oscar Traynor Road (sustainable mixed tenure, off balance sheet development, 253 turnkey social homes, 172 homes at affordable prices, fixed price contract, social and physical infrastructure, low risk planning and finance.

BENEFITS AND OPPORTUNITIES FOR THE CITY AND LOCAL COMMUNITY:

- Provision of a range of tenure types of housing, apartments, duplex and small own-door apartment buildings, which will give residents a range of different typologies suiting their needs over their lifetimes.
- High quality Public Open Space will be provided including 1 main park and 3 additional pocket parks
- The central park, with the re-opened Naniken River at its heart connecting through the development. "Kilmore Park" will provide a bespoke play area, Table Tennis tables, A MUGA (Multi-Use Play Area) and causal landscaped areas connecting to Coolock Lane and the School.

- The central park will include community allotments, orchards, nature trails, skate and scooter park, wetlands with boardwalks, cycle trails and woodlands.
- The clustering of communal amenity and community facilities around the entrance will provide an active Social Hub for the community.
- Provision of 853 new homes with over 400 own-door units in a range of typologies and mixed tenures.
- 253 social housing units and 172 affordable purchase homes in energy efficient attractive dwellings.
- Childcare building of 690sqm including children's secure play and education areas.
- Landmark Neighbourhood building providing:
 - local retail unit of 145sqm
 - café / restaurant of 270sqm
 - multi-use / dance studio of 360sqm
 - Auditorium of 165sqm
- New Cycle-ways along the Main Boulevard and through a "Green Cycle-Way" North to South connecting with the adjoining Castletimon and Lorcan Estates
- Cycle-centric design solution providing over 1300 cycle spaces including ample visitor spaces and greenway routes
- 833 car parking spaces (760 residential spaces plus 73 public/visitor/retail spaces) in a mix of parking locations
- Social Labour Clause which ensures a minimum of 10% of the workers on site will be taken from the live register (if available) - opportunities for local employment and local apprenticeships. Social Employment and Pay and Conditions Clauses will be inserted into the Development Agreement between the Developer and DCC.
- The creation of a primarily residential quarter with a mixture of unit types and tenures to provide for much-needed housing in the city, in accordance with the core strategy and complemented with retail units serving a local need. The provision of retirement housing is particularly sought for adjoining new local services.
- Elimination of rat runs through the site by careful design.
- The creation of a neighbourhood centre to Oscar Traynor Road with local retail provision forming a distinctive place to the main entrance to the overall site.
- High Quality / Sustainable and environmentally friendly housing to A Rated standard.

CONCLUSION:

This proposal/project maximises the gain to the city as a result of leveraging the value of the site to an extent which would not be possible otherwise. Dublin City Council is entering into a comprehensive Development Agreement with the preferred Bidder to deliver what was approved by City Councillors in January 2017. A huge amount of work has been carried out so far in getting to this stage including much effort and time given by local residents and councillors who participated on the Local Consultative Forum which was established at the start of the process.

An integral part of the Public Procurement Process and a requirement prior to signing the Development Agreement is the need for City Councillors to approve the Transfer of Land (Section 183 procedure) to the Developer in order to facilitate the Development Agreement. The actual transfer of title will take place in phases in line with construction and in line with the Development Agreement, which ensures control and oversight of the development at all times.

If the transfer of title procedure by City Councillors is approved, the developer will then, following a period of consultation with the local community, submit their Planning Application to An Bord Pleanála. If this application is successful, Glenveagh will be ready to commence the development very quickly. This stage of the Oscar Traynor Road project represents a huge milestone in the drive to regenerate this area.

If the Section 183 transfer process is not approved then unfortunately the Oscar Traynor Road Project and this procurement process will have to be abandoned. This would mean going totally "back to the drawing board" and we realistically would estimate that it could be another five years before we would reach this stage again. There have been a lot of questions asked about this proposal and we have included most of these questions and the answers in the attached appendix.

This Report was submitted to the September meeting of the North Central Area Committee meeting and it has been discussed at a number of subsequent meetings with Councillors since then. The Report on the Section 183 transfer of title proposal is listed separately on the agenda of this meeting (November City Council meeting).

Brendan Kenny

Assistant Chief Executive

2nd November 2020

David Dinnigan

Director of Housing Delivery

Appendix: Questions and Answers.

Where is the Oscar Traynor Site?

The Oscar Traynor site is a 17-hectare site situated on the junction of the M1, Port Tunnel and Oscar Traynor Road.

What's happening with it?

The City Council and the preferred bidder, Glenveagh Living, are proposing to build over 850 homes on land that was previously a long term vacant green field site, using the Housing Land Initiative model that was approved in January 2017 by City Councillors.

What is the Housing Land Initiative (HLI) model?

It is a model that allows social and affordable homes to be provided at a reduced price. The interests of the community are at the heart of the model. We have excluded practices such as shared living and student accommodation.

Is the City Council selling the land outright?

No. We are using the intrinsic value of the land to leverage our vision of creating a sustainable, mixed community. The title in the land is only transferred at the end of each phase.

Is the site zoned?

Yes. The site is zoned (Z12) residential with some commercial and, under the current planning guidelines, has the potential to deliver approximately 850 homes (houses and apartments). The zoning also mentions the inclusion of a "high quality public park".

Will it be a council estate?

No. It is not considered sustainable or sensible to build very large single tenure social housing estates. The City Council is seeking to provide homes under a more sustainable mixed-use model, which ensures a social mix (also known as 'tenure mix'), the scheme comprises the following mix;

- 50% of the homes will be private.
- 20% will be affordable – these homes will be sold at a reduced price to first-time buyers.
- 30% of the homes will be social – allocated to families from the Council's housing list.

Will the private homes and the social / affordable homes be the same?

Yes. The homes will be planned and built in such a way that there will be no way to identify the social homes from the private (this is sometimes referred to as "tenure blind" or "tenure neutral" housing). Both types (private and social) will be mixed throughout the site. All homes will be A rated and N-Zeb compliant. The social and affordable homes will be built to the same quality, standard and finish as the private units in the development.

How soon will the homes be built?

In accordance with the proposed contract with the developer, there are specific deadlines for each phase including design planning and construction phases. Currently, it is anticipated that the development will be completed in its entirety by November 2024, but there will be a number of phased delivery of homes within that period.

How much will the Affordable Homes cost?

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Why develop the site now?

There have been a number of attempts to build on the site down through the years with the financial and housing collapse delaying any building for the last decade. The City Council is promoting the idea that homes should be built on any zoned land it owns, in accordance with Government policy, that's why we are seeking a competent developer to finish out the site over the next four years. There is a proven shortage of suitable homes in the immediate area.

Who is going to develop the site?

Dublin City Council went through an EU procurement process which involves identifying:

- The most competent developer (with previous experience, adequate finance, proven expertise, etc.).
- Who proposes the best plan for the site (design, quality, phasing)
- At the best price, taking into account Value for Money Guidelines and the Public Spending Code and overseen by the National Treasury Management Agency (NTMA).
- "Glenveagh Living" have been selected as the preferred bidder as they have provided the Most Economically Advantageous Tender.

Will there be opportunities for local employment on the project

Yes. A social clause is included in the agreement and this will provide opportunities for some local employment and apprenticeships.

Will the City Council consult with the local community on the project?

Yes. Dublin City Council has facilitated a Community Consultative Forum for the project in order to provide a platform for the mutual exchange of information between stakeholders associated with the Oscar Traynor Road site. Besides the elected councillors, other local resident groups are represented on the forum. A Community Consultative Workshop was held on 26 June 2019, the aim of this workshop was to bring together stakeholders and produce a report, which informed the preferred bidder of people's ideas for the development.

Report can be found www.dublincity.ie/hli.

Who is on the Forum?

The members of the forum are as follows;

- Three City Councillors from the North Central Area
- Two residents representing Lorcan, Castletimon and Ballyshannon neighbourhoods
- Two residents representing Woodlawn, Aulden Grange and Larchill neighbourhoods
- One representative from Gaelscoil Cholmcille Management
- One representative from Gaelscoil Cholmcille Parent Committee
- Dublin City Council Executive Manager
- Dublin City Council Area Manager

Is there an outline plan I can see for the Oscar Traynor Site?

Yes.

The City Council agreed a feasibility report which outlines an indicative plan for the site (copy of report available to download at www.dublincity.ie/hli). The feasibility study takes into account:

- The heights and densities for the site (number of homes), and the need to take into account the current heights of the existing homes surrounding the south and east of the site and to design accordingly. This will mean that there will be lower buildings (two-storey) along the borders with Lorcan Crescent, Castletimon Gardens, Castletimon Road etc), while any of the taller buildings will be built around the park and along the Santry by-pass and the Oscar Traynor Road.
- The location of the roads, the location of the park, the course of the Naniken River, air transport flight paths, access to the site.
- Along with the zoning (Z12), the principles of the Strategic Development and Regeneration Area (SDRA) as outlined in the "City Development Plan 2016 to 2022" have to be taken into account.

How will the developer apply for planning permission?

The developer will apply directly to An Bord Pleanála (ABP) under the Strategic Housing Development (SHD) rules, due mainly to the size and importance of the development.

What if I do not like something in the developer's plan, can I object?

Yes, the successful developer will be required to apply for planning permission for the Oscar Traynor Development and there will be an opportunity to lodge observations/objections to the planning application with A An Bord Pleánla.

Will there be a new park in the area?

Yes, there will be a large centrally located park (approx. 3 hectares) which will provide a high-grade amenity for the local area, together with a number of smaller local pocket parks. This central park will contain the de-culverted Naniken River as a feature.

What about a playground?

Yes. Suitable locations will be examined as part of the detailed design.

Will the area need a new school?

Gaelscoil Cholmcille is the nearest school to the site and the school's management and the parents have been engaged in lobbying the Department of Education and Skills for new school buildings. The City Council will help in any way it can; however the Department of Education's criteria for funding will most likely apply. The Council has agreed to engage in a land swap procedure so that the school can be built on a more appropriate site. The school has representation on the Local Consultative Forum for the project.

Has there been a traffic analysis of the impact on the area due to the new development?

Yes.

The development of the Oscar Traynor Road lands will be underpinned by a robust integrated mobility strategy and transport assessment. An Environmental Impact Assessment Report (EIAR) will also be required to be prepared for the site. There is currently an Options Study underway looking at improved connectivity for pedestrians and cyclists between the site and Santry Village. The site will be served by Spine A of the Bus Connects project.

Where will the entrances be?

The main entrance will be on the Oscar Traynor Road but there will be cycle and pedestrian connections at some points. Vehicular access to and from existing neighbourhoods will be limited to local access in the new development.

Will there be commercial / retail on the site?

Yes.

However, is not intended that this will result in a major retail outlet, as the area in general is well served by both the OMNI and Northside Shopping Centres. There may be scope to include a local shop along with a crèche.

What is the value of the land?

Although the developer will be paid for the social and the affordable units, this payment will be at the construction cost detailed in the tender rather than open market value. The developer is also responsible for the infrastructure on site, the development of the park, the play areas, community facilities, landscaping, design, planning, financing, and carrying any inflation risk on the 1st Jan 2019 fixed price, along with a cash payment of €14M.

The unencumbered value (if the site was put out on the open market with no restrictions) of the land would be in the region of €44 million. However, the City Council is achieving an agreement which realises the monetary value of the land in such a way as to satisfy the original vision for Oscar Traynor Road (sustainable mixed tenure, off balance sheet development, 253 turnkey social homes, 172 homes at affordable prices, fixed price contract, social and physical infrastructure, low risk planning and finance).

So, is the developer making a profit on the deal?

The developers would not be involved if they did not anticipate a profit. For contractual and confidentiality reasons, DCC are not in a position to reveal the profit margins that the developer will make over the 5/6 years of the development, as it would have the effect of putting the developer at a commercial disadvantage. Under the structure of the HLI the social and affordable homes are provided at construction cost at 2019 prices and all the associated infrastructure has to be provided by the developer.

Why use a developer, why not have DCC develop the lands?

The City Council is not a developer or a construction contractor. The expertise for large scale construction works of this nature are specific and complex. It would also involve the council taking on the substantial legal, planning and, above all, funding and financial risks associated with undertaking a development of this scale. In any event that was not the model of development agreed by City Councillors in January 2017.

Further Info

- A presentation has been made to the Area Committee on 21st September
- A presentation has been made to the Consultative Forum on 28th September 2020
- Additional information sessions have been provided to Councillors and the consultative forum as required
- The Disposal Report (Section 183) will be presented to the City Council meeting in November 2020.
- If the Section 183 disposal is approved the Development Agreement will be signed shortly thereafter with the developer and the developer will have six months to submit his planning application to An Bord Pleanála.













