

DPER View: Reject. Exchequer capital funding for housing (other than for LIHAF) is only available to meet priority social housing needs. No funding is available for affordable housing schemes for persons above income eligibility limits for social housing.

Existing LA sites surplus to social housing needs may be sold at market rates for the provision of affordable housing within a defined affordability cost limits and delivery period. Alternatively such surplus sites may provide at less than market costs to increase the supply of affordable housing, provided that under the arrangement the cost of the acquisition of the sites is recovered with no cost to the Exchequer or the LA is willing to bear any loss that might be involved.

It is also unclear how eligibility for such an affordable scheme could meaningfully be determined.

Additional Exchequer subsidy over and above Existing CALF and P&A payments cannot be made available to AHBs within the available fiscal space.

Rebuilding Ireland Review

Action 3.4: Affordable Housing – Serviced Sites

Summary

Description of actions	Objective (should include a target output for 2018 & beyond)	Timeline	Principal Officer
We will introduce an affordable housing Scheme on State lands by making low-cost serviced sites available in regeneration areas in Dublin City and other areas with the greatest need.	Given the prevailing market conditions in regeneration areas of the city (house prices; rents and incomes) the State will intervene to make housing available at below market prices to eligible households. Output 2018?	End 2017	Barry Quinlan
<p>How will Scheme(s) operate?</p> <p>Recognising that there are low income households that will struggle to secure mortgages to cover the full cost of housing provision a more affordable scheme will be brought forward in certain parts of Dublin City Council (DCC) areas designated for regeneration.</p> <p>Such a Scheme is already being piloted by DCC working with ÓCualann Cohousing Alliance in Ballymun. ÓCualann is delivering A2 rated 2-bed, 3-bed and 4-bed homes for prices ranging between €140,000 and €219,000 (incl. VAT).</p>			

These low sales prices were possible based on:

- Reduced land acquisition costs, development levies and developer's margin with agreed purchase of fully-serviced site from DCC for €1,000 per house.
- Construction of owner occupied and privately rented houses is funded privately by the AHB.
- AIB Construction Finance facility for €825k approved and drawn down to fund ongoing construction.
- Fixed price, design build construction contract negotiated and completed

Building work underway on Phase 1 comprising 17 houses and DCC and O'Cualann are examining another adjacent site in Ballymun.

Who are the key stakeholders & have they been consulted?

DCC are working with the Department on the details of the proposals and the Council has identified potential sites.

Does the action require detailed research/new Budget/new funding arrangements/new legislation/regulation?

The model from the pilot is well understood and will be further refined for the increased roll out taking account of eligibility and other criteria being worked up for affordable housing more generally. It is estimated that c530 new affordable homes could be delivered with investment of €20m on the basis of €50,000 per site for servicing split 75:25 between Exchequer and local authority funding. The €20m to be re-directed from the vote (A.3.4) ear marked for the subsidy-based affordable rental scheme which didn't proceed to this affordable Scheme.

Any other information

This is a much targeted Scheme which will help regenerate areas of the City; will help households facing the greatest challenge with affordability and will create mixed tenure communities.