



**Opening Statement by Mr. Joe McGuinness, Director of Services,
Louth County Council**

to the

Joint Committee on Housing, Planning and Local Government

on

Thursday 6th December 2018.

Funding and Delivery of Public Housing under Rebuilding Ireland

Joint Committee of the Oireachtas on Housing, Planning & Local Government – Thursday 6th December 2018

Introduction

Chairman & Members

On behalf of the Chief Executive, Joan Martin, I wish to thank the members for their invitation to attend today's session. I am Joe McGuinness, Director of Corporate Services for Louth County Council but was Director of Housing up until October 25th last. I am accompanied by Paddy Donnelly, now Director of Housing for Louth and I hope both of us can assist you in your work.

Background & Local Context

Louth County Council is a significant Housing Authority in scale despite its geographic size. Since the Local Government (Reform) Act, 2014 Louth County Council encompasses the previous roles and responsibilities of the two town Housing Authorities of Dundalk & Drogheda.

A Housing Stock of over 4,000 units are managed by Louth County Council who also have a housing demand of nearly 1,800 qualified applicant households and over 2,500 household within HAP but on the Housing Transfer List.

Under Rebuilding Ireland, Louth County Council have been assigned a target of 1147 over a 3 year period 2018-2020 with a delivery target of 308 units across all delivery mechanisms across the five pillars of Rebuilding Ireland, the following is the respective activity in County Louth.

Pillar One – Homelessness – To provide early solutions to address the unacceptable level of families in homelessness accommodation and to deliver interagency support for people currently homeless.

Louth County Council is the lead homeless authority for the North East Region and has been managing the challenges of homelessness since the 1980's. The council traditionally had approximately 25 hostel beds in each of the towns of Drogheda and Dundalk which catered generally for street drinkers. Obviously this profile has changed significantly in very recent times with the traditional street drinkers now becoming chaotic drug users. This has been added to by the households who have lost their accommodation through the economic crisis, whether private rented tenants or property owners. At its peak Louth has a challenging 160 adults in Emergency Accommodation each night.

Since 2010 the Council has developed bi-weekly multi-agency Homeless Action Team meetings, who review every new presentation and monitor other households to ensure that they are getting the appropriate care support. The Council has also led on a number of initiatives including developing a protocol which became a national protocol, with the Prison Service to manage the accommodation needs of homeless persons on their exit from Prison.

As part of Rebuilding Ireland, efforts have focussed on providing both transitional accommodation and family hubs for those currently in emergency accommodation. This has resulted in a significant drop of households in Hostel / B&B. This was accomplished by securing private leases outside the HAP scheme and the development of an actual family hub with the Peter McVerry Trust.

The Council are also a pilot site for the development of a modular hub, also with the Peter McVerry Trust.

Louth County Council, from our experience is absolutely convinced that the remedy to homelessness rests on a multi-agency basis. This can only be addressed by specialist care support which could include tenancy sustainment, addiction support services, mental health supports and intellectual disability services to address behavioural issues.

Pillar Two – Increase the level and delivery of social housing and other state supported housing.

The Louth delivery target has already been referred to and the council are confident that we will exceed the 3 year target of 1147 units. This is despite being burdened by a landbank that carries over €60 million of a loan burden. This is significantly impacting both the organisation and the viability of the lands in question as the unit cost ceilings for development of these lands are too high.

The council will still achieve its targets. This is due to a very healthy relationship with the Approved Housing Bodies in Louth who are outstripping all forms of delivery through CALF supported schemes. In 2018 102 out of 308 units will be delivered by CALF with 800 out of a target 1147 to be delivered by CALF by 2020. Louth County Council meets collectively all AHB's operating in Louth on a half yearly basis to prioritise the needs of the Housing Authority and to task the AHB's with addressing specified needs group.

Louth County Council was an original pilot of the HAP model and now has 2,500 households in receipt of HAP supported tenancies. HAP is now recognised as an obtainable supported housing solution. The challenge in this area, however, is supply and in particular the south half of the county due to its proximity to the Dublin Metropolitan area.

Pillar Three – Increase the output of private housing to meet demand of affordable places

Over the last three years private sector delivery of housing has almost exclusively been led by AHB CALF, induced demand. Whilst not ideal, it has removed the blight of most unfinished housing estates which were acquired from receiverships etc. This area however is now seeing some movement with a smaller number of developments coming on line as affordable first time buyer type accommodation.

The Council are also facilitating two LIHAF developments, one in Drogheda and Dundalk each of which will also provide affordable options.

It would be felt however that market price is still below current construction cost due to the increasing cost of labour which is being sucked into the competitive Dublin labour market and this therefore remains a challenge.

Pillar Four- Address the obstacles to greater private rented sector delivery to improve the supply of affordable rents.

An available private rented supply is undoubtedly the key to bridging the need before households enter permanent social and affordable tenures. The scarcity in this area therefore ramps up the supply difficulties and this is especially relevant in Louth. The

Council would be even concerned that this is impacting on the attractiveness of the County for new Foreign Direct Investment.

There are a number of other local challenges, including the volume of households who are seeking accommodation from the Dublin Metropolitan area and who are supported by Dublin levels of rent supports from Dublin Authorities. These include households who are “self accommodating” by means of Homeless Supports from Dublin. Whilst this might address a national homelessness response, it unfortunately is impacting on the local rental market which is already oversubscribed.

In pre-planning discussions and any interaction with developers, the Council has highlighted the available rental demand and needs for “ *employee housing* “ to address this area and ultimately increase demand at affordable rents.

Pillar Five – Ensure the existing housing stock is used to a maximum degree possible.

In the absence of available Social Housing projects for short-term delivery, the Council, since 2015 has been targeting privately owned vacant property.

This has been delivered through the C.P.O. process and is hung solely on four principles:-

- The houses are not occupied or for sale and therefore the local authority are not impacting on the local housing market by acquiring them
- The Council are removing a source of anti-social behaviour and a blight on the streetscape
- The Council can deliver these quicker than through traditional approved and funded salaries
- The refurbishment works generate construction jobs.

Our schemes have been very successful to date, with over 80 units acquired to date and with 40 now refurbished and tenancies in situ. This project has been funded in bundles as single stage Capital Projects, and this has been hugely popular with tenants and communities generally.

Suggestion to Improve Delivery Nationally or Locally

The following are some considerations in relations to delivery improvements that could be made.

- In relation to local delivery, Louth County Council is absolutely hampered by the land loan burden of lands which also could be physically used for the delivery of several hundred units. The Loan burden needs to be separated from the normal construction costs and separately resolved to allow the development of much needed dwellings where waiting periods are currently in excess of nine years
- The Council have been pro-active in acquiring units by C.P.O. and are satisfied that it is an appropriate and useful process. We have noted however that many of these units are being held by Financial Institutions. Whilst the Housing

Agency has acquired units on behalf of the State where Financial Institutions have offered same, we would feel that the full portfolio of vacant distressed units should be handed over to Housing Authorities, where need is identified rather than at the discretion of the Financial Institutions.

- Linked to the impact that decisions of Financial Institutions can have on Housing Services, is the matter of Homelessness caused by '*Buy to Let*', re-possession. Louth County Council has noted that the mortgage lenders are currently concentrating on recovering debt on the 'Buy to Let' sector rather than those in the traditional home owner category. This has resulted in rising and continuing levels of homeless presentations from tenants of the '*Buy to Let*' properties. The Council are of the view that consideration needs to be given to enacting legislation that allows the sale of dwelling with "*tenants unaffected*" as opposed to seeking '*vacant possession*'. The Council would be satisfied that there would be still a market for such units whether individual landlords or property management companies.

Conclusion

We would like to thank the Committee for considering our observations and are happy to address any questions.