



## **Tithe an Oireachtais**

An Comhchoiste um Thithíocht, Rialtas Áitiúil agus Oidhreacht

Tuarascáil maidir leis an nGrinnscrúdú Réamhrechtach ar Scéim Ghinearálta  
an Bhille um Thithíocht Inacmhainne, 2020

Bealtaine 2021

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## **Houses of the Oireachtas**

Joint Committee on Housing, Local Government and Heritage

Report on Pre-Legislative Scrutiny of the General Scheme of the Affordable  
Housing Bill 2020

May 2021



## Contents

<b>PREFACE</b> .....	1
<b>INTRODUCTION</b> .....	2
<b>BACKGROUND</b> .....	4
<b>KEY ISSUES WITH THE PROPOSED LEGISLATION</b> .....	6
<b>KEY ISSUE 1: LOCAL AUTHORITY-LED AFFORDABLE PURCHASE SCHEME</b> .....	6
<b>KEY ISSUE 2: COST RENTAL</b> .....	10
<b>KEY ISSUE 3: SHARED EQUITY SCHEME</b> .....	15
<b>RECOMMENDATIONS</b> .....	19
<b>APPENDIX 1 - ORDERS OF REFERENCE</b> .....	23
<b>APPENDIX 2 - COMMITTEE MEMBERSHIP</b> .....	27
<b>APPENDIX 3 – LIST OF WITNESSES</b> .....	28
<b>APPENDIX 4 – LINKS TO MEETING TRANSCRIPTS</b> .....	29
<b>APPENDIX 5 – LINKS TO SUBMISSIONS &amp; OPENING STATEMENTS</b> .....	29
<b>APPENDIX 6 – MINUTES OF 27 APRIL (VOTES ON AMENDMENTS)</b> .....	30



## PREFACE



On 20 January 2021, the Minister for Housing, Local Government and Heritage, Mr Darragh O'Brien TD, submitted the General Scheme of the Affordable Housing Bill 2020 to the Joint Committee on Housing, Local Government and Heritage in accordance with Standing Orders for the purpose of pre-legislative scrutiny of the General Scheme.

The Committee agreed to undertake pre-legislative scrutiny and the Committee has sought to scrutinise the proposed legislation and provide recommendations on areas where it believes change or amendments are warranted. The approach taken by the Committee in reporting on the scrutiny of the General Scheme was not to examine each part of the General Scheme, rather to identify the most critical issues and to focus on these.

The Affordable Housing Bill 2020 provides for: local authorities to deliver affordable homes for purchase on public lands; the introduction of Cost Rental as a new form of tenure and its placement on a statutory footing; and the establishment of a new Affordable Purchase Shared Equity scheme which will see the State take an equity share in a home, making it easier for homeowners to afford the mortgage.

The Committee has identified several issues and made recommendations on these issues which are explained in detail in the body of the Report. The Committee has made these recommendations in the hope that they will assist Minister O'Brien and Department officials in improving this important piece of legislation.

I would like to express my appreciation to all the witnesses for their contributions and to the Members of the Committee for their work on this subject. I hope that this report will help to inform the legislative process and make a valuable contribution to the forthcoming legislation.

A handwritten signature in black ink that reads "Steven Matthews". The signature is written in a cursive style.

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Steven Matthews TD  
Chair of the Joint Committee

## INTRODUCTION

In accordance with Standing Order 146A the General Scheme of the Affordable Housing Bill 2020 (the General Scheme) was referred to the Joint Committee on Housing, Local Government and Heritage (the Committee) on 20 January 2021. The Committee agreed at its meeting on 26 January 2021 to undertake pre-legislative scrutiny of the General Scheme.

The Committee conducted pre-legislative scrutiny at four meetings, and engaged with various stakeholders, detailed below. The Committee also invited a number of stakeholders to make written submissions on the General Scheme and these are linked in Appendix 5. The Committee also held an additional meeting in public for the purposes of voting on amendments to this report.

### **Tuesday 9 February 2021**

#### **Department of Housing, Local Government and Heritage**

- Mr Barry Quinlan, Assistant Secretary, Affordability and Homelessness Division
- Mr Robert Nicholson, Principal Officer, Capital Infrastructure and Affordability Unit
- Ms Marian O’Driscoll, Assistant Principal
- Mr Alan Smyth, Assistant Principal

### **Tuesday 16 February 2021**

#### **The Housing Agency**

- Mr John O’Connor, Chief Executive Officer
- Mr Jim Baneham, Head of Housing Delivery
- Ms Gwen Perry, Senior Executive Officer

#### **Economic and Social Research Institute**

- Dr Conor O’Toole, Senior Research Officer
- Dr Rachel Slaymaker, Research Officer

#### **National Economic and Social Council**

- Dr Larry O’Connell, Director
- Mr Noel Cahill, Economist

### **Tuesday 2 March 2021**

#### **County and City Management Association**

- Mr Frank Curran, Chair of the Housing, Building and Land Use Committee
- Mr Eddie Taaffe, Programme Co-Ordinator, Housing Delivery and Co-Ordination Office
- Ms Catherine Keenan, Director of Services, Dún Laoghaire-Rathdown County Council

#### **The Housing Alliance**

- Ms Sharon Cosgrove, Chief Executive, Oaklee Housing
- Mr Declan Dunne, Chief Executive, Respond
- Mr Brian O’Gorman, Chief Executive, Clúid

**Tuesday 9 March 2021**

**The Land Development Agency**

- Mr John Coleman, Chief Executive Officer
- Mr Phelim O’Neill, Head of Property
- Ms Rose Kenny, Head of Corporate Services

**Tuesday 27 April 2021**

**Members of the Joint Committee – Votes on Amendments**

## BACKGROUND

The General Scheme of the Affordable Housing Bill 2020 was approved by the Government in December 2020 and published on 20 January 2021.

According to the Department of Housing, Local Government and Heritage<sup>1</sup> (the Department), the Bill provides for the introduction of three new schemes delivering on the Programme for Government commitment to put affordability at the heart of the housing system and prioritise the increased supply of affordable homes.

The three schemes will see:

- Local authorities deliver affordable homes for purchase on their lands for the first time in more than a decade
- A new Affordable Purchase Shared Equity Scheme where the state would provide equity support to households seeking to purchase homes in the private market but unable to secure the full mortgage to do so.
- The introduction of a new form of tenure in 'Cost Rental'. This legislation will provide the basis for the first 400 Cost Rental homes in the State which will be delivered in 2021 with many more in the pipeline in the years thereafter.

The approach taken by the Department has been to seek to utilise existing provisions where possible to facilitate delivery of affordable housing for purchase by local authorities, and in addition to this the proposed Bill contains new provisions to facilitate delivery of affordable housing through channels such as cost rental, delivered by local authorities, Approved Housing Bodies, and the Land Development Agency. The Department has also stated that it has sought a blend of facilitating measures in primary legislation while allowing for responsive requirements to be set in regulations.

The Bill is made up of three parts and twenty-three heads. The bulk of the heads deal with amendments to the Housing (Miscellaneous Provisions) Act 2009. Part V of that Act deals with Affordable Dwelling Purchase Arrangements and the provision of affordable housing led by local authorities.

The Bill is broken down as follows:

- a. Twenty heads contain amendments to the 2009 Act dealing with local authority-led affordable purchase;
- b. One broad head putting Cost Rental on a statutory basis;
- c. One head to provide for the Housing Agency to administer the new Cost Rental Equity Loans; and
- d. One head to facilitate Government investment in a new national affordable purchase shared equity scheme for the purchase of private homes

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<sup>1</sup> <https://www.gov.ie/en/press-release/e3e16-minister-obrien-publishes-affordable-housing-bill-2020/>



The Department has noted that the final details of the Affordable Purchase Shared Equity scheme are being advanced based on engagement with stakeholders and it is intended that when finalised it will be open to all new build homes, subject to regional price caps and targeted at first time buyers.

The Department has also stated that when finalised, the scheme will accommodate appropriate control mechanisms and it will be in accordance with Central Bank rules.

## KEY ISSUES WITH THE PROPOSED LEGISLATION

In examining the General Scheme, the Committee has identified areas that are of particular interest and/or where further consideration should be provided. In scrutinising the General Scheme, the Committee largely focused on the three significant areas covered: the local authority-led affordable purchase scheme; the establishment of Cost Rental as a new form of tenure; and the introduction of a national affordable purchase shared equity scheme for the purchase of private homes. As such, these three elements of the General Scheme form the basis of the key issues discussed below.

### KEY ISSUE 1: LOCAL AUTHORITY-LED AFFORDABLE PURCHASE SCHEME

The Department in its presentation to the Committee noted that in relation to the local authority-led affordable dwelling purchase arrangements, the majority of the amendments to Part V of the Housing (Miscellaneous Provisions) Act 2009 are administrative in nature and are intended to improve its operation. In this regard key amendments relate to the assessment of purchaser eligibility, involving an amendment to the criteria to replace the current provisions with an assessment regime on the basis of regulations to be made by the Minister with the consent of the Minister for Public Expenditure and Reform. Regarding the scheme of priority, the Department explained that it is proposed to streamline the ministerial power to make regulations to cover the issues such as the suitability of the home for the eligible household, the length of time a person has been living in the administrative area and the time of application. An amendment is also proposed to allow the local authority charge or equity stake on the property to remain in place until bought out by the household. This would become enforceable by the local authority on a breach of the agreement or at the end of a given period to accommodate the senior mortgage maturity. A new section is also proposed to allow for affordable purchase of homes provided by the Land Development Agency (LDA) to local authority eligible and priority households.

The Committee broadly welcomes this aspect of the proposed bill, yet also notes that there is little detail surrounding the eligibility criteria for this scheme published to date and that draft regulations governing this aspect have also not yet been published. The Committee raises concern in relation to the lack of detail supplied on the eligibility criteria. The Committee notes that the release of this information would allow Members to debate the Bill more appropriately when published.

When queried by the Committee as to why the income eligibility criteria in terms of household income percentages has been removed from the proposed bill in relation to the affordable purchase scheme, the Department noted that the previous legislation as drafted created difficulties in applying eligibility criteria following the introduction of mortgage lending rules after the 2009 Act, and noted that the proposed bill in question is aimed at addressing individual affordability for those unable to purchase a rent a home under normal circumstances. If straight percentages were used, the Department noted, measures of affordability can be quite blunt instruments, so they are attempting to develop the scheme around individual needs.

Members also queried whether eligibility criteria could be opened up for people and families who have previously lost homes during the economic crisis and are currently facing high rents with little prospect of availing of a commercial mortgage. In this regard the Department noted that the scheme is predominantly aimed at first time buyers but would welcome the Committee's feedback in terms of targeting the scheme at other household formations.

In terms of the rollout of the affordable purchase scheme, Members raised concerns surrounding the pace of the rollout of the scheme and the levels of local authority-led affordable housing expected over the short term. The Department noted that it has had funding approved overall for approximately 4,000 units but acknowledged that delivery has been slower than it would like.

Members also raised the issue of unresolved debts faced by local authorities resulting from unsold affordable housing and land from the previous economic downturn. In this regard the Committee has concerns surrounding the progression of local authority-led development while these debts are still in place. Responding to this the Department noted that a large amount of this land has been utilised in various programmes such as the provision of social housing but noted that some land remains and advised that they are working with the County and City Management Association (CCMA) to address these issues. The CCMA in its engagement with the Committee expanded on this and informed the Committee that local authorities currently have approximately 2,000 unsold affordable dwellings with unfunded costs of approximately €350 million. It noted that while all these are currently occupied as social housing, these legacy issues require resolution.

In its attendance at the Committee, the Housing Agency also spoke of the affordable home purchase scheme and informed the Committee that the scheme was an effective way of the State investing in affordable home purchase and that equity investment when repaid can be used to provide support to future households purchasing an affordable home. In this regard, it noted that it is a sustainable measure to support current and future generations, with delivery able to be carried out by local authorities as well as approved housing bodies and the LDA, among others.

The Housing Agency noted that the serviced sites fund will be critically important for the delivery of affordable purchase housing along with cost-rental housing by local authorities, approved housing bodies and the LDA, as it is one way of reducing the cost for the purchaser, along with land. They noted that if local authorities are given more flexibility in the use of the serviced sites fund, which is currently primarily focused on infrastructure, that will be important.

In its engagement with the Committee the CCMA, welcomed the proposed bill and noted that the measures in the proposed Bill, in particular Heads 3 to 8, will give greater clarity and certainty to both local authorities and prospective purchasers. It noted that the primary delivery mechanism enabling local authorities to deliver affordable housing is the serviced sites fund, provided to support the cost of infrastructure associated with the construction of new affordable purchase homes on local authority land. In this regard, it informed the Committee that the financial ability of local authorities to deliver affordable housing at scale is dependent upon a simplified serviced sites fund bridging the entire gap between the full costs of provision of housing by a local authority and the affordable selling price. It noted that this would be a significant help in terms of delivery and that they are in discussions with the Department in this regard.

The CCMA also informed the Committee that the timeframe for the delivery of such projects must accommodate detailed design, consultation, planning, procurement, and construction, and as with all large projects, the nature and scale of projects evolve as plans are progressed. It noted that a simplified serviced sites fund would allow local authorities to progress development of larger mixed tenure housing schemes delivering social, affordable, and cost rental housing.

During the engagement with the CCMA, the Committee raised queries as to the ambition and level of affordable housing delivery targets that local authorities might hope to provide. In relation to this the CCMA noted that it will need to look at market considerations, house prices, household formations and the types and sizes of houses required, and this will determine the areas and

demand estimates where affordable housing is needed. It noted that current targets focus on social housing delivery, but an in-depth analysis would have to be carried out before concrete targets for affordable housing provision can be set. In discussing the setting of such targets, the Committee notes that the methodology for the Housing Needs and Demand Assessment has not been made available by the Department resulting in local authorities drawing up their development plans in its absence. The Committee also voiced concerns about the level of funding provided for the affordable purchase scheme if local authorities are to set ambitious targets for delivery, although it was noted that funding can only be made available when the capacity is known. The CCMA advised that it is examining staffing levels and staffing structures in anticipation of increased demand.

The CCMA also highlighted areas to the Committee that may reduce delays in the provision of affordable purchase housing and noted that it had previously engaged with the Department on the approval process and has been engaging with the Office of Government Procurement on the utilisation of Design-Build models to further reduce costs.

### **Recommendations**

The Committee recommends that:

- The draft regulations governing the eligibility criteria for the Local-Authority-led affordable purchase scheme be published in tandem with the Bill alongside the Housing Need and Demand Assessment methodology and the criteria for determining the purchase costs of homes, and that the Minister consult with the Committee on these items before finalising them.
- The Department work together with local authorities to address the legacy issues of unsold affordable dwellings and land to remove any obstacles this might create for the future provision of affordable housing.
- The Department engage with local authorities to consider the development of a simplified and expanded serviced sites fund, including greater flexibility in the amount allocated for each scheme to take account of site, local and regional variations in development costs so as to effectively bridge the gap between the full costs of the provision of affordable housing and the selling price.
- The Department introduce a simplified and expanded serviced sites fund, that enables Local Authorities to use the funding per unit as an offset against the costs associated with providing affordable housing units.
- The Department immediately invite further expressions of interest from Local Authorities under the Serviced Sites Fund (SSF) and from thereon to allow for rolling applications from Local Authorities.
- The Department provide the Housing Need and Demand Assessment methodology to local authorities, as a matter of urgency, to ensure the completion of the HNDA thus allowing for a proper assessment of affordable housing needs, prior to the completion of development plans.
- The Department engage with the Housing Agency and local authorities with a view to scaling up the delivery of affordable housing provisions to meet expected future demand and to agree within 6 months of the passing of the Bill Local Authorities and Approved

Housing Bodies annual delivery targets for affordable homes similar to those targets in place for social housing delivery across the timeline of the National Development Plan.

- The Department set out guidance to Local Authorities on the regional price ranges for affordable purchase homes, that the criteria used for determining these prices be full cost recovery not discount of market price so as to ensure that all homes delivered through the Serviced Sites Fund are genuinely affordable to those households whom the scheme will be targeting.
- The Department undertake a review of the Rebuilding Ireland Home Loan scheme to ensure it can provide a sustainable pathway for households to access homes delivered via the Serviced Sites Fund.
- The Department ensure that local authorities are sufficiently and appropriately staffed to meet any increased demand and to ensure delivery on the affordable purchase scheme.
- The Department ensure that adequate funding be made available to meet identified capacity under the affordable housing scheme.
- The Department engage with the CCMA with a view to streamlining the approval process to mitigate against any delays in the provision of local authority-led affordable housing.
- The Department engage with the CCMA and the Office of Government Procurement to developing a suitable and effective Design Build framework for use by local authorities in the provision of affordable housing to achieve significant savings in the cost of delivery and procurement of materials and fittings.
- The Department widen the scope of eligibility to include those who lost their family home through repossession or voluntary sale arising from the economic crash and also those individuals who have permanently lost access to the family home due to relationship breakdown.
- The Department adapt the Part V provision for the inclusion of 10% social housing to a target of 10% social housing and 10% affordable housing.
- The Department of Housing, Local Government and Heritage and Department of Public Expenditure reduce their evaluation and approval process timescale to no more than six months for applications from Local Authorities to proceed with social and affordable housing developments.

## KEY ISSUE 2: COST RENTAL

The Department told the Committee that the proposed legislation marks the first time that a legal definition of a cost rental tenancy will be provided for. It advised that the Minister will be given the power to designate costs rental tenancies and ensure that the rent is set as a cost-covering level, including cost elements to be prescribed in regulations. It also noted that the proposed legislation sets out the manner in which rents for a cost rental tenancy may be increased each year to ensure they are stable in real terms, while continuing to cover costs. The Department also informed the Committee that, as with criteria for the affordable housing provisions, the proposed legislation contains provisions to allow for the setting of eligibility criteria for entering a cost rental tenancy, and the Minister will be given the power to set household thresholds by regulation. It also clarified that cost rental tenancies are not a form of social housing support and that they will generally be subject to the provisions of the Residential Tenancies Acts.

As is the case with the local authority-led affordable housing provisions, the Committee notes that the eligibility criteria for the cost rental tenancies has not been published to date and it is not able to sufficiently scrutinise how the scheme might operate in practice. The Department noted that such criteria are not finalised, but it is likely that the lower threshold will be those who are not eligible for social housing and stated that it will be aimed at hard-pushed middle income earners. The Department informed the Committee that it has not fixed a higher threshold, but it would be informed by rents which are in turn informed by the costs of construction and the level of subvention provided.

With regards to cost rental tenancies, although they will be aimed at middle income earners, the Committee highlights the need for cost rental tenancies to form a part of broader mixed income and mixed tenure communities. The Department in this regard advised the Committee that everything it is doing around affordable and cost rental housing would be complementary to social housing, and that it is seeking to build thriving sustainable communities that also incorporate homes for the elderly and people with disabilities.

Despite a lack of detail on the eligibility criteria the Committee broadly welcomes the introduction of such a scheme as a new method of tenure to the Irish housing market, and the Committee notes that the current cost rental schemes were fully-subscribed and that all funding provided for the scheme in budget 2021 has been fully allocated.

In discussing the cost rental aspect of the proposed legislation, it was noted that Head 22 of the General Scheme provides for the covering of costs including equity returns. The Department explained to the Committee that in developing the model and in order to realise delivery of the model at scale, it might be necessary to introduce the model to the likes of international pension schemes in the longer term and once proof of concept has been attained. In relation to this, the inclusion of equity returns in the proposed legislation is to provide for the Minister, in the future, to put a cap or limit on the levels of return for such schemes to prevent an impact on rents. The Department noted that typically, internationally there would be an allowance for a level of return and pension funds might look for 3% or 4% return on their investment. Putting a cap on this return by way of regulations may then allow for the expansion of costs rental beyond the State sector to allow for the delivery of numbers at a greater scale. Some Members raised concerns around the involvement of private sector operators in providing cost rental housing in that profit driven motives may erode cost savings, however the Department informed the Committee that the Minister could mitigate against this by limiting returns through regulations.

The Committee also queried the Department on whether there will be safeguards in place for people who utilise cost rental housing throughout their lives but are later subject to a drop in income, for example through retirement, and questioned whether the model could be adjusted based on such changes in income. Responding to this the Department noted that this is not accommodated for in the proposed legislation, though it may be accommodated for in regulations and noted that it is absolutely something that must be considered. In this regard the Committee notes that the proposed legislation does provide for safeguards for cost rental tenants in circumstances where a tenancy will not be lost where a person's circumstances change and they require the assistance of Housing Assistance Payment (HAP).

The Economic and Social Research Institute (ESRI) welcomed the introduction of the cost rental model and advised that its research shows that the target group of middle-income households face considerable affordability pressures and supply side measure such as cost rental cannot come quickly enough. It advised the Committee that the success of this intervention over the medium term should be gauged by three metrics, namely, the number of units, the pricing and the eligibility criteria. The ESRI noted that to have a meaningful impact on overall housing supply the number of units provided would need to expand rapidly over the coming years.

The National Economic and Social Council (NESC) told the Committee that it has long advocated for a national cost rental programme, and noted that if cost rental, affordable purchase and social housing developments can be combined on large sites this would facilitate having larger developments than would otherwise be possible.

The Housing Agency advised the Committee that to reduce rents in the overall market the delivery of cost rental units would have to amount to thousands of units per year. In this regard it notes that where it has been successful at doing this in other jurisdictions it has taken decades for the stock of affordable and cost rental to be built up. NESC agreed with this view but noted that the Government must first prove the concept, and that once this is done the demand will be there to deliver at a much higher level than the current ambition.

Both the CCMA and the Housing Alliance welcomed the introduction of cost rental housing to the Irish market, with the Housing Alliance stating that in time affordable cost rental will be seen as marking a significant and important development in housing policy.

The Committee raised concerns that the current on-balance sheet nature of cost rental provision through Approved Housing Bodies might hamper the expansion of the scheme in the future. In this regard the Housing Alliance advised the Committee that they are working with the NTMA and Government to address the issue of AHB classification which would then allow cooperation between the LDA, AHBs and local authorities to provide for cost rental at scale.

The Housing Alliance also highlighted to the Committee the importance of requests for expressions of interests being made much earlier, as they notes they received expression of interest late in December to be delivered this year and advised that this was quite a tight timeline. It advised the Committee that it would be of significant benefit that this happens in August or September while there is the parallel process of the Department making its submissions to Government about budgetary allocations.

The LDA also welcomed the introduction of cost rental in the proposed bill and noted that while discount to market demonstrates the relative value of cost rental developments to renters, affordability to these households is the key metric. In this regards it was noted that tenants in some sites who would normally pay 52% of their net income on rent would under cost rental pay around

one third of their net income in rent, a proportion generally accepted to be affordable. The LDA noted that the proposed bill will provide a clear direction in how cost rental will evolve and outlines the rules in which the LDA will operate to deliver cost rental. As previously mentioned, the LDA noted that there are more details yet to emerge through regulations.

The LDA advised the Committee that the proposed bill provides a real opportunity for the LDA to create an affordable home sector, especially a cost rental sector that is sustainable and capable of covering its costs that could be amplified and applied more broadly, presents an opportunity to prove that it can create a sustainable, replicable and scalable cost-rental sector and noted that this should be the focus as a medium term objective. The LDA also noted that a medium term strategy of the LDA is to prove the cost-rental sector to ethical investor who might want to invest in it in the near term, and advised that it is probably desirable to over the longer term to attract ethical-type finance, including pension funds.

The LDA noted that it would be desirable to replicate the Vienna model of cost rental over the very long term and it would envisage open-ended leases and putting measures to encourage people to stay and make cost rental tenancies long term rather than providing for a high turnover of occupants.

### **Recommendations**

The Committee recommends that:

- The Department provide safeguards for cost rental tenants who might throughout their tenancy be subject to significant reductions in income, for example on reaching retirement age.
- To ensure that no cost rental tenant loses their tenancy due to an unforeseen income loss emergency a level of discretion should be available with respect to the application of the 6-month HAP rule in Head 22.
- In consideration that this tenure may be lifelong, the Department provide safeguards and a clear pathway to respond to those who qualify for cost rental at the material time of entering into the tenure but upon retirement are no longer within the eligibility criteria, without the requirement of moving to another property.
- The Department provide clarity regarding security of tenure for cost rental tenants who may be subject to an increase in income and no longer eligible under the scheme.
- The Department carefully consider any proposed linking of affordable cost rents to an index such as CPI in the context of stagnant wage growth for lower income workers and to ensure any system of rent reviews or rent increases is exclusively tied to the principal of full cost recovery only.
- The Department and Local Authorities carefully examine the interaction between social housing, HAP and affordable cost rental tenancies to ensure the provision of social housing and affordable cost rental accommodation is based on need, that residential developments funded through the Serviced Sites Fund and Cost Rental Shared Equity Loan are sustainable and mixed income communities and that the welcome focus on increasing the provision of



affordable cost rental accommodation is not done at the expense the provision of social housing provision.

- The draft regulations governing the eligibility criteria for cost rental tenancies and regulations governing scheme be made available in advance of the Bill being published.
- The draft regulations concerning the rents of cost-rental tenancies are based on affordability and full cost recovery (including financing, building, managing and maintaining) and not market rents.
- The Department set out guidance to Local Authorities on the regional price ranges for affordable cost rental homes, that the criteria used for determining these prices be full cost recovery not discount of market price so as to ensure that all homes delivered through the Serviced Sites Fund are genuinely affordable to those households whom the scheme will be targeting.
- The Department ensure that cost rental developments form part of wider mixed income communities including, as appropriate, schemes that also provide housing for the elderly and people with disabilities.
- The Department amend the operation to the Capital Advanced Loan Facility to allow Approved Housing Bodies to developed mixed rental schemes including social housing and affordable cost rental.
- The Department carefully consider any proposal for Approved Housing Bodies to contribute equity to the delivery of affordable cost rental homes and to ensure that where such equity is required it does not in any way undermine the relevant AHBs delivery of social housing.
- The Department engage with the Housing Agency and local authorities with a view to scaling up the delivery of cost rental housing provision to meet expected future demand in a manner which ensures that the cost rental housing stock remains permanently affordable.
- The Department engage with the Housing Agency and local authorities with a view to scaling up the delivery of affordable housing provisions to meet expected future demand and to agree within 6 months of the passing of the Bill Local Authorities and Approved Housing Bodies annual delivery targets for affordable homes similar to those targets in place for social housing delivery across the timeline of the National Development Plan.
- The Department do not limit the provision of affordable cost rental to Local Authorities and AHB's and the legislation be amended to include a limit on the equity return component of cost rental to mirror the Vienna Model and ensure permanent affordability.
- The Department engage with Approved Housing Bodies and the National Treasury Management Agency to work towards the reclassification of AHBs as being off balance sheet, to allow for the expansion of cost rental provision in a manner that does not undermine the not-for-profit voluntary sector ethos of the Approved Housing Body sector.
- The Department create a multi-annual funding scheme for CREL to allow all relevant providers to deliver cost rental housing via design and build.
- The Department request that local authorities issue expressions of interests to AHBs regarding cost rental schemes in a timely manner, preferably to coincide with the Departments budgetary allocation submissions to Government.
- The Department immediately issue a further call for expressions of interest under the Cost Rental Equity Loan (CREL) to ensure further Cost Rental units can commence in 2021 and

be completed in the first half of 2022. The Department should then accept CREL applications on a rolling basis -

- The Department enable flexibility in the legislation to facilitate the state entering into long term leases for cost rental units for periods of 35-40 years, subject to a value for money assessment and on the condition that the properties revert to full state ownership for a nominal fee and the end of the period.
- The legislation should make it clear that cost rental tenancies are of indefinite duration.

### KEY ISSUE 3: SHARED EQUITY SCHEME

In the engagement with the Department, some members of the Committee raised queries surrounding the Affordable Purchase Shared Equity Scheme and sought clarity on the interest rates that will be applied and whether the help to buy scheme can be used in combination with the shared equity loan. Members also queried if the interest would increase over time or if it is intended to index link it to something such as inflation. In response the Department advised the Committee that it has been engaging with the Department of Finance and retail banks but at the time of the meeting it had not brought final proposals to the Minister for agreement in terms of interest rates, how they might change, or the interaction of the scheme with the help to buy scheme.

The Department informed the Committee that in the context of there being 47,000 planning permission approvals last year but with only half of these commencing, it believes that if it can help people to increase realisable demand, supply will follow. It noted that the scheme would be reviewed after a year to check for increases in supply and increases in inflation and to put safeguards on these. From a policy perspective the Department advised that it is looking to boost supply on the basis of it being a demand led scheme designed to turn potential demand to realisable demand and in turn boost supply. In this regard the Department noted that housing that has worked to deliver supply tends to be based on a high certainty of demand and this was key consideration in the formation of the scheme.

The Department acknowledged the various criticisms of the Affordable Purchase Shared Equity Scheme, particularly concerns that it would result in cost inflation and higher house prices. It advised that it is trying to work through the details of the scheme to mitigate against those types of risks by way of implementing price caps and in the detailed design of the scheme. Regarding this, it advised the Committee that home builders had given the Department assurances that they would be willing to show there was no price inflation if the scheme was put in place.

Members also queried whether the scheme would constitute a breach of the Central Bank's mortgage lending rules, and whether the scheme would burden people with too much debt. In response to this, the Department noted that while the Central Bank had made some comments on the scheme, it would need to see the full details of the scheme to be able to make a final informed judgement.

With regard to the eligibility criteria, the Department noted that although the detailed criteria have yet to be finalised, it is intended that the scheme will target those who can afford a home with the equity stake. If a person is in a position to purchase any home that is available through a standard mortgage, they will not be eligible. The Department noted that there would be no income caps but, by virtue of the requirement for individuals to avail of full eligible mortgages under the macroprudential rules, house price caps are set.

In its engagement with the Committee, the ESRI discussed the Affordable Purchase Shared Equity Scheme and highlighted a number of issues that research suggests are of significance in its consideration. In a recent research paper, the ESRI found the existence of both equity constraints, which is an insufficient deposit, and income constraint, which is insufficient loan size to income, in the Irish market among those renting households who wish to purchase a property. It noted that these income and equity constraints are evident and suggest that separate policies covering loan availability and deposit supports can be of merit. It noted that at present, there are already interventions in the market that aim to address equity constraints with the help-to-buy scheme and income constraints through the Rebuilding Ireland home loan. A shared equity loan instrument for

lowering the required loan amount would also act to alleviate both income and deposit constraints with its benefit in theory facilitating credit access for constrained households. The ESRI highlighted to the Committee that the targeting of any credit market intervention is critical and noted that if the credit access supports are provided to those households which would have otherwise been able to finance the transaction, then the economic benefit is lessened.

The ESRI also warned that this approach might not take into consideration the fact that housing supply in Ireland is so constrained that increasing purchasing power for households through a loosening of credit constraints would likely lead to higher house prices, which in turn may exacerbate affordability issues in the future. In this regard it noted that although these dynamics may or may not be observable in actual data which would be affected by a number of factors, they are likely to occur.

The Central Bank of Ireland, in its submission to the Committee, also raised concerns surrounding the Affordable Purchase Shared Equity Scheme's effects on housing market dynamics. In this regard it echoed the concerns voiced by the ESRI in relation to the Irish housing markets continued imbalance between the demand for and supply of housing. It noted that with a muted supply response to strong growth in housing demand in the years preceding the pandemic, affordability pressures have increased. It advised that the scheme operates mainly by increasing the purchasing power of households and warned that if there are structural reasons such as labour skills shortages, tighter land use regulation or other impediments to supply response, a scheme that results in higher levels of demand could result in upward pressure on house prices.

When discussing the shared equity loan scheme, the ESRI noted that other aspects of the proposed bill that focus on the supply side are very welcome but noted that supply side constraints are the most binding as it takes a long time for supply measures to materialise. It informed the Committee that inflationary pressures can be reduced if the scheme is tailored to have the minimum need and noted that it is critical to ensuring that the calibration of the scheme goes to those borrowers who are most in need, such as the household that is credit constrained and needs that extra credit to be able to make that transaction happen. In terms of the risks of the scheme the ESRI also noted that the shorter the timeframe and the larger the intervention that is necessary, this would add more demand-side pressure in a shorter space of time, so a longer timeframe and the degree to which the intervention is spread out over time would limit inflationary pressures.

The ESRI highlighted the importance of tailoring the scheme. It advised that to ensure the maximum economic additionality from the intervention, it is critical that it goes to those households which otherwise would not have been able to make the transaction. It noted that this can be somewhat complicated, but there are a number of ways to do it. For example, it said that there should be a screening of the borrower's attempts to secure credit through the normal channels and an interrogation of the financial circumstances of the borrower. It further advised that it is important the income and savings picture of the borrower is well known in the context of the scheme to ensure that it goes to those households with the greatest need, and advised that this would boost the economic additionality from the scheme.

The Central Bank also highlighted the means by which some of the challenges raised above may be mitigated through the precise design of the scheme. This would include the absolute amount of funding devoted to the scheme, the time period over which it is allocated, the focus on the buyer and types of properties, and the consideration of regional variation in levels of support provided. However, the Central Bank stated that taking a broader housing market perspective, the proposed scheme – in isolation – is likely to have a limited impact on the ultimate supply-side problem in the

Irish housing market and it would therefore encourage a continued effort to focus on policies on the supply side of the market, including those other elements of the proposed Affordable Housing Bill.

The Housing Agency advised the Committee that it is working to identify any risks of the scheme by looking at the results of similar schemes that have been implemented elsewhere such as the UK, and has been identifying the control measures that can be put in place.

Representatives from NESC noted that it has not examined evidence on similar schemes in other jurisdictions but advised that housing is a complex system and it would be difficult to judge the impact of a single intervention. NESC said, however, that there is a need to act on Housing and noted that the Department was committed to monitor the scheme as it proceeds.

The Central Bank of Ireland, in its submission to the Committee, raised a number of concerns surrounding the Affordable Purchase Shared Equity Scheme. The Central Bank noted that a full financial stability assessment of the Affordable Purchase Shared Equity Scheme will require finalisation of a number of key design features, which do not explicitly form part of the General Scheme of the Bill. It noted that it will be considering three specific dimensions from a financial stability perspective: (i) the impact of the additional financing through the scheme on households' ability to withstand income shocks and avoid excessive indebtedness or negative net wealth; (ii) any additional risks to the banking sector, which in turn may be adequately mitigated through capital-based prudential regulation, and (iii) the potential for any additional credit facilitated by the scheme to result in pro-cyclical house price dynamics.

The Central Bank highlighted two key dimensions of the design of this scheme that will be particularly important. Firstly, the precise characteristic of this form of financing and the extent to which these result in more 'equity like' rather than 'debt like' financing of households. It notes that this relates to the precise contractual obligations and notes that the scheme is described as providing 'equity support' yet there is little detail provided. The Central Bank notes that the closer the contractual obligations are to equity like financing the more limited the risks to borrower resilience due to added indebtedness will be.

Secondly, the Central Bank notes that the participation or otherwise of regulated mortgage lenders in the financing of the scheme are important. In this regard, it notes that the General Scheme suggests that 'parties other than the Exchequer/Minister may provide support for the scheme'. It advised that if these additional parties were to include regulated domestic mortgage lenders this would create an additional risk exposure of lenders to the house market, and notes that to mitigate any risks to lender resilience, these exposures would need to be capitalised properly.

The Central Bank also highlighted the need for the scheme to consider the protection of consumers and advised that it is important that consumers who avail of the proposed Affordable Purchase Shared Equity Scheme are adequately and appropriately protected. It notes that there is a strong consumer protection regulatory framework in place for the provision of mortgages by regulated entities and as such more clarification is needed as to the intended status of Special Purpose Vehicles or whether regulated mortgage lenders will also be involved in the scheme. More generally, the Central Bank notes that as the proposed scheme would represent a new and relatively more complex product to the Irish mortgage market, the providers of this financing will need to ensure sufficient and understandable information for consumers on the differences to current mortgages in the market, overall costs and borrower obligations, including in particular, with respect to any payments of interest, and repayment of the equity facility. It advises that further consideration and clarification will be required on the implications for mortgage switching.

### Recommendations

The Committee recommends that:

- The draft regulations governing the eligibility criteria for the Affordable Purchase Shared Equity Scheme be made available in advance of the Bill being published.
- The financial details of the Affordable Purchase Shared Equity Scheme governing interest rates, payment periods, types of houses, charges, and related matters be made available in advance of the bill being published.
- Steps be taken to ensure that the Affordable Purchase Shared Equity Scheme targets the promotion of supply in areas where the supply of housing is an issue.
- Regulations for Shared Equity Scheme limit the Shared Equity loan scheme to new build homes so that the scheme stimulates new build housing supply in areas where housing is an issue.
- Measures be taken to ensure that the eligibility criteria for the shared equity loan is sufficiently targeted at and tailored for those most in need and otherwise unable to purchase a home.
- The Department widen the scope of eligibility for the shared equity scheme to include those who lost their family home through repossession or voluntary sale arising from the economic crash and also those individuals who have permanently lost access to the family home due to relationship breakdown.
- Regulations for Shared Equity Scheme limit the Shared Equity loan scheme to applicants who can demonstrate their ability to pay. For example, limit the scheme to people who can show they are saving and/or paying more in rent per month than they would in a mortgage.
- Regulations for Shared Equity Scheme set local price caps for qualifying properties for the Shared Equity scheme to contain new property price inflation.
- The Department engage with the Central Bank and any other parties whose involvement in the Affordable Purchase Shared Equity Scheme is required with a view to addressing any and all concerns arising from the schemes operation, in the context of risks associated with additional household debt, lender resilience, financial instability, consumer protection, and the impact on broader housing market dynamics.

## RECOMMENDATIONS

### Recommendations

The Committee recommends that:

1. The draft regulations governing the eligibility criteria for the Local-Authority-led affordable purchase scheme be published in tandem with the Bill alongside the Housing Need and Demand Assessment methodology and the criteria for determining the purchase costs of homes, and that the Minister consult with the Committee on these items before finalising them.
2. The Department work together with local authorities to address the legacy issues of unsold affordable dwellings and land to remove any obstacles this might create for the future provision of affordable housing.
3. The Department engage with local authorities to consider the development of a simplified and expanded serviced sites fund, including greater flexibility in the amount allocated for each scheme to take account of site, local and regional variations in development costs so as to effectively bridge the gap between the full costs of the provision of affordable housing and the selling price.
4. The Department introduce a simplified and expanded serviced sites fund, that enables Local Authorities to use the funding per unit as an offset against the costs associated with providing affordable housing units.
5. The Department immediately invite further expressions of interest from Local Authorities under the Serviced Sites Fund (SSF) and from thereon to allow for rolling applications from Local Authorities.
6. The Department provide the Housing Need and Demand Assessment methodology to local authorities, as a matter of urgency, to ensure the completion of the HNDA thus allowing for a proper assessment of affordable housing needs, prior to the completion of development plans.
7. The Department engage with the Housing Agency and local authorities with a view to scaling up the delivery of affordable housing provisions to meet expected future demand and to agree within 6 months of the passing of the Bill Local Authorities and Approved Housing Bodies annual delivery targets for affordable homes similar to those targets in place for social housing delivery across the timeline of the National Development Plan.
8. The Department set out guidance to Local Authorities on the regional price ranges for affordable purchase homes, that the criteria used for determining these prices be full cost recovery not discount of market price so as to ensure that all homes delivered through the Serviced Sites Fund are genuinely affordable to those households whom the scheme will be targeting.
9. The Department undertake a review of the Rebuilding Ireland Home Loan scheme to ensure it can provide a sustainable pathway for households to access homes delivered via the Serviced Sites Fund.

10. The Department ensure that local authorities are sufficiently and appropriately staffed to meet any increased demand and to ensure delivery on the affordable purchase scheme.

11. The Department ensure that adequate funding be made available to meet identified capacity under the affordable housing scheme.

12. The Department engage with the CCMA with a view to streamlining the approval process to mitigate against any delays in the provision of local authority-led affordable housing.

13. The Department engage with the CCMA and the Office of Government Procurement to developing a suitable and effective Design Build framework for use by local authorities in the provision of affordable housing to achieve significant savings in the cost of delivery and procurement of materials and fittings.

14. The Department widen the scope of eligibility to include those who lost their family home through repossession or voluntary sale arising from the economic crash and also those individuals who have permanently lost access to the family home due to relationship breakdown.

15. The Department adapt the Part V provision for the inclusion of 10% social housing to a target of 10% social housing and 10% affordable housing.

16. The Department of Housing, Local Government and Heritage and Department of Public Expenditure reduce their evaluation and approval process timescale to no more than six months for applications from Local Authorities to proceed with social and affordable housing developments.

17. The Department provide safeguards for cost rental tenants who might throughout their tenancy be subject to significant reductions in income, for example on reaching retirement age.

18. To ensure that no cost rental tenant loses their tenancy due to an unforeseen income loss emergency a level of discretion should be available with respect to the application of the 6-month HAP rule in Head 22.

19. In consideration that this tenure may be lifelong, the Department provide safeguards and a clear pathway to respond to those who qualify for cost rental at the material time of entering into the tenure but upon retirement are no longer within the eligibility criteria, without the requirement of moving to another property.

20. The Department provide clarity regarding security of tenure for cost rental tenants who may be subject to an increase in income and no longer eligible under the scheme.

21. The Department carefully consider any proposed linking of affordable cost rents to an index such as CPI in the context of stagnant wage growth for lower income workers and to ensure any system of rent reviews or rent increases is exclusively tied to the principal of full cost recovery only.

22. The Department and Local Authorities carefully examine the interaction between social housing, HAP and affordable cost rental tenancies to ensure the provision of social housing and affordable cost rental accommodation is based on need, that residential developments funded through the Serviced Sites Fund and Cost Rental Shared Equity Loan are sustainable and mixed



income communities and that the welcome focus on increasing the provision of affordable cost rental accommodation is not done at the expense the provision of social housing provision.

23. The draft regulations governing the eligibility criteria for cost rental tenancies and regulations governing scheme be made available in advance of the Bill being published.

24. The draft regulations concerning the rents of cost-rental tenancies are based on affordability and full cost recovery (including financing, building, managing and maintaining) and not market rents.

25. The Department set out guidance to Local Authorities on the regional price ranges for affordable cost rental homes, that the criteria used for determining these prices be full cost recovery not discount of market price so as to ensure that all homes delivered through the Serviced Sites Fund are genuinely affordable to those households whom the scheme will be targeting.

26. The Department ensure that cost rental developments form part of wider mixed income communities including, as appropriate, schemes that also provide housing for the elderly and people with disabilities.

27. The Department amend the operation to the Capital Advanced Loan Facility to allow Approved Housing Bodies to developed mixed rental schemes including social housing and affordable cost rental.

28. The Department carefully consider any proposal for Approved Housing Bodies to contribute equity to the delivery of affordable cost rental homes and to ensure that where such equity is required it does not in any way undermine the relevant AHBs delivery of social housing.

29. The Department engage with the Housing Agency and local authorities with a view to scaling up the delivery of cost rental housing provision to meet expected future demand in a manner which ensures that the cost rental housing stock remains permanently affordable.

30. The Department engage with the Housing Agency and local authorities with a view to scaling up the delivery of affordable housing provisions to meet expected future demand and to agree within 6 months of the passing of the Bill Local Authorities and Approved Housing Bodies annual delivery targets for affordable homes similar to those targets in place for social housing delivery across the timeline of the National Development Plan.

31. The Department do not limit the provision of affordable cost rental to Local Authorities and AHB's and the legislation be amended to include a limit on the equity return component of cost rental to mirror the Vienna Model and ensure permanent affordability.

32. The Department engage with Approved Housing Bodies and the National Treasury Management Agency to work towards the reclassification of AHBs as being off balance sheet, to allow for the expansion of cost rental provision in a manner that does not undermine the not-for-profit voluntary sector ethos of the Approved Housing Body sector.

33. The Department create a multi-annual funding scheme for CREL to allow all relevant providers to deliver cost rental housing via design and build.

34. The Department request that local authorities issue expressions of interests to AHBs regarding cost rental schemes in a timely manner, preferably to coincide with the Departments budgetary allocation submissions to Government.

35. The Department immediately issue a further call for expressions of interest under the Cost Rental Equity Loan (CREL) to ensure further Cost Rental units can commence in 2021 and be completed in the first half of 2022. The Department should then accept CREL applications on a rolling basis -

36. The Department enable flexibility in the legislation to facilitate the state entering into long term leases for cost rental units for periods of 35-40 years, subject to a value for money assessment and on the condition that the properties revert to full state ownership for a nominal fee and the end of the period.

37. The legislation should make it clear that cost rental tenancies are of indefinite duration.

38. The draft regulations governing the eligibility criteria for the Affordable Purchase Shared Equity Scheme be made available in advance of the Bill being published.

39. The financial details of the Affordable Purchase Shared Equity Scheme governing interest rates, payment periods, types of houses, charges, and related matters be made available in advance of the bill being published.

40. Steps be taken to ensure that the Affordable Purchase Shared Equity Scheme targets the promotion of supply in areas where the supply of housing is an issue.

41. Regulations for Shared Equity Scheme limit the Shared Equity loan scheme to new build homes so that the scheme stimulates new build housing supply in areas where housing is an issue.

42. Measures be taken to ensure that the eligibility criteria for the shared equity loan is sufficiently targeted at and tailored for those most in need and otherwise unable to purchase a home.

43. The Department widen the scope of eligibility for the shared equity scheme to include those who lost their family home through repossession or voluntary sale arising from the economic crash and also those individuals who have permanently lost access to the family home due to relationship breakdown.

44. Regulations for Shared Equity Scheme limit the Shared Equity loan scheme to applicants who can demonstrate their ability to pay. For example, limit the scheme to people who can show they are saving and/or paying more in rent per month than they would in a mortgage.

45. Regulations for Shared Equity Scheme set local price caps for qualifying properties for the Shared Equity scheme to contain new property price inflation.

46. The Department engage with the Central Bank and any other parties whose involvement in the Affordable Purchase Shared Equity Scheme is required with a view to addressing any and all concerns arising from the schemes operation, in the context of risks associated with additional household debt, lender resilience, financial instability, consumer protection, and the impact on broader housing market dynamics.

## APPENDIX 1 - ORDERS OF REFERENCE

### a. Functions of the Committee – derived from Standing Orders [DSO 95; SSO 71]

1) The Dáil may appoint a Departmental Select Committee to consider and, unless otherwise provided for in these Standing Orders or by order, to report to the Dáil on any matter relating to—

- (a) legislation, policy, governance, expenditure and administration of—
  - (i) a Government Department, and
  - (ii) State bodies within the responsibility of such Department, and
- (b) the performance of a non-State body in relation to an agreement for the provision of services that it has entered into with any such Government Department or State body.

(2) A Select Committee appointed pursuant to this Standing Order shall also consider such other matters which—

- (a) stand referred to the Committee by virtue of these Standing Orders or statute law, or
- (b) shall be referred to the Committee by order of the Dáil.

(3) The principal purpose of Committee consideration of matters of policy, governance, expenditure and administration under paragraph (1) shall be—

- (a) for the accountability of the relevant Minister or Minister of State, and
- (b) to assess the performance of the relevant Government Department or of a State body within the responsibility of the relevant Department, in delivering public services while achieving intended outcomes, including value for money.

(4) A Select Committee appointed pursuant to this Standing Order shall not consider any matter relating to accounts audited by, or reports of, the Comptroller and Auditor General unless the Committee of Public Accounts—

- (a) consents to such consideration, or
- (b) has reported on such accounts or reports.

(5) A Select Committee appointed pursuant to this Standing Order may be joined with a Select Committee appointed by Seanad Éireann to be and act as a Joint Committee for the purposes of paragraph (1) and such other purposes as may be specified in these Standing Orders or by order of the Dáil: provided that the Joint Committee shall not consider—

- (a) the Committee Stage of a Bill,
- (b) Estimates for Public Services, or
- (c) a proposal contained in a motion for the approval of an international agreement involving a charge upon public funds referred to the Committee by order of the Dáil.

(6) Any report that the Joint Committee proposes to make shall, on adoption by the Joint Committee, be made to both Houses of the Oireachtas.

(7) The Chairman of the Select Committee appointed pursuant to this Standing Order shall also be Chairman of the Joint Committee.

(8) Where a Select Committee proposes to consider—

- (a) EU draft legislative acts standing referred to the Select Committee under Standing Order 133, including the compliance of such acts with the principle of subsidiarity,
- (b) other proposals for EU legislation and related policy issues, including programmes and guidelines prepared by the European Commission as a basis of possible legislative action,
- (c) non-legislative documents published by any EU institution in relation to EU policy matters, or
- (d) matters listed for consideration on the agenda for meetings of the relevant Council (of Ministers) of the European Union and the outcome of such meetings,

the following may be notified accordingly and shall have the right to attend and take part in such consideration without having a right to move motions or amendments or the right to vote:

- (i) members of the European Parliament elected from constituencies in Ireland,
- (ii) members of the Irish delegation to the Parliamentary Assembly of the Council of Europe, and
- (iii) at the invitation of the Committee, other members of the European Parliament.

(9) A Select Committee appointed pursuant to this Standing Order may, in respect of any Ombudsman charged with oversight of public services within the policy remit of the relevant Department consider—

- (a) such motions relating to the appointment of an Ombudsman as may be referred to the Committee, and
- (b) such Ombudsman reports laid before either or both Houses of the Oireachtas as the Committee may select: Provided that the provisions of Standing Order 130 apply where the Select Committee has not considered the Ombudsman report, or a portion or portions thereof, within two months (excluding Christmas, Easter or summer recess periods) of the report being laid before either or both Houses of the Oireachtas.

**b. Scope and Context of Activities of Committees (as derived from Standing Orders) [DSO 94; SSO 70]**

(1) The Joint Committee may only consider such matters, engage in such activities, exercise such powers and discharge such functions as are specifically authorised under its orders of reference and under Standing Orders;

(2) such matters, activities, powers and functions shall be relevant to, and shall arise only in the context of, the preparation of a report to the Dáil/Seanad;

(3) it shall not consider any matter which is being considered, or of which notice has been given of a proposal to consider, by the Joint Committee on Public Petitions in the exercise of its functions under DSO 125(1) and SSO 108(1); and

(4) it shall refrain from inquiring into in public session or publishing confidential information regarding any matter if so requested, for stated reasons given in writing, by—

- (a) a member of the Government or a Minister of State, or
  - (b) the principal office-holder of a State body within the responsibility of a Government Department or
  - (c) the principal office-holder of a non-State body which is partly funded by the State,
- Provided that the Committee may appeal any such request made to the Ceann Comhairle, whose decision shall be final.

(5) It shall be an instruction to all Select Committees to which Bills are referred that they shall ensure that not more than two Select Committees shall meet to consider a Bill on any given day, unless the Dáil, after due notice to the Business Committee by a Chairman of one of the Select Committees concerned, waives this instruction.

### **c. Powers of Committees (as derived from Standing Orders) [DSO 96; SSO 72]**

Unless the Dáil/Seanad shall otherwise order, a Committee appointed pursuant to these Standing Orders shall have the following powers:

(1) power to invite and receive oral and written evidence and to print and publish from time to time—

- (a) minutes of such evidence as was heard in public, and
- (b) such evidence in writing as the Committee thinks fit;

(2) power to appoint sub-Committees and to refer to such sub-Committees any matter comprehended by its orders of reference and to delegate any of its powers to such sub-Committees, including power to report directly to the Dáil/Seanad;

(3) power to draft recommendations for legislative change and for new legislation;

(4) in relation to any statutory instrument, including those laid or laid in draft before either or both Houses of the Oireachtas, power to—

- (a) require any Government Department or other instrument-making authority concerned to—
  - (i) submit a memorandum to the Joint Committee explaining the statutory instrument, or
  - (ii) attend a meeting of the Joint Committee to explain any such statutory instrument: Provided that the authority concerned may decline to attend for reasons given in writing to the Joint Committee, which may report thereon to the Dáil, and
- (b) recommend, where it considers that such action is warranted, that the instrument should be annulled or amended;

(5) power to require that a member of the Government or Minister of State shall attend before the Joint Committee to discuss—

(a) policy, or

(b) proposed primary or secondary legislation (prior to such legislation being published),

for which he or she is officially responsible: Provided that a member of the Government or Minister of State may decline to attend for stated reasons given in writing to the Joint Committee, which may report thereon to the Dáil: and provided further that a member of the Government or Minister of State may request to attend a meeting of the Joint Committee to enable him or her to discuss such policy or proposed legislation;

(6) power to require that a member of the Government or Minister of State shall attend before the Joint Committee and provide, in private session if so requested by the attendee, oral briefings in advance of meetings of the relevant EC Council (of Ministers) of the European Union to enable the Joint Committee to make known its views: Provided that the Committee may also require such attendance following such meetings;

(7) power to require that the Chairperson designate of a body or agency under the aegis of a Department shall, prior to his or her appointment, attend before the Select Committee to discuss his or her strategic priorities for the role;

(8) power to require that a member of the Government or Minister of State who is officially responsible for the implementation of an Act shall attend before a Joint Committee in relation to the consideration of a report under DSO 197/SSO 168;

(9) subject to any constraints otherwise prescribed by law, power to require that principal office-holders of a—

(a) State body within the responsibility of a Government Department or

(b) non-State body which is partly funded by the State,

shall attend meetings of the Joint Committee, as appropriate, to discuss issues for which they are officially responsible: Provided that such an office-holder may decline to attend for stated reasons given in writing to the Joint Committee, which may report thereon to the Dáil/Seanad; and

(10) power to—

(a) engage the services of persons with specialist or technical knowledge, to assist it or any of its sub-Committees in considering particular matters; and

(b) undertake travel;

Provided that the powers under this paragraph are subject to such recommendations as may be made by the Working Group of Committee Chairmen under DSO 120(4)(a)/SSO 107(4)(a).

## APPENDIX 2 - COMMITTEE MEMBERSHIP

Deputies: Francis Noel Duffy (GP)  
Joe Flaherty (FF)  
Thomas Gould (SF)  
Emer Higgins (FG)  
Steven Matthews (GP) - Chair  
Paul McAuliffe (FF)  
Eoin Ó Broin (SF)  
Cian O’Callaghan (SD)  
Richard O’Donoghue (IND)

Senators: Victor Boyhan (IND)  
John Cummins (FG)  
Mary Fitzpatrick (FF)  
Rebecca Moynihan (LP)  
Mary Seery Kearney (FG)

### Notes:

1. Deputies nominated by the Dáil Committee of Selection and appointed by Order of the Dáil of 30 July 2020.
2. Senators nominated by the Seanad Committee of Selection and appointed by Order of the Seanad on 18 September 2020.
3. The Dáil Committee of Selection nominated Deputy Joe Flaherty to replace Deputy Jennifer Murnane O’Connor on 2 February 2021.

## APPENDIX 3 – LIST OF WITNESSES

### ❖ **Department of Housing, Local Government and Heritage**

Mr Barry Quinlan, Assistant Secretary, Affordability and Homelessness Division  
Mr Robert Nicholson, Principal Officer, Capital Infrastructure and Affordability Unit  
Ms Marian O’Driscoll, Assistant Principal,  
Mr Alan Smith, Assistant Principal

### ❖ **County and City Management Association**

Mr Frank Curran, Chair of the Housing, Building and Land Use Committee  
Mr Eddie Taaffe, Programme Co-Ordinator, Housing Delivery and Co-Ordination Office  
Ms Catherine Keenan, Director of Services, Dún Laoghaire-Rathdown County Council

### ❖ **The Housing Agency**

Mr John O’Connor, Chief Executive Officer  
Mr Jim Baneham, Head of Housing Delivery  
Ms Gwen Perry, Senior Executive Officer

### ❖ **The Housing Alliance**

Ms Sharon Cosgrove, Chief Executive, Oaklee Housing  
Mr Declan Dunne, Chief Executive, Respond,  
Mr Brian O’Gorman, Chief Executive, Clúid.

### ❖ **Economic and Social Research Institute**

Dr Conor O’Toole, Senior Research Officer  
Dr Rachel Slaymaker, Research Officer

### ❖ **National Economic and Social Council**

Dr Larry O’Connell, Director  
Mr Noel Cahill, Economist

### ❖ **The Land Development Agency**

Mr John Coleman, Chief Executive Officer,  
Mr Phelim O’Neill, Head of Property  
Ms Rose Kenny, Head of Corporate Services



## APPENDIX 4 – LINKS TO MEETING TRANSCRIPTS

- ❖ [Meeting of Tuesday 09 February 2021](#)
- ❖ [Meeting of Tuesday 16 February 2021](#)
- ❖ [Meeting of Tuesday 02 March 2021](#)
- ❖ [Meeting of Tuesday 09 March 2021](#)
- ❖ [Meeting of Tuesday 27 April 2021](#)

## APPENDIX 5 – LINKS TO SUBMISSIONS & OPENING STATEMENTS

### **Opening Statements**

- ❖ [Mr Barry Quinlan, Assistant Secretary, Affordability and Homelessness Division, Department of Housing, Local Government and Heritage](#)
- ❖ [Conor O’Toole and Rachel Slaymaker, Economic and Social Research Institute](#)
- ❖ [John O’Connor, Chief Executive of Housing Agency](#)
- ❖ [Larry O’Connell & Noel Cahill, National Economic and Social Council](#)
- ❖ [Declan Dunne, CEO Respond, Chair of the Housing Alliance](#)
- ❖ [Frank Curran, Chair of the County & City Management Association sub-committee on Housing, Building & Land Use](#)
- ❖ [John Coleman, CEO of the Land Development Agency](#)

### **Submissions**

- ❖ [Central Bank of Ireland](#)
- ❖ [Ó Cualann Cohousing Alliance](#)

**Joint Committee on Housing, Local Government and Heritage  
Minutes of Meeting of Tuesday 27 April 2021**

1. The Joint Committee met in public session at 9.31 am in the Dáil Chamber, a quorum being present.

2. **Attendance-**

The following Members were in attendance in person:

Deputy Steven Matthews (in the Chair)

Deputies: Francis Noel Duffy, Joe Flaherty, Thomas Gould, Emer Higgins, Paul McAuliffe, Eoin Ó Broin, Cian O’Callaghan.

Senators: Victor Boyhan, John Cummins, Mary Fitzpatrick, Rebecca Moynihan and Mary Seery Kearney.

Apologies: Deputy Richard O’Donoghue

3. **Draft Planning and Development Act 2000 (Exempted Development) (No. 3) Regulations 2021, and Draft Planning and Development (Street Furniture Fees) Regulations 2021**

The Chair welcomed Mr Darragh O’Brien TD, Minister for Housing, Local Government and Heritage accompanied by Mr Terry Sheridan (Principal Officer), Mr Conor O’Sullivan (Assistant Principal) and Mr Jason Taylor (Planning Adviser).

Following the opening statements, a question and answer session ensued with members.

In conclusion, in accordance with Dáil Standing Order 101 and Seanad Standing Order 75, it was agreed that a message advising that the Committee had completed consideration of the regulations be sent to the Clerks of both Houses.

The Chair thanked the Minister for participating in the meeting and engaging with Members.

4. **Draft Report on Affordable Housing (resumed)**

Following debate, the Chair put the question of a vote on a number of amendments to the recommendations of the Report.

**Division 1 Recommendation 1**

The Committee divided: Tá 5; Níl 8	
Tá	Níl
Thomas Gould	Francis Noel Duffy
Eoin Ó Broin	Joe Flaherty

Cian O'Callaghan	Emer Higgins
Victor Boyhan	Steven Matthews
Rebecca Moynihan	Paul McAuliffe
	John Cummins
	Mary Fitzpatrick
	Mary Seery Kearney

Question declared lost

#### Division 2 Recommendation 6

The Committee divided: Tá 5; Níl 8	
Tá	Níl
Thomas Gould	Francis Noel Duffy
Eoin Ó Broin	Joe Flaherty
Cian O'Callaghan	Emer Higgins
Victor Boyhan	Steven Matthews
Rebecca Moynihan	Paul McAuliffe
	John Cummins
	Mary Fitzpatrick
	Mary Seery Kearney

Question declared lost

#### Division 3 Recommendation 7

The Committee divided: Tá 5; Níl 8	
Tá	Níl
Thomas Gould	Francis Noel Duffy
Eoin Ó Broin	Joe Flaherty
Cian O'Callaghan	Emer Higgins
Victor Boyhan	Steven Matthews
Rebecca Moynihan	Paul McAuliffe
	John Cummins
	Mary Fitzpatrick
	Mary Seery Kearney

Question declared lost

#### Division 4 Recommendation 9

The Committee divided: Tá 5; Níl 8	
Tá	Níl
Thomas Gould	Francis Noel Duffy
Eoin Ó Broin	Joe Flaherty

Cian O'Callaghan	Emer Higgins
Victor Boyhan	Steven Matthews
Rebecca Moynihan	Paul McAuliffe
	John Cummins
	Mary Fitzpatrick
	Mary Seery Kearney

Question declared lost.

*The Committee suspended at 11.39 pm*

*The Committee resumed in private session via MS Teams at 11.45 am*

5. **Item Discussed in Private Session**
6. **Item Discussed in Private Session**
7. **Item Discussed in Private Session**
8. **Adjournment**

The Joint Committee adjourned at 1.23 pm until Tuesday 4 May 2021 at 12.30 pm in public session.



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Steven Matthews TD  
Chair  
4 May 2021

