

**Opening Statement of Barry Quinlan,
Assistant Secretary -
Department of Housing, Local Government and Heritage
Oireachtas Committee on Housing, Local Government and Heritage
Pre-Legislative Scrutiny of the General Scheme of the Affordable Housing Bill
Tuesday 9th February 2021**

Good afternoon, I am Barry Quinlan, Assistant Secretary, in the Housing Affordability, Inclusion and Homelessness Division in the Department. I want to thank the Committee for facilitating this early consideration of the Affordable Housing Bill, the general scheme of which was approved by Government in December last year and which was published on the 20th of January this year.

I am accompanied today by colleagues that are working on affordable housing and the Bill. Robert Nicholson, Principal Officer and Marian O'Driscoll and Alan Smyth, Assistant Principal Officers. We welcome the views of the Committee on the provisions contained within the General Scheme and together we will try to address any questions that the Committee has.

I might start with a brief outline of the main provisions in the Bill.

In overall terms, 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 5 of that Act deals with Affordable Dwelling Purchase Arrangements and the provision of affordable housing led by local authorities.

The approach taken has been to seek to utilise existing provisions where possible to facilitate early as possible delivery of affordable housing for purchase by local authorities. In addition, the Bill contains new provisions to facilitate delivery of affordable housing through new channels, such as cost rental, delivered by local authorities, approved housing bodies and the Land Development Agency.

Given the nature of affordable housing we have sought the optimal blend of necessary facilitating measures in primary legislation while allowing for flexible responsive requirements to be set in regulations.

Our work has been informed through engagement with key stakeholders and delivery partners including local authorities, the Housing Agency, the Housing Finance Agency, approved housing bodies and the Land Development Agency.

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, as a new form of tenure, for the first time;
- 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.

Local Authority Led Affordable Dwelling Purchase Arrangements (2009 Act)

The majority of the proposed amendments to Part 5 of the Housing (Miscellaneous Provisions) Act 2009, are administrative and intended to improve its operation.

Key amendments relate to the following:

- a. **Assessment of Purchaser Eligibility** - An amendment to the criteria is proposed to replace the current provisions with a more workable assessment regime on the basis of regulations to be made by the Minister with the consent of the Minister for Public Expenditure and Reform.
- b. **Scheme of Priority** - Following engagement with local authorities, 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, length of time living in the administrative area and the time of application.

- c. **Charging Period** – Rather than lapsing after a charging period, an amendment is proposed to allow the local authority charge (or equity stake) on the property remain in place until bought out by the household. This charge (equity stake) 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.
- d. **Land Development Agency** – A new section is proposed to allow for affordable purchase of homes provided by the LDA to local authority eligible and priority households.

Other key provisions cover:

- a. **Cost Rental Scheme** - For the first time, a legal definition of a Cost Rental tenancy will be provided. The Minister will be given the power to designate cost rental tenancies and ensure that the rent is set at a cost-covering level, including cost elements to be prescribed in regulations.

The Head also sets out the manner in which rents for a Cost Rental tenancy may be increased each year to ensure that rents will remain stable in real terms, while continuing to cover costs.

The Head contains provision to allow for the setting of eligibility criteria for entering a Cost Rental tenancy and the Minister would be given the power to set household income thresholds by regulation.

The Head also clarifies that Cost Rental tenancies are a new tenure and confirms it is not a social housing support. Cost Rental tenancies will be subject to the provisions of the Residential Tenancies Acts with a number of exceptions to provide even greater security of tenure to households.

- b. **Amendment to the Local Government (Corporate Services) Act 1971** – The proposed amendment will allow the Housing Agency to administer the new Cost Rental Equity Loan scheme.

- c. Affordable privately provided housing** – The proposed amendment will allow for the contribution of funds towards a Special Purpose Vehicle to purchase an equity stake in homes for affordable housing provision. The Head sets out what the terms of a Memorandum of Agreement may provide for, including purchaser eligibility, type of dwellings, charges that may be applied etc.

The provisions contained in the Bill, subject to their progression through the legislative process, will help provide the legal basis for the delivery of more affordable homes to eligible households under each of the programmes, this year and beyond.

Importantly, these measures will not operate in isolation. In parallel, and to help respond to housing affordability challenges, a broader range of longer term and complimentary measures are in place or are being developed in line with Programme for Government commitments. Taken together, they will represent a significant and expanding level of interventions to support affordable housing provision.

We welcome the opportunity to engage with the Committee on the provisions,

Thank you.