

# DÁIL ÉIREANN

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## AN ROGHCHOISTE UM THITHÍOCHT, RIALTAS ÁITIÚIL AGUS OIDHREACTH

### SELECT COMMITTEE ON HOUSING, LOCAL GOVERNMENT AND HERI- TAGE

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*Dé Máirt, 25 Bealtaine 2021*

*Tuesday, 25 May 2021*

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Tháinig an Romhchoiste le chéile ag 9.30 a.m.

The Select Committee met at 9.30 a.m.

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Comhaltaí a bhí i láthair / Members present:

Teachtaí Dála / Deputies	
Francis Noel Duffy,	
Joe Flaherty,	
Thomas Gould,	
Emer Higgins,	
Paul McAuliffe,	
Darragh O'Brien (Minister for Housing, Local Government and Heritage),	
Cian O'Callaghan,	
Eoin Ó Broin.	

I láthair / In attendance: Deputies Richard Boyd Barrett and Duncan Smith.

Teachta / Deputy Steven Matthews sa Chathaoir / in the Chair.

**Land Development Agency Bill 2021: Committee Stage**

**Chairman:** I welcome the Minister, Deputy Darragh O'Brien, to our meeting.

SECTION 1

**Chairman:** Amendments Nos. 1, 13, 33 to 35, inclusive, 44 to 46, inclusive, 75, 77, 81, 82, 84, 85, 96, 98 to 101, inclusive, and 227 are related and will be discussed together. Amendment No. 35 is a physical alternative to amendment No. 34. Amendment No. 45 is a physical alternative to amendment No. 44.

**Deputy Eoin Ó Broin:** I move amendment No. 1:

In page 8, line 4, to delete "Land Development Agency" and substitute "Active Land Management Agency".

I wish to seek one quick clarification that might help me and the Minister work our way through this list. There are four very large groupings of amendments. Is the Chairman going to take the amendments one by one to get through the bigger groupings or how does he propose to do this?

**Chairman:** I propose to take amendment No. 1 and then the Deputy may speak also to the amendments grouped with it.

**Deputy Eoin Ó Broin:** Sure, but the Minister will have to respond to each one of these groupings. Might it be easier to take them in little chunks to speed up the discussion?

**Chairman:** I will leave that up to members. Not all the amendments in this grouping are Deputy Ó Broin's. Amendments Nos. 1 and 2 are each part of quite a large grouping, but the groupings are not as congested further down the list. If Deputies wish to cover with amendment No. 1 the other amendments in the grouping, I am happy to facilitate that. Then, obviously, we will take the votes on each of the amendments as we proceed through them.

**Deputy Darragh O'Brien:** I thank Deputy Ó Broin. I am happy with that. I know this is a large grouping but I will do my best to address each amendment where it is relevant and then the grouping in general. I hope that as we work through this long list of amendments the debate will become more seamless and efficient. I am happy to facilitate in whatever way I can.

**Deputy Eoin Ó Broin:** This amendment speaks to the fundamental difference between our party's approach to this new agency and the Government's. When the agency was first mooted in the national planning framework, it was quite clear that the purpose of the agency was to be primarily in the area of active land management, something for which the NESC, the ESRI, the Housing Agency and others have called for a very long time. Under the previous Government, however, the LDA became far less an active land management agency and more a residential developer. As a consequence, it has very weak compulsory purchase order powers. It will not be able to work on land other than in active partnership with the landowner, whoever that may be. Therefore, the original intention and something that is desperately needed, an active land management agency with strong CPO powers and a strong budget for land acquisition, public and private, is missing from the Bill. This is the first in a series of amendments we are tabling to try to shift the focus away from residential development, which we do not believe the LDA should be involved in. We think that should be the function of local authorities, approved housing bodies and community housing trusts. Instead, we want to insert in the centre of this legisla-

tion active land management policies, as other jurisdictions have, which play a very important role in bringing down the price of land, moderating development costs in the public and private sectors and making homes more affordable.

**Minister for Housing, Local Government and Heritage (Deputy Darragh O'Brien):** I will try to start in a positive vein because we have a lot of work to do to get the Bill through. It is significant that this groundbreaking legislation is now on Committee Stage. I look forward to working with colleagues of all parties and none to get the legislation through as expeditiously as possible. Deputy Ó Broin has just raised a point about the provision of a budget for the Land Development Agency to capitalise the agency. This can only be done once this legislation passes. Amendment No. 1 seeks to change the name of the LDA, which was established under a statutory instrument in 2018. This is an amendment about what the agency is called versus what it does. What we are focused on is what it actually does, which is precisely to develop and manage State lands productively, to deliver affordable, social and cost-rental homes for our people, to get on with using the land banks we have and to work in partnership with our local authorities where necessary. I still see local authorities as the main driver of social housing. This amendment relates to what we should call this agency. The LDA was established in September 2018 and, as Deputy Ó Broin will know, has been progressing works since then on the number of sites over which it has a remit. One in particular will break ground this year, and that in itself is significant. The LDA is working in partnership with multiple stakeholders, local authorities and other State bodies. Multiple public consultations have already been run since the agency's establishment. We want to establish the LDA as a commercial State body under primary legislation. The Bill deals with the LDA's corporate form and funding models among other provisions such as CPOs, which the Deputy mentioned and which were not provided for in the original Bill, and many very significant elements that will help drive forward development and land management, which the LDA has been actively involved in already through the register of public lands. It makes sense that the Bill should be named after the agency it seeks to establish so, fundamentally, I genuinely do not see any merit in accepting this amendment and will oppose it.

**Deputy Eoin Ó Broin:** As I said, this is the first in a series of amendments that seek to shift the focus of the Bill onto active land management. I will move on to my second amendment in this grouping, amendment No. 13. The Minister will be able to see very clearly what we are trying to do here in respect of active land management. The function of the agency should be to assemble land and, as amendment No. 13 makes clear, to make that land available to local authorities, approved housing bodies, community housing trusts and other not-for-profit bodies. Key is that this is not simply a symbolic issue of the name of the agency; it is what we want this agency to do. I do not believe a commercial entity operating through designated activity companies is the best way to use public land. I do not believe allowing any of that land to be used for the development of unaffordable, open market-priced homes that could cost anything between €350,000 and €500,000, depending on the location, is good. It does not matter if it is 10%, 20% or 60%. Therefore, this is a fundamental issue of what we want this agency to do. It is not just about the title; it is about the functions and the output of that. The LDA does not have the capacity, staff or planning expertise for residential delivery. We have great local authorities, AHBs and other entities that already have all that. What they do not have is a willingness on the part of central government to fund them to deliver large-scale developments of mixed-income and mixed-tenure housing for social and affordable rent and affordable purchase. That is why this series of amendments - and we will come back to this at later stages - is about essentially trying to redirect this Bill into what its function should be, that is, active land management to assist public housing bodies to deliver public housing rather than essentially a publicly owned

private company that will use private development methods and finance, which will push up development costs and even make the affordable homes less affordable.

**Deputy Darragh O'Brien:** This goes to the heart of what the differences are between the Government and the main Opposition party. Our public deserve better and they want to see the lands we have developed and put to productive use for homes, affordable, social and cost-rental, for our people. Amendment No. 13, and the other two related amendments tabled by Sinn Féin, would fundamentally change what this agency is meant to do. The Deputy said that clearly and that is fair. It would, however, put this process back significantly and add further delays with regard to the delivery of public homes on public land, which is something I, as Minister, and most Deputies, could not really stand over.

Let us just understand what the agency will do. This will deliver homes in addition to what our local authorities and approved housing bodies will do. Deputy Ó Broin mentioned supporting and resourcing those agencies. I will remind the Deputy that in this year's budget, we have the largest single housing budget in the history of the State to deliver 9,500 new builds and social homes through our local authorities and approved housing bodies. We need to build up their capacity too. Let us not fool ourselves that the capacity to deliver homes is there in every local authority. It is not; we must work to build up those resources. Second to that, however, is actually looking at the other land banks that the State and other State agencies have. A good example are the sites the LDA has already.

Take the Shanganagh Castle development, which the Deputy's party delayed a number of times. We hope to break ground on that this year. That will be done in partnership between the local authority and the LDA. In many instances, however, the LDA will be developing and delivering lands that are not local authority lands. They will predominantly be State agency lands.

This amendment actually seeks to delete all references to development and regeneration by the agency, which I find pretty remarkable. The agency should be able to develop and regenerate relevant public land. What Sinn Féin is seeking to do, however, is replace this with a provision to make such land available to local authorities, approved housing bodies, community housing trusts and other not-for-profit bodies. I am tasking our local authorities to deliver and develop on their own lands.

I was in the Deputy's constituency in Clondalkin last week, where 12,000 homes are going to be delivered, both affordable cost rental and private homes, between the local authority and approved housing bodies. That is a good thing. The Deputy is saying now with this amendment that the LDA would effectively manage the land bank and hand it over. I see it actually putting real homes on the ground for people in a short space of time. Passing this amendment would, therefore, fundamentally change what we are trying to do here. It would change the direction of the agency completely and delay the provision of homes for an inordinate length of time. I would like to think that is not the reason for this amendment.

I will move on to the other two amendments within the grouping. Amendment No. 33 seeks to amend section 2, which would provide that relevant public land would be used by local authorities, approved housing bodies, community housing trusts and others. Amendment No. 77 would do the same thing.

All those amendments will actually remove the building aspect that we want the LDA to do in partnership with smaller builders and local authorities to deliver homes for people. These are fundamental to how we go forward. If people look at them with any degree of detail, they

will see that passing these amendments, which have been tabled by Sinn Féin, will actually stymie the agency and delay the delivery of homes in the middle of a housing crisis. That is not something I or this Government will stand over. I am, therefore, opposing these amendments.

To be frank, it should really be clear to people that the development and regeneration of relevant public lands is one of the most important purposes of this Bill. The LDA has been tasked with enabling such developments. To remove a reference like that from the Bill serves absolutely no purpose other than trying to fundamentally change what the agency is about. It is basically going back to square one and losing all the time that has been worked on in establishing this agency.

I will go back to Deputy Ó Broin's very first point about giving the agency a budget and capitalising it. If this were to happen, it would not really be developing anything. What, therefore, would it need? Would it just be an administrative body? I do not believe that is really what people want. It is certainly not what I want.

Furthermore, one of the primary purposes of the legislation is that where relevant public land is underutilised, the LDA will be able to acquire it for the purposes of development for housing. I cannot see why anyone would disagree with that. The LDA will not be replacing the role of local authorities in any way, shape or form. Indeed, under section 14 of the Bill, the LDA will work with and assist them in the development of larger-scale sites.

I will repeat again, however, that local authorities will be the prime deliverer of social homes and direct build affordable homes on their own land. Of course, it has to be and is open to the LDA to also work with other housing bodies as they develop sites. It is not appropriate, however, that the housing development functions of the LDA be removed or reduced as that will honestly play a real and vital role in delivering much needed homes.

Why would one set up an agency and then tie one of its hands behind its back? It does not make any sense, frankly. This may point to the fundamental difference in delivery versus dogmatism. I have tried to outline that having a land development agency that cannot develop or build is an oxymoron. For those reasons, I must oppose these amendments. They are fundamental. I see them as a potential mechanism to stymie the agency and that is not something we can countenance in Government.

**Chairman:** I thank the Minister. I will bring in Deputy Boyd Barrett. We are referencing amendments Nos. 13, 33 and 77 in this section as they are similar.

**Deputy Richard Boyd Barrett:** I strongly agree with this group of amendments. As the Minister said, the debate around these amendments relates to the fundamental differences between the Government and many in the Opposition in terms of what a land development agency should do.

It is interesting that the Minister mentioned the Shanganagh Castle development as an example of a fundamental difference. Shanganagh Castle shows exactly that the LDA is now replacing the role of the local authority. To put the Minister straight, the Opposition parties certainly did not delay the development of Shanganagh Castle. I was campaigning to get public housing on the Shanganagh site from the moment it was handed over by the Department of Justice to the local authority 15 years ago.

Since then and up until now, Dún Laoghaire-Rathdown County Council has continued to be run by a combination of Fianna Fáil or Fine Gael-led councils. In all those years I campaigned



to get public housing on that site, we never got a sod turned. Some of the time, it was because of the lack of enthusiasm from the Fianna Fáil or Fine Gael-led councils. Most of the time, it was a combination of that with the failure of central government to offer any money to do it anyway. I can, however, tell the Minister that those of us who now feel there needs to be a different role for the LDA were precisely the ones who were campaigning for public and affordable housing on that site.

Of course, what delayed it was the policy that was introduced, of which the LDA is the latest and most developed example, of insisting that private money came in on the development of the site. There was an established pathway to sourcing money for the solely public development of a site whereby one applied to central government, which approved money because it was public housing. What has stymied and slowed it to the point where we still do not have a sod turned 15 years on was the insistence that in some shape or form the site had to be marketised and private finance had to be brought in. Then we had years of Departments and local authorities scratching their heads and asking how they can make it work if they bring private finance in. Private finance completely skews the pitch because it has a completely different objective and approach from what a local authority has and to the way local authorities traditionally build public housing. It ends up in a scenario with all these different tenure types, different financing models, different notions of affordability, references to the market and all the stuff that has been crystallised in the Minister's Bill. The LDA is substituting for the local authorities, it is delaying the delivery of public and affordable housing and it is effectively a marketising of public land with the replete references in this Bill to local market conditions, market rents, market prices and all the things that should not be relevant at all to the development of the public land bank.

What should the Land Development Agency do rather than what the Minister is proposing it will do? It should aggressively go after the speculators, land hoarders and people sitting on vacant buildings. It is infuriating to people when they look at empty buildings being sat on by speculators and investors. They want the State's Land Development Agency to go after these people and take the empty buildings and zoned building land they are sitting on and drip feeding into the market at a pace that suits them to keep land prices up and essentially manipulate the market. That is what we want a Land Development Agency to do. That was the general thrust of the Kenny report many years ago. We do not want a Land Development Agency as a substitute for the local authorities or to marketise public land.

**Chairman:** I will bring in Deputy Ó Broin to respond on amendments Nos. 13, 33, 34 and 77.

**Deputy Eoin Ó Broin:** I will speak to the three amendments of mine. A change in this Bill does not in any way delay any development. In fact, if you take Shanganagh Castle as a case in point, it is the involvement of the LDA that has delayed that development by more than three years. To their great credit, Dún Laoghaire-Rathdown county councillors unanimously approved a broad outline of a scheme for Shanganagh Castle as far back as 2017 and 2018. They did so because of really good work by councillors from all parties and none, including my party colleague, Shane O'Brien, who was formerly on the council. Not once has any council member of any party delayed that development. The delay first arose because former Minister, Eoghan Murphy, would not fund Dún Laoghaire-Rathdown County Council to deliver the scheme the councillors unanimously agreed some years ago. Then, because of the LDA's involvement, it was delayed even further. Dún Laoghaire-Rathdown County Council had been the lead agency in that scheme and it put in the planning application. It was the county architect who did all of the heavy lifting, and as that scheme progresses, the LDA will have to hire in consultants and

project managers etc., many of which the local authority has in house. In fairness, the Minister is not responsible for this delay but it was his predecessor who delayed Shanganagh Castle.

The two difficulties we have with that development are that the cost of the affordable cost rental properties are very high at €1,200 per unit. The design standards for the apartments are for smaller build-to-rent apartments, which is problematic, and we still do not know the price of the affordable purchase homes, which is genuinely problematic for folks.

With respect to Kilcarbery in my constituency, which the Minister mentioned, that is a good argument as to why the model the Minister is outlining in this Bill should not proceed. We should keep in mind that Kilcarbery is not an LDA site. Again, the previous Government would not fund a development on that site with 30% social housing, 30% affordable rental housing and 30% affordable purchase housing, for which we campaigned for years, and so South Dublin County Council was left in the situation of selling 70% of the land to a private developer. None of the homes on that site will be genuinely affordable because the local infrastructure housing activation fund money will be used to give a small discount on the market price of some of the homes for sale but they will still be in excess of €300,000 and the bulk of those homes will be pushing up towards €400,000. That is the market price there.

The Minister also mentioned cost rental and, again, this is an interesting example of how backward Government policy is on this because South Dublin County Council was forced to sell that land at open market value. A developer bought that land and built out houses and now the Minister, through the cost rental equity loan, has given an approved housing body money to buy back, at full market value, a property to then rent out at cost rental. The consequence of that is that the rents are too high. Those rents should be well below €900, particularly out in the suburbs, but I estimate that they will be somewhere in the region of €1,200, which is not far off some of the market rents in those areas.

There is this mad situation where the Government had public land which it could have built on. It could have rented out and sold those homes at genuinely affordable prices and it has failed to do so. The only delay I am aware of on any site, and this is directly relevant to these amendments because it may become a site the LDA is interested in, is Oscar Traynor Road. As the Minister knows, a majority of Dublin City Council councillors, including those from Sinn Féin, the Labour Party, the Social Democrats, left-wing parties, Independents and half the Fianna Fáil team, voted against a proposal that would have seen a significant number of the homes there sold at unaffordable open market prices. Councillors have worked hard and have worked up an alternative proposal. My understanding is that the mayor, Councillor Hazel Chu, and the chair of the strategic policy committee, the Labour Party's Councillor Alison Gilliland, have forwarded that to the Minister and have repeatedly been trying to get a response from him to see if he will fund that development. If the Minister funded that development, 100% of the homes on that site would be affordable instead of 50% of them, and it is questionable whether 50% of homes will be affordable.

The Minister is right that these amendments up to No. 75 show the difference but the delay in all of these sites is down to ten years of delay on the Fine Gael side. We need to hear from the Minister that where a local authority has a site and where there is a majority or unanimous support from elected members to develop a fully affordable scheme with genuinely affordable prices at that site, we need to step up to the plate and fund it. The difficulty with the LDA Bill and with these sections we are trying to amend is that if this goes through, not only will those developments be further delayed like in Shanganagh but the cost to buy and rent the homes will be way above what modest income working families and many other families can afford.

Therefore, I will be pressing all of these amendments up to No. 75.

**Deputy Paul McAuliffe:** It is interesting, and as we go through these amendments, we have to make some progress in the debate. Some of the discussion we have had for the past ten minutes relates to developments that are up and running or are not based on the legislation which we are passing here. There is an assumption that the way things have been done for the past ten years is the way the Minister intends to do things going forward.

If we look at the wording of the legislation itself, it does not relate to any of the things the two previous speakers have spoken about. There is an assumption they will be in all cases private, for-profit and specific purpose vehicles. I am not sure how one could deliver affordability with that and therefore I am not sure how a Government would put that forward as a proposal. It is not the intention of the Government that we would squeeze profit out of the land because then we would not be able to deliver affordable homes for the people who we want to deliver them for. It is a bizarre concept that a Government whose job it is to deliver affordable housing for people would in some way side with private, for-profit international finance rather than the people they are elected by. I appreciate that suits the narrative of our two previous speakers, but if we look to the actual wording of the Bill in front of us, it would seek to do something fundamental. It would seek essentially to establish a quango that pulls together banks of land and acts as some sort of middleman between that land being developed and local authorities that do not have the capacity to develop it.

Perhaps those in Opposition do not realise it but we have a real capacity issue. We need all cylinders firing and that includes the LDA, the local authorities and the approved housing bodies all in operation. I just cannot fathom the idea of preventing the LDA from building homes. Why would we prevent a body from developing homes when we know we need both local authorities and the LDA developing? There has been a large amount of discussions on some developments here and council decisions. Having served on a council, one only sometimes really know why a decision is made at council if one actually attended the debate.

Let us be honest, specific purpose vehicles are well used by our local authority sector. The last time Fianna Fáil was in government we built many thousands of homes in Ballymun using a specific purpose vehicle, which was Ballymun regeneration. There was no private element to that at all. For us to do what the amendment suggests would limit our ability to deliver and reduce the number of affordable homes that could be delivered. There is no reference to the make up of the designated activity company or DAC so to remove the power of anybody to use a specific purpose vehicle, when we know that they are well established, would stymie progress and delivery.

**Deputy Darragh O'Brien:** Deputy McAuliffe has covered the issue really well. Deputy Boyd Barrett has stated his opposition, effectively, to the LDA being set up in this manner yet further along his amendment No. 136 seeks to ensure that, with the Dún Laoghaire-Rathdown County Council and the LDA, the agreement for Shanganagh Castle is honoured by the agency. On the one hand, the Deputy is saying that this is not the way we want it and we want an agency that is effectively a management quango, which is what Deputy Ó Broin's amendment would do; we would just manage land and then decide who they would send them off to.

Shanganagh Castle is a case in point about how partnership can work because it is 100% social and affordable. We are looking at a mix of about 35% social, 51% cost-rental, 15% affordable purchase and 600 homes for people and families. We need to get on with delivering these homes. That is why having a land development agency established that cannot build



homes makes absolutely no sense.

If Deputy Boyd Barrett were to support the amendments tabled by Sinn Féin then he would effectively be voting against his own amendment No. 136 that seeks to ensure that the Land Development Agency honours its agreement with the Dún Laoghaire-Rathdown County Council, which it will. I intend for the Land Development Agency to go to tender stage. Deputy Ó Broin mentioned that design and all other requirements are going to be needed. The agency is going to tender very soon. I intend for it to break ground in the coming months. We will be delivering homes on that site next year and that is what this is about. The time for talking is over. It is time to deliver homes and people need to get their heads around that.

**Chairman:** Deputy Boyd Barrett may wish to respond. I ask him to include amendments Nos. 44 to 46, inclusive, because they are of relevance and we could move on to those sections in his response, if that is acceptable.

**Deputy Richard Boyd Barrett:** Yes. We have had a masterclass in sophistry from the Minister and of course he thoroughly misrepresented the situation. The original proposals, quite a long way back, for the development of Shanganagh were to have private development. The People Before Profit Party in particular tabled motions insisting that the development would only be public and affordable. Then there was a big battle on the council and eventually that position was won. The original plan, even before the LDA, was to have some of the site privately developed. Yes, we, through campaigning and very significant local public anger at the thought that the site would be in any way privatised, forced a position where there was finally a commitment that the site would only comprise public and affordable housing.

What I am worried about, given the make up of the LDA, is that the victory in establishing that the Shanganagh site will only be public and affordable will unravel because of the insistence in this Bill about relating affordability and rents to local market conditions thus rendering references to “affordable” meaningless in the context of the Dún Laoghaire constituency. Of course, our rents and market houses prices are so off the Richter scale that about 99% of working people are excluded from the market. If, as this Bill proposes, that affordable purchase, affordable or, indeed, even rents, as the Bill explicitly states, are related to local market rents and prices then the affordable will not be affordable either in terms of house prices or rents. So that is why, just to explain to the Minister, my later amendment is an attempt to put an insurance policy in against what the LDA might do to a hard-won position of establishing Shanganagh as a 100% public and affordable site. That position was won in the teeth of very significant opposition from Fine Gael and Fianna Fáil.

**Deputy Thomas Gould:** On the Minister’s point about delaying, I will use the example of the LDA’s site at St. Kevin’s Hospital in Cork. I, my Sinn Féin colleagues and other people in the Opposition proposed the development of this site back in 2013. The site is being developed now by the LDA but we still do not have a breakdown of how much is going to be affordable, affordable cost-rental or purchase, social and private. I am a Deputy for Cork North-Central yet I still do not know what the breakdown is.

There was an announcement at one of our housing meetings where it was said that the rental income will be between €900 and €1,000. For the people of Cork North-Central whom I represent, that rental figure is not affordable cost-rental or affordable for people. The Government is using the concept of giving a discount on the market value, and this goes to the whole crux of where we are coming from. Affordability should not be based on market value. It should be based on what is actually affordable for people. If we are saying that it should be a maximum of

between 30% and 35% of a person's income then how can we say this is affordable if we are using the market as the guide? It is wrong for the Minister to say that we are trying to delay things when the Fine Gael Government, that was supported by Fianna Fáil, sat on its hands for years while I and all of my Sinn Féin colleagues sought the development of this site and other sites.

Finally, the Cork City Council cried out for funding for years to develop sites. If we want to provide funding to the council to deliver houses then local authorities should be funded. I come from Knocknaheeny and live in Gurranbraher, which are sites that were developed by local authorities when funding was made available. Local authorities should be supported to deliver social and affordable houses.

**Deputy Eoin Ó Broin:** To be helpful and move things on, I will also speak to my other amendments, which are part of the group of amendments Nos. 75 to 85, because they are consequent to the discussion.

Deputy McAuliffe and the Minister asked a very important question, which is why would one prevent the LDA from being a residential developer and there are a number of very good reasons. First, because the LDA, as designed by Fine Gael, was to become a residential developer, it could not have significant active land management powers. Earlier the Minister said that the Bill has compulsory purchase order, CPO, powers. It does but they were always going to be in this Bill. We were told by the former Minister, former Deputy Eoghan Murphy, it was his intention to put them in. Those compulsory purchase order powers are only for small ransom strips to unlock development on public land and therefore one of the crucial functions of an active land management agency is to have strong CPO powers to ensure reluctant participants in better use of public land can be forced to the table.

The reason the Land Development Agency, as currently constituted, cannot do active land management in a serious way is that it would breach state aid rules and it would end up in the European Court of Justice challenged, as the National Asset Management Agency was, by other developers. That crucial function that every body tasked by the Government to look at this question has been calling for over decades cannot happen as a result.

Deputy McAuliffe seems to think an active land management agency would just be some kind of quango or intermediary. The National Economic Social Council, a function of the Department of the Taoiseach, has repeatedly called for and produced detailed documents arguing why an active land management agency would be central to tackling the unfortunately too cyclical nature of our housing market. Likewise, other agencies have indicated that having an active land management agency, which would be powerful and well-resourced, to deal with land issues is crucial in moderating private prices as well as public sector development.

The other problem with having the Land Development Agency is that it splits the cost rental from social properties. Dublin councillors have not agreed to transfer the St. Teresa's Gardens site to the Land Development Agency, LDA, but it is on the LDA website as one of the potential development sites. St. Teresa's Gardens looks like a really good project, at 30% social and 70% affordable rental. The local authority did a good deal with Hines, an adjoining developer, to swap some land in exchange for community facilities, and I commend it on that.

Dublin City Council is discussing bringing in the LDA to deliver that site because it would be faster as the LDA does not have to adhere to the Department of Housing, Local Government and Heritage's four-stage approval, tendering and procurement process and the public spending code to the same extent. The consequence of bringing in the LDA means there is a split

between the social rentals, brought back as turnkey projects by the local authority, which will manage them, and the cost rental projects that will be managed by the LDA. At a certain point, those LDA cost rental units will generate a revenue surplus, and in all other countries with a cost rental model, that revenue surplus goes back to the overall housing provider to help manage and maintain the stock into the future. Separating cost rental and social rental makes no sense.

This would also increase the cost of development. The LDA will bring a certain private sector ethos and, in some cases, private sector or equity finance alongside its capitalisation. That will make units more expensive and push up rents and house prices. It is why the agency cannot tell us what is the sale price of the affordable purchase homes in Shanganagh Castle in Dún Laoghaire.

To correct the Minister's comment, there shall be no homes complete and ready next year at the Shanganagh Castle site. Representatives of the LDA came in front of this committee and told us the first phase will be delivered in 2023 and it will be approximately a third of the scheme at 200 to 300 units. There shall be further phases in 2024 and 2025. The output for the LDA is looking exceptionally poor and that is the problem with it.

There is nothing wrong with Deputy Boyd Barrett being pragmatic and many of us will be pragmatic as we go through this. We will table amendments to shape the legislation the way we would like it to be in an ideal format but we will also table other amendments - sometimes called defensive amendments - to at least improve what we think is a bad scheme. When we get to the next group, we will see quite a number of those from me.

I do not want the LDA to be involved in residential development. It is time we funded our local authorities, approved housing bodies and community housing trusts to do that. If there is to be an LDA, I make no apology for tabling amendments to try to ensure it acts in ways it otherwise would not if left to the devices of the current Government.

**Deputy Cian O'Callaghan:** Active land management is key and this is missing from the Irish context in housing delivery. It is the pipeline of land for the delivery of homes of different tenures and including affordable, cost rental and social units. I am sure the Minister and others are engaging with approved housing bodies and many of them are having difficulty accessing land and the issue is not necessarily on the finance side. Approved housing bodies are competing with others over limited supply of new homes, with one of reasons being an inability to get a supply of or access to land. There must be a focus on that.

Deputy Ó Broin made a relevant point and I take it his argument was that this agency is not acting to work on this because of fears of potential issues arising from European state aid rules. It would be helpful for the Minister to comment on whether that is the reason this Bill is not as strong as it should be on active land management. Is it because of EU state aid rules or is that a factor in the consideration of how the legislation has been drafted? It is important to get information on that.

It is disappointing the Minister has not engaged with the cross-party group that has been seeking a meeting relating to the Oscar Traynor Road project. I urge him to meet that group.

**Deputy Darragh O'Brien:** I will respond to a couple of the queries and try to address the amendments in the interests of moving this along. Deputy Gould spoke about cost rental and how it is framed. I will welcome his party's support for the Affordable Housing Bill because

cost rental will basically cover the cost of the development and maintenance of those properties, with rent set accordingly. The Deputy continues to mention a discount on market value but that related to setting a guide for the first eight schemes being delivered within a year of the Government being established. We are going to deliver eight cost rental schemes across the country, including in his own county of Cork. That is something one would expect Deputies to welcome but obviously not in this instance.

Deputy Ó Broin referred to land management and assembly and the report of NESC and the national planning framework. The Land Development Agency does exactly that and it will manage, assemble and develop. It is quite a startling admission by Deputy Ó Broin that he does not want the LDA involved in residential development. In itself that is a very stark comment and people can now see that we will effectively have a State land development agency that would not be able to build if the Opposition got its way. I speak specifically about Sinn Féin because these are Sinn Féin amendments. That can be put in the context of the very same Deputy saying he wants to deliver 20,000 public homes per annum, although he never says how, where or how long it would take.

Getting back to the reality, it is about how we deliver and get to the stage of building homes on public land. It is intended that the Shanganagh Castle development will break ground this year and it will be very significant. It is one of the nine significant sites that this agency has and I intend it to have many more while working in partnerships.

To respond to Deputy Cian O’Callaghan’s comments, the LDA at this stage has appropriate CPO powers for what it needs to do. That is an important change from the last LDA draft Bill in the previous Oireachtas. There are a number of changes in that regard that we will get to as we go through the Bill.

I will address amendments Nos. 44 and 46, which are tabled by Deputies Ó Broin and Gould, along with amendment No. 45, which has been tabled by Deputy Boyd Barrett and his colleagues, Deputies Gino Kenny, Paul Murphy, Bríd Smith and Mick Barry. I oppose the amendments as amendment No. 44 seeks to remove section 2(r), which enables the LDA to engage in commercial activities consistent with the parameters of the Bill. Amendment No. 45 seeks to limit its commercial activities to the provision of social, affordable and cost rental housing.

The LDA has been set up as a commercial State body and its primary function is to develop but also to manage relevant public land, and where applicable, other lands for the provision of housing for the public good. I see it expanding into that space. It is wholly appropriate for the body to do that. I reassure Deputies that any returns made by the LDA, as referred to by Deputies, will be reinvested in operations or returned to the Exchequer. The legislation further provides that the only shareholders will be the Minister for Housing, Local Government and Heritage and the Minister for Public Expenditure and Reform. I oppose this amendment as by enabling the LDA to engage in commercial activities, it will have access to wider funding streams that will allow greater investment to achieve its aims and expand its functions. That is something we should be seeking to do. Should this legislation be passed by the Oireachtas, we will be able to capitalise the LDA through the ISIF to the tune of €1.25 billion and further borrowing to an equivalent amount. That is something I thought all Deputies would welcome because it allows the agency to get on with it.

Amendment No. 46 seeks to delete section 2(s). This section provides that one of the purposes of the Bill shall be to achieve the best possible social and economic return from the use of

relevant public land. I oppose the amendment as the LDA is being entrusted with public land and it is appropriate that it should be required to achieve the best possible social and economic return on behalf of the people, with the focus being on the social return, that is, delivering both social and affordable homes on public land. I said this on Second Stage as well. I envisage the absolute predominance of the developments, particularly in urban centres, being up to 90% affordable and, indeed, a 100% mix of social and affordable. That will happen, but it will only happen when we establish the agency with a primary legislative footing. Development of much-needed affordable housing would be a beneficial social return, as would be the development of enabling infrastructure. The LDA will be established as a commercial semi-State body and as such will be required to achieve a return on the investment made in it by its shareholders, the Ministers for Housing, Local Government and Heritage and Public Expenditure and Reform. As a commercial semi-State body, under the code of practice for the governance of State bodies, the LDA will be in receipt of a shareholder letter of expectation which will detail the return both Ministers will expect from their investment.

The agency will be governed by the public spending code, as members know, and will be fully subject to public procurement. Any suggestion that it is exempt or beyond that is wholly incorrect. Members also know that. I oppose those amendments.

**Chairman:** Deputy Ó Broin can respond. He might also take the opportunity to address amendments Nos. 96, 98 to 101, inclusive, and 227. Deputy Boyd Barrett also has an amendment in that grouping. We will include them as they are all related.

**Deputy Eoin Ó Broin:** I will speak to the last number of amendments I have in this group. First, it is important to remember that the LDA was established in September 2018. It will be five years before it delivers a single home. That does not appear to suggest it has either the capacity, ability or the urgency to meet the challenges of the housing crisis. In fact, if the former Deputy, Eoghan Murphy, had funded Dún Laoghaire-Rathdown County Council to develop Shanganagh Castle when the elected members of that local authority unanimously agreed on a very good scheme, people would be living in the first tranche of those homes today. Therefore, the argument that it is quicker to set up a new State agency to deliver homes rather than funding the local authorities directly to deliver large-scale projects is simply not the case.

One of the worries I have about LDA sites, for example, the Dundrum central site, which will be one of the key ones in Dún Laoghaire-Rathdown, is that we do not know yet, because we cannot be told either by the Minister or the agency, how many or what percentage of the homes on that site will be at an unaffordable, open market price. It is the same with the St. Kevin's HSE site in Cork. If the Minister wants to know how we would dramatically increase the delivery of genuinely affordable homes, we should stop using public land to deliver unaffordable, open market price homes. As the Minister knows, tonight there will be a special meeting of Fingal County Council to deal with the lands in Donabate for 1,200 much-needed homes. The proposition from the local authority, essentially under instruction from the Department, is that 60% of those homes, almost 800, will be sold at open market prices. The open market prices, according to the local authority, range from €340,000 to €450,000. Why anybody would allow homes at that price to be built and sold on public land when we could ensure every home there was affordable to the electorate that elected the Minister and other Deputies makes very little sense.

The other big issue is that we were originally told that the LDA was going to deliver 7,500 homes per year and that it would deliver 150,000 social, affordable and private homes over 20 years. However, according to the agency, and it gave this committee its pipeline figures a num-



ber of months ago, by 2025 when this Government is coming to the end of its term of office, if it gets that far, only a couple of thousand homes will be delivered by it and a portion of those will be unaffordable private houses.

There is one final matter, and it is important that the Minister clarifies this. My understanding is that the Department's four-stage approval, tendering and procurement process will not apply to the LDA in the same way as it would apply to the local authority because there will be a designated activities company or subsidiary. My point was not that the public spending code does not apply, but that it does not apply in the same way. Therefore, local authority officials will say that, from their point of view, if there is an advantage to transferring the delivery of a project to the LDA, it is that it dramatically reduces the bureaucracy and staff time for them. If that is the case, and I believe it is, why not just reform that process, remove the bureaucracy from the local authorities and give them the funding to deliver? They are much better placed to deliver these projects if only they were assisted to do so. On that basis, I am only more convinced of the legitimacy of the amendments I have proposed, having heard the Minister's replies. I will press the amendments.

**Deputy Darragh O'Brien:** I will address the specific block of amendments first. To be clear, the LDA will have to be fully compliant with public procurement and the public spending code. The four-stage approval process is a different matter. I have altered the four-stage approval process for local authorities, as the Deputy knows. The single stage can be used up to €6 million, and I will seek to review that further in respect of the housing for all plan. That has been done in a short time. It is telling that every housing development mentioned by the Deputy was opposed by his party. It is remarkable that it always seems to find some reason to oppose the delivery of homes. The specific proposal he mentioned will deliver 238 affordable purchase homes and 238 social homes, which is a significant amount. There are private homes in addition to that. It will be a big decision for any party to oppose the delivery of such a significant amount of affordable and social homes, but that is a position people are entitled to take and it is for them to explain it.

With regard to amendments Nos. 84, 96 and 98 to 101, inclusive, tabled by Deputies Ó Broin and Gould, amendment No. 84 seeks to amend section 13(1)(c), which deals with the LDA providing assistance to local authorities in the development of large-scale local authority owned sites for housing. The amendment seeks to delete the word "develop". It is appropriate that the LDA would develop, or seek to develop, large-scale local authority sites. However, to be clear about what is happening, the absolute predominance of delivery of social homes will be through the local authorities. That is why they are being tooled and given the funding to do that, with the largest housing budget in the history of the State in budget 2021. The LDA is doing this in Shanganagh, which we have discussed. It is working in partnership with Dún Laoghaire-Rathdown County Council to provide 600 social and affordable units.

On the Deputy's point about the number of homes the LDA will deliver by 2025, we will see how many that will be, and I expect the agency to be ambitious. However, we can be certain of one thing. If Deputy Ó Broin and his colleagues had their way with the amendments they wish to make to the Bill, the agency would deliver no homes. They want to restrict the agency and say it should not build. In some cases the LDA may develop a site on behalf of a local authority and, in others, it may work with the local authority to facilitate the development of the site. Both provisions are necessary and are absolutely appropriate. Therefore, I cannot accept this amendment as it would undermine the role of the LDA in assisting local authorities.

Amendments Nos. 96, 98, 99, 100 and 101 seek to amend section 14 which sets out the de-

tail as to how the LDA will provide services to local authorities. Amendment No. 96 seeks to limit the services that the LDA will provide to “land and land related” while amendments Nos. 98 to 101, inclusive, seek to limit the role of the LDA to providing assistance to local authorities in the preparation of master plans, applying for development consents, providing housing and managing cost rental housing. It is wholly appropriate that the LDA would provide these services to local authorities and not just assist them in that. We must be realistic about where we are right now in terms of the delivery of homes for our people. We need change in the housing area and this Bill represents change. If we keep doing the same thing, we will have the same results. We need to tool up these agencies to do the job and it is wholly appropriate to give them these powers.

One of the purposes of the Bill is that the LDA would provide services to local authorities and support them in their role as housing authorities. Local authorities will be able to avail of the centre of excellence which we want to see developed in the LDA for the delivery of housing in urban areas which is something that we really need. Most people will see that there are different levels of expertise in different local authorities. We need to build that expertise up and ensure that we have an agency in place that can assist. Therefore, I cannot accept these amendments as they would undermine the role of the LDA in delivering services to local authorities. That covers amendments Nos. 84, 96 and 98 to 101, inclusive.

**Chairman:** That just leaves amendment No. 227 in this group and I invite Deputy Boyd Barrett to speak on same. Then we will decide on amendment No.1. I will put it to a vote if required.

**Deputy Richard Boyd Barrett:** I never got to make a comment on amendment No. 44 and will do so now, briefly. It refers to the issue of the LDA engaging in commercial activities, which is a slippery slope in our view. This is where private finance and commercial priorities start to dictate the LDA’s agenda, and affordability and the social objectives of the agency start to go out the window. That is the logic behind it. At every level, this Bill is opening the door to commercial logic and to private finance. We are concerned about what that will do to affordability and the other social objectives that should drive the development of the land bank.

On amendment No. 227, I would like to hear the Minister’s note before I comment but broadly speaking, this is focused on the public land bank. This is about opening up the public land bank to the LDA rather than doing what it should be doing, which is dealing with the impact of what private investment and the search for profit has done to the private land bank and the private housing sector.

**Chairman:** Deputy Higgins is next and then I will ask the Minister to respond to Deputy Boyd Barrett on amendment No. 227.

**Deputy Emer Higgins:** I hope that members of the public are not tuned in to this meeting today because so far, it has been an example of politics being put ahead of problem solving. The problem that needs to be solved is the housing crisis. Allegedly, that is the shared priority of us all but here we are, discussing ideology, political positions and specific developments in people’s back yards. Deputies are engaging in political posturing instead of looking at this national legislation as a real opportunity to deliver the affordable homes that we all so desperately want. The LDA is a key part of the Government’s solution to the housing crisis and that is a fact. The Bill before us is key and this is an opportunity for colleagues in opposition to shape the legislation instead of just opposing it at every turn. Indeed, they have already shaped it to some degree because there are lots of left-leaning elements in there already, including the tak-

ing back of power from developers and the utilisation of land that has been effectively frozen by stagnation. This is all about something that we all allegedly agree on, that is, delivering homes for people who need them. Surely we all want to make the most of State-owned land that is lying idle. That means engaging in active land management which is exactly what this Bill sets out to achieve. Its aim is to make sure that State land deemed appropriate for housing does not lie idle in the middle of a housing crisis but is used to deliver affordable and social homes for people who need them.

**Chairman:** I invite the Minister to respond on amendment No. 227.

**Deputy Darragh O'Brien:** In response to Deputy Boyd Barrett on amendment No. 44, I covered that issue. I reiterate that the LDA is a public body. It is State body. We own it but it is being portrayed by some as if we are selling our land bank off to the Trump organisation. This is about us managing our own land productively, as Deputy Higgins so rightly said. We need to get on with doing this and people know that. They also know very clearly how this agency is being constructed. One only has to look to the ESB or to CIÉ to understand the format we are following in terms of using our own land properly and productively for the good of our people.

I will address amendments Nos. 85 and 227. The former was tabled by Deputies Ó Broin and Gould. Does Deputy Ó Broin wish to speak on it first?

**Chairman:** No, you can go ahead.

**Deputy Darragh O'Brien:** Amendment No. 85 seeks to delete section 13(1)(f). This section enables the LDA to appraise sites, prepare master plans and planning submissions, make planning applications and obtain development consents and approval. Obviously, that would be crucial to the development and to how the agency would operate. To delete that section would further neuter this agency and is not something I can support.

Amendment No. 227 seeks to delete parts of section 77 that provide that the LDA will be a development agency under the Planning and Development Acts. The central role of the LDA is to develop relevant public lands for housing, which mean to build homes for people. In order to do so it must have the powers to appraise sites, prepare planning applications and obtain development consents. Were this amendment to be passed, it would set back this land management agency for years to come. We would be stripping it of such significant powers and denying it a role in the development of housing. It is wholly appropriate that the LDA would be a development agency in relation to sites that are relevant public lands or land owned by it. Designating the LDA as a development agency will permit it to develop planning schemes and enter into agreements with parties to develop strategic development zones, SDZs, on relevant public lands and lands in its ownership. I want to be really clear that it does not confer any planning consent role on the LDA. I would point out the role of the LDA as a development agency is limited to these circumstances and it will not have the full range of development agency powers that are assigned to a local authority. In addition, other State bodies such as the IDA and the Grangegorman Development Agency have similar development agency roles. This puts what we are doing in context. I cannot accept these amendments as they would undermine the role of the LDA in the development of sites on relevant public lands.

**Chairman:** I now invite Deputy Ó Broin to respond and to indicate whether he will be pressing his amendment.

**Deputy Eoin Ó Broin:** I will be brief. To reassure Deputy Higgins, the Opposition takes

its role on Committee Stage very seriously given we were denied pre-legislative scrutiny on this Bill. It is a fundamentally different Bill from the former Minister, Eoghan Murphy's earlier version, as the Minister, Deputy O'Brien, rightly reminded us of.

The purpose of this Committee Stage, as I understand it, is twofold. It is, first, to ensure there is full public scrutiny of a profoundly important proposition. This agency will have a lifespan of up to 20 years. It will have an initial capitalisation of €1.25 billion of public money and borrow a similar amount. The suggestion we should not take a few hours to scrutinise this Bill and, more importantly, to table amendments to try to improve it, which is exactly what we are trying to do, is a remarkable statement for a Government Deputy to make. I hope the Deputy is not trying to limit this important discussion or deny us the opportunity to table these amendments because that would be unfortunate.

I am pressing amendment No. 1.

**Chairman:** The Minister has indicated he wishes to speak. There will be full debate on every aspect of the amendments. I must recognise the limitations on time that are on the committee and the slot times available. It is a balancing act to get the two of those right but I will give every Deputy as much opportunity as possible to discuss every amendment. It is a very important Bill. The Minister wished to speak.

**Deputy Darragh O'Brien:** I will be brief. That is not what Deputy Higgins was referring to at all. I just want to make a point.

Pre-legislative scrutiny was not denied on this legislation. I could not let that remark go unchecked. There was detailed pre-legislative scrutiny of the draft scheme in the previous Oireachtas that I participated in. Deputy Ó Broin did as well. There were full hearings. Account was taken of the pre-legislative scrutiny to alter this Bill fundamentally on the basis of those hearings. The programme for Government also reflected that clearly. There was no question of pre-legislative scrutiny being denied. Pre-legislative was actually adhered to insofar as the Bill was changed significantly to reflect the points I raised, and indeed Deputy Ó Broin and others such as Deputy Boyd Barrett raised, when the draft scheme was published. If we were to follow what Deputy Ó Broin has said, every Bill that a draft scheme was published for in the previous Oireachtas and that went through pre-legislative scrutiny would have to go through it again. In fairness, Deputy Ó Broin has recognised the fact this is fundamentally different legislation. I could not let that remark stand unchecked.

**Chairman:** Deputy Higgins, I will let you in briefly because you were named there. You were asked to clarify.

**Deputy Emer Higgins:** I learnt a lovely new word at this meeting today from Deputy Boyd Barrett, "sophistry". Deputy Ó Broin himself has engaged in quite a lot of that. I have never been an Opposition Deputy but I guess my point is, if I was, I would certainly be looking to be working collaboratively to improve the Bill, not opposing it every step of the way.

Amendment put.

The Committee divided: Tá;, 3; Níl, 6.	
Tá;	Níl;
Gould, Thomas.	Duffy, Francis Noel.
O'Callaghan, Cian.	Flaherty, Joe.

Ó Broin, Eoin.	Higgins, Emer.
	Matthews, Steven.
	McAuliffe, Paul.
	O'Brien, Darragh.

Amendment declared lost.

Question, "That section 1 stand part of the Bill," put and declared carried.

## SECTION 2

**Chairman:** We will move on to amendment No. 2 in the names of Deputies Barry, Boyd Barrett, Gino Kenny, Paul Murphy and Bríd Smith.

Amendments Nos. 2 to 4, inclusive, 7, 8, 15 to 31, inclusive, 36, 41 to 43, inclusive, 49, 79, 80, 213 and 236 to 259, inclusive, are related and may be discussed together. Members should note that amendment No. 21 is a physical alternative to amendment No. 20, amendment No. 25 is a physical alternative to amendment No. 24, and amendment No. 42 is a physical alternative to amendment No. 41. Amendments Nos. 237 to 259, inclusive, are physical alternatives to amendment No. 236.

**Deputy Richard Boyd Barrett:** I move amendment No. 2:

In page 8, line 11, after "of" to insert "public and affordable".

Essentially, what we have done with these first few amendments is to insert "public and affordable" where the current Bill, as proposed by the Government, only refers to "housing". The reason for this is very simple. There is a notion, which has been peddled for a very long time, that if we just increase the supply of housing, the prices will become affordable. This is an ideological notion, to use a term that Deputy Higgins used earlier on. It is not based on reality whatsoever. The clearest example that increasing supply does not lead to reductions in price or produce affordable housing is the Celtic tiger.

During the Celtic tiger we had housing supply at unprecedented levels, with some 70,000 to 90,000 houses a year being built during that period. Did prices go down? Not at all. They went up because the housing was not being built to provide public, affordable or social housing but to make profit. Those who were looking to make profit completely controlled the housing sector and during that same period when we had unprecedented levels of supply in the general sense, albeit profit-driven supply, we also had pretty much the turning off of the tap of direct build social housing on public land, starting with Fianna Fáil and then carrying on through with Fine Gael Governments. It is not an ideological point. It is a statement of fact that increasing supply, no matter how great that supply is - and we had the greatest supply in the history of the State during the Celtic tiger - did zero to deliver public, social and affordable housing. It did exactly the opposite and then it crashed the entire economy.

The whole point about the utilisation of the public land bank is that developing not-for-profit housing to deliver public and affordable housing is the only way to keep prices down, not only to deliver public and affordable housing on public land but also to dampen the entire market. That is the purpose of these amendments. It is to ensure that we do not repeat the disastrous mistakes that have been made in the private housing sector over recent years on the public land



bank and to make sure the public land bank is used for what it should be used for. It should be used to serve the interests of the public, specifically those who are on the housing waiting lists or those who cannot even get on those waiting lists because their incomes are higher than the social housing thresholds but whose incomes would not allow them to buy at the grossly inflated house prices that are available in the private market or rent at the grossly inflated rents that exist out there in the private market. The sole purpose and usage of the public land bank should be to do that.

The other important point to make is that we want affordable housing. Insofar as we have affordable purchase housing, we want it to be affordable in perpetuity so that no part of the public land bank will ever be marketised. Even if people have the right to purchase affordable housing on the public land bank, it should be the case that they would have to sell it back to the local authority and that the profit would not be made from affordable purchase housing that was delivered on public land.

**Chairman:** Does Deputy Ó Broin wish to speak on amendment No. 2 and the related amendments?

**Deputy Eoin Ó Broin:** I would like to fully support amendment No. 2 and to speak to my amendment No. 3, which is broadly trying to do the same thing. This is an important and key element of the Bill and it is where the Opposition is united in trying to ensure that the maximum number of affordable homes are delivered on any site that is being developed by the Land Development Agency.

In his response to me when we were discussing the last group of amendments, the Minister made the claim that Opposition parties, including my own, are opposing housing developments across the city of Dublin. The Minister knows that is not true. We have not opposed a single housing development in planning for housing, particularly social and affordable housing. I can only think of one major housing development that was opposed in a vote in a local authority in Dublin recently and that is Clonburr in my constituency where 8,000 to 11,000 homes were proposed with 2,500 social and affordable homes. Fianna Fáil and Fine Gael groups not only voted against that development but when Deputy Higgins was the Fine Gael group leader on the council at the time she appealed it to An Bord Pleanála, delaying it by almost a year. What is good for the goose is good for the gander I suppose.

What we are saying here is that public land should not be used for unaffordable open market priced homes. Therefore, what the Opposition has done in a number of local authorities - and we stand over this - is that we have opposed the transfer of land to private developers. In many cases that land was below market value or for free, where large volumes of the homes on that land will be delivered at prices of €350,000 to €450,000. That is what these amendments are about.

The Minister mentioned Donabate and asked why anybody would vote against that land transfer. No market valuation has been made of the land there. It will go to the developer, if the vote is approved tonight, for about half the market value and 60%, or almost 800 of the homes, will be sold at average prices of €400,000. I do not know how anybody could stand over such an inappropriate use of public land.

What my amendment does is straightforward. Notwithstanding my fundamental opposition to the LDA as a residential developer, if it is to be a residential developer then it should not be building anything other than affordable purchase, affordable rental and social homes. It is in-

teresting, for example, that the councillors on Dublin City Council proposed an alternative and fully public development on Oscar Traynor Road. As I said, Fine Gael councillors abstained on that because somehow they do not support the idea of all homes on that site being affordable. It would be interesting to hear from the Minister whether he intends to support the request from the majority of Dublin City Council councillors to fund that development to allow it to be developed speedily so that every single one of the 800 plus homes on Oscar Traynor Road will be genuinely affordable to purchase or rent, as well as 30% of the homes there being social houses.

**Deputy Thomas Gould:** As Deputies Ó Broin and Boyd Barrett have stated, the reason for these amendments is our concern that public land is being siphoned off to the private sector. We want to deliver truly affordable homes for people. I am dealing with a large amount of people every week who do not qualify for the social housing list and who cannot get a mortgage. These people are trapped in the middle with high rents and being unable to save. They need affordable homes. Those homes should be delivered by local authorities. If the LDA Bill goes ahead and if we cannot stop it, then we want it to be truly focused on people who need affordability, either in cost rental or affordable purchase. That is why we want to change the Bill and that is why these amendments have been put forward.

To give the Minister and the Government parties some insight, in my maiden speech in Cork City Council in 2009, I outlined the housing crisis. At that meeting, I was attacked by Fianna Fáil and Fine Gael councillors for grandstanding and for trying to create hysteria when there was no housing crisis. The difference between Sinn Féin and other parties in the Opposition and the Government parties is that we knew there was a housing crisis because we were talking to people on the ground. Now we have the Government 12 years later, saying it wants to tackle the housing crisis and saying that the Opposition is not engaging in the process to deliver truly affordable homes. I completely reject that. These amendments will ensure that public land is used in the best possible way to deliver affordability for people.

**Chairman:** I invite the Minister to respond and to address the related amendments.

**Deputy Darragh O'Brien:** I thank the Deputies for tabling the amendments. Section 2(a) of the Bill, as published, states that the purpose of the Bill is, “to enable urgent measures to be taken to increase the supply of housing in the State and in particular affordable and social housing”. That is pretty clear on what we want to do. The amendment from Deputy Boyd Barrett and his colleagues seeks, to insert “public and affordable”. That is in the Bill already. The same goes for the amendment from Deputies Ó Broin and Gould. I do not want to get into a back and forth discussion with colleagues about how they believe they are not delaying, objecting to or stymying housing developments at council level. The people know what the situation is in that regard. The purpose of this legislation is to progress matters and get the State delivering and building. It is remarkable that Deputy Ó Broin has again said that he is fundamentally opposed to the LDA, which is a State company, building homes. One would have believed that, for someone who purports to want to deliver 20,000 public homes per year but will not say where, by whom and how, a State land development agency that delivers social, affordable and cost rental homes at scale would be viewed as necessary. That is what we need to do. I will remind colleagues that the State is the largest builder and part of the housing market.

I agree with Deputy Boyd Barrett that this is not just about supply, but the right supply. That is why the Affordable Housing Bill passed Second Stage in the Seanad last night. It is the most significant affordable housing legislation ever introduced and will deal with affordable purchases through shared equity on State-owned lands, provide cost rental at scale through the first national cost rental scheme in the history of the State, and introduce provisions expanding

Part V to protect the 10% of social housing in private developments while adding a further 10% affordable housing. These are mechanisms that deliver the right type of supply. The State is intervening. The Deputy regularly talks about the State having a role to play in housing, and he is right. Here is an opportunity to support the State's involvement through a State agency building housing. It seems that, in every instance, members of the Opposition will seek to oppose, not what we are trying to do, but what we are going to do to help delivery this year through the Affordable Housing Bill and this Bill. We need to get on with that.

I oppose these amendments because there are already clear references - I have cited an example - to affordable and social housing in this section, as there are in multiple sections. The amendments do not add anything further to this section and only seek to rephrase the text as demonstrated. I am referring to the second grouping of amendments up to amendment No. 36.

**Deputy Emer Higgins:** I will reply to Deputy Ó Broin, who namechecked me. He mentioned that he was not able to remember anything other than Clonburris, so I will refresh his memory of other developments in the area of South Dublin County Council, of which he was a member. On the council, Sinn Féin voted against Kilcarbery with its 975 homes. The Minister and I visited the site last week. It was great to see progress being made there, builders on site and homes being delivered despite how Sinn Féin stood on the issue. Lindisfarne and its 19 homes arose earlier this year. It is difficult to forget that one. Sinn Féin voted against even progressing to master plan stage in respect of Killinarden and its 500 homes.

As the Deputy well knows, I believe that the Clonburris plan that Sinn Féin councillors voted for did not deliver enough infrastructure with its housing to serve what will be a growing community - a town the size of Wexford wedged between Lucan and Clondalkin. In my submission to An Bord Pleanála, I clearly stated that the lands should be developed and that I agreed with the overall vision of Clonburris but that vision needed to be linked with the delivery of infrastructure, for example, the provision of a Garda station or a site to be earmarked for same, which Sinn Féin councillors voted against.

**Deputy Paul McAuliffe:** I will address the legislation before us because we have spent much of the morning debating council decisions, which relate to previous policies. This Bill is about a new Government putting in place new policies to set a new direction in housing. There are two elements to those policies - the Minister rightly spoke about the Affordable Housing Bill, and the second is this Bill. Deputy Gould should read the former, as everything he called for, or discussed calling for in his maiden speech all those years ago, is in the Affordable Housing Bill. They are the tools the councils need to develop lands.

The amendments seek to rephrase what is in the Bill. A number of Opposition Deputies and Senators have misunderstood what the Bill is about, that is, taking public lands with a market value and permanently devaluing them so that the land cost can be eliminated from providing homes, effectively giving those lands a nominal value regardless of who owns them. It ensures that, as homes are built on these lands in accordance with the Bill and other mechanisms, the land cost will not contribute to the cost of those homes. The Bill represents the largest single permanent devaluation of the cost of land.

I can find no reference in the Bill that speaks to Deputy Boyd Barrett's fears that this is about the privatisation of land. I have combed through it and the amendments and I cannot see where they allow the State to give large tracts of public land to a private developer to make a profit. If anything, the Bill attaches a permanent devaluation mechanism that ensures that, as the Minister said, the land value in places such as Dublin will effectively be nominal because of the cost

of building. The mechanism outlined in the Bill is clear but, in some of these amendments, we are dancing on the head of a pin to be seen to rephrase something that is already in the Bill.

**Chairman:** It would be helpful if we did not rehash every single vote that has taken place at a council over the past few years, although there might be a temptation to do so. We are here to discuss the Land Development Agency Bill, which will put on a statutory footing an agency to assist those local authorities to develop and deliver public housing and cost-rental housing at scale.

If there are no further comments on this part of the grouping, I will invite Deputy Boyd Barrett to discuss the second part, comprising amendments Nos. 41 to 43, inclusive, in the names of Deputy Ó Broin and Boyd Barrett-----

**Deputy Richard Boyd Barrett:** I am sorry, Chair. I put up a hand, but it does not matter.

I need to set the record straight. I presume that Deputy McAuliffe, who is referring to the Bill, has read it. The Bill very clearly refers to the setting of affordable prices and rents and relating them to discounts on local market conditions. It refers to the establishment of DACs for the different parcels of land that will be developed. It also refers to commercial activity. Without a shadow of a doubt, all of these elements marketise the land. Why would one relate affordability to local market conditions? They are not even average market conditions. If we averaged out rents and prices across the places in the country with high rents and house prices and those parts with low rents and prices, we would get a bad enough figure for affordability, but the Bill refers to local market conditions. In all of the areas where the affordability and housing crises are at their most intense, this would be a disastrous benchmark against which to set affordability. Average rents in my area are anywhere between €2,500 and €3,000. Average house prices are between €500,000 and €600,000. Benchmarking affordability against local market conditions means that, even if there was a 20% discount, a price would be unaffordable for the vast majority of people. Affordability has to be benchmarked against income. A teacher's pay is no different in Dún Laoghaire than in Leitrim. The pay of a nurse, a council worker or a bus worker is not different because he or she happens to live in a different part of the country. Affordability has to be benchmarked against people's actual income but this Bill opens up the public land bank to develop housing that is linked to market conditions, private finance and to commercial imperatives around designated activity companies. We are not scaremongering when we say that this is the marketisation of the public land bank and an opening of the door to the privatisation of that landbank; it is there, in the Bill. Our amendments, which all work in conjunction with each other, aim to protect the public land bank against marketisation and to ensure that it is used solely to deliver public and genuinely affordable housing, with affordability benchmarked against people's income.

**Deputy Paul McAuliffe:** I appreciate the bona fides of Deputy Boyd Barret's contribution but I wish to clarify what I just said because the Deputy is conflating the term "affordability" in two different Bills. Affordability is set out in the Affordable Housing Bill to allow councils to build homes on public land and the LDA will do the same. That is dealt with in the Affordable Housing Bill. In this Bill, the affordability percentage is a mechanism which is being used to devalue land that has a commercial or market value. The land currently has a market value and we are applying an affordability percentage to that land and as a result, because it is below the market value and the costs of construction are there, the land effectively has no tradeable, real market value on the open market. Therefore, we are eliminating the land costs and that is what the Bill is doing. It is not a neat or pretty way of doing it but because we want it to develop and because we want to comply with EU state aid rules, we are doing that so that the land cost is

eliminated from the overall cost when the LDA or the councils take up the obligation to build affordable housing. What we are doing here is making sure that the land cost is eliminated. That is done by applying the affordability percentage. The land already has a market value and therefore, when we refer to market value in the Bill, we are naming its existing value. It is clear that when we talk about market value, we are naming the current value of the land; it has a value. When we talk about affordability, we are talking about a mechanism to reduce the land costs because we do not want the land to be traded openly on the open market, regardless of who owns it. The mechanism will eliminate the cost of land in the development of housing by the LDA, the councils and others.

**Chairman:** I now invite the Minister to respond.

**Deputy Darragh O'Brien:** Deputy Ó Broin has his lámh suas.

**Chairman:** My apologies. Go ahead Deputy Ó Broin.

**Deputy Eoin Ó Broin:** I wish to speak on the rest of the amendments I have tabled in this group. It may be helpful for Deputy McAuliffe if we deal with the issues he raises at the relevant section of the Bill because many of us would like to contribute to that discussion.

I wish to speak on amendments Nos. 41 and 213 now. One of the big concerns I have with the section of the Bill dealt with in amendment No.41 is that it is giving the LDA the power to develop master plans and designs. The LDA is not equipped to do that and has great difficulty in employing staff to do that job. It also has no democratically accountable mechanism for approving that. Local authorities are best placed, through their planning departments and their elected members, to develop plans for sites. We see that, for example, in SDZs and Local Area Plans, LAPs. There is some discussion among planning professionals about the innovative idea of local development zones, of which I am very much in favour. Why we would give a State agency that has no knowledge of the affairs in different local authorities, the housing markets and the local realities, a centralised power when it does not have any history of doing that and deny that to the agencies that the State has funded to provide those master plans over a long period of time is beyond me.

There is a value in talking about some developments in local areas because it allows us to talk about this in real time. One of the great values of Shanganagh was that the LDA did not master plan it. The local authority did the master plan on foot of consultation with elected members and so on. I see no set of reasons for the LDA being involved in master planning. That is a function of our planning authorities. They are equipped, skilled and have a track record in doing it which is why I am proposing that we remove that section.

The remainder of my amendments in this section go back to the central point that if the LDA is to be a residential developer, it should only develop affordable homes, that is, homes for affordable purchase, affordable rental and social rental. It should not be in the business of using very scarce and valuable public land to build homes that will sell for between €350,000 and €450,000 or in the case of the Dundrum central site, up to €500,000. That is not good housing policy and that is why those amendments are attempting to constrain the LDA, if it is residentially developing, to 100% affordable homes.

**Deputy Darragh O'Brien:** I will respond quickly on those amendments. I have already responded to two. Amendments Nos. 41 to 43 are another example of stripping functions from the LDA, which is a State-owned agency to develop and manage our own lands. It is clear from



the short two hours of discussion we have had today that Sinn Féin does not want the LDA to build any homes or to plan to build any homes or any infrastructure. If Sinn Féin had its way, we would be left with a skeleton and would have nothing of any relevance. We need to get on with the job in hand. I cannot accept these amendments tabled by Deputies Ó Broin and Gould.

The section provides for the establishment of the LDA and ensures that in the performance of its functions, economies of scale and efficiencies are achieved through a single entity providing services such as preparation of master plans, design and project management. This is in addition to local authorities but not instead of them. Local authorities will still be delivering the vast bulk of social homes. This is about all of the other lands that we have been talking about that are not being used and about allowing the agency to have the ability to plan for their use. It would be incongruous, if not incredible, not to allow the agency to do that. It does not make sense. I am opposing these amendments because the LDA has been and will be tasked with providing services for the preparation of master plans, design and project management. That is its mandate. The LDA employs experienced staff with extensive skills to do those various tasks, to complement the work of the very experienced and exceptional staff in our local authorities. I will be opposing the amendments tabled by Deputies Ó Broin and Gould.

**Chairman:** We have run out of time. We will return to amendment No. 2 when we recommence on Thursday. The Minister has already indicated his opposition to amendments Nos. 41, 42, 43 and 213. Amendments Nos. 49, 79 and 80 are very similar. We will return to amendment No. 2 at our next meeting and proceed from there.

**Deputy Richard Boyd Barrett:** As I understand it, the Minister did not speak to amendment No.43.

**Deputy Darragh O'Brien:** I think I did but if not, I will do so on Thursday. I am happy to do that because there are lots of amendments in the groupings. I will come back to it if the Deputy believes he did not get a response to his amendment.

**Chairman:** My own notes indicate that the Minister did respond to amendments Nos. 41, 42 and 43 but we can return to them if necessary.

Progress reported; Committee to sit again.

The select committee adjourned at 11.31 a.m. until 9.30 a.m. on Thursday, 27 May 2021.