

Unfinished Housing Development Special Resolution Fund

Budget 2014 contained a special provision to further assist in addressing the legacy of unfinished housing developments in the form of a targeted €10m Special Resolution Fund (SRF).

The SRF has been proposed to encourage the resolution of the remaining unfinished developments in the National Housing Development Survey 2013 and particularly those developments not likely to be resolved in the normal way through solely developer/owner/funder action because of the presence of specific financial barriers. The SRF will not replace the predominantly developer/funder/receiver driven resolution process but complement that process.

It is envisaged that the SRF should be particularly targeted to address the remaining unfinished developments with residents living in them and, in particular, any developments that local authorities identified, for the purposes of the Local Property Tax waiver, as in a seriously problematic condition. It is hoped that the SRF will enable very substantial progress to be made in resolving as many of the remaining unfinished developments as possible.

SRF funding will act in combination with maximising the potential for complementary finance from developer/funder/receiver/bond or planning security (if any) sources. SRF funding will support local authorities by encouraging developers / owners / receivers / funders to find long-term solutions for developments that have hitherto been difficult to resolve due to specific funding or operational difficulties.

The Department also envisages that the SRF will be the final tranche of significant public funding available for resolving unfinished developments. Successful resolution of developments under the SRF will be envisaged as a precursor to their subsequent taking in charge by the relevant local authority or alternate long term maintenance arrangement.

Applications for funding shall be made by the relevant local authority, but may also be made jointly with persons with the legal authority or interest to implement the relevant works including:

- a. Owners of such developments, including receivers; and/or;
- b. Approved Housing Bodies, intending to take over a development (or part thereof) and secure its resolution for social housing purposes.

Required Information

- a. The relevant DECLG National Housing Development Survey reference number for the developments seeking funding support;
- b. Whether or not the developments are eligible for a Waiver from the Local Property Tax;
- c. An economic assessment and Site Resolution Plan, taking into account the DECLG Manual on Unfinished Housing Developments. The economic assessment should contain a description of the proposed works and the breakdown of those works with an approximation of associated costs, as well as a cost allocation (local authority, and any non-local authority expenditure (€) of all works proposed, including the element of SRF funding sought;
- d. The specific items for which SRF funding is sought;
- e. A statement of the specific circumstances that have precluded the resolution of the development to date, other than economic circumstances, i.e:
 - i. Expiry, unavailability or inadequacy of planning security has resulted in lack of finance to secure repair of public infrastructure; and
 - ii. Cost of works necessitated by the SRP not being covered by the planning security e.g. costs of clearance of part completed construction works of components of the development no longer considered viable.
- f. Confirmation by the local authority that, subject to the achievement of relevant standards that the development will be taken in charge or covered by such other permanent maintenance arrangement as is acceptable to the relevant local authority;
- g. The level of additional funding, if any, being leveraged by the funding sought which the local authority believes will be committed by the relevant owner/developer/receiver/funder/investor (including Approved Housing Bodies);
- h. The level of any vacant and or near complete housing units to be finished out and brought into occupation;
- i. The approximate level and duration of additional construction employment to be generated by the implementation of the SRP and
- j. The approximate value (€) of expenditure on local goods and services, e.g. construction materials, generated by the implementation of the SRP.
- k. Proposals regarding community gain by the owner/ developer/receiver/funder/ in recognition of the public investment available through the SRF. This may include, but is not limited to, proposals such as a) a cash contribution to public infrastructure works, b) transfer of land in an agreed condition for additional amenity resources c) allocation of a proportion of units due to be completed for a social housing purpose.
- l. A map highlighting the development and specifically identifying the units and / or areas of the development that the funding is to be used for.

Completed applications must be submitted to the Department by 28th February 2014.

Tenders for approval must be submitted no later than 31st May 2014 with works to be completed by 28th November 2014. Payment will be on the basis of a 50% up-front payment on submission of successful tenders and confirmation by the local authority that it is in position to sign contracts on receipt of Department approval to accept tenders, with the balance payable upon certification by the applicant that the works have been completed in accordance with the funding submission approved.

Local authorities are particularly reminded of their obligation regarding tendering under government public procurement policies Guidance available at www.procurement.ie/.

As applications for funding under the SRF are made to the Department by the relevant local authorities, any queries from members of the public as to the participation by local authorities in the fund should be directed in the first instance to the relevant local authority unfinished housing development co-ordinator, the contact details for which can be found at: www.housing.ie/our-services/unfinished-housing-developments/local-authority-contacts.aspx