



**Joint Committee on Housing, Local Government and Heritage**  
**Social & Affordable Housing – Financing and Funding**

**Opening Statement by Bob Jordan,**  
**Chief Executive Officer, The Housing Agency**

**Tuesday 22 March 2022**

Chair, Members, we are pleased to be here this afternoon to assist the Committee in its discussion on financing and funding in respect of social and affordable housing. I am accompanied by my colleagues Jim Baneham, Director of Delivery and Claire Feeney, Head of Local Authority Services.

**The Housing Agency**

The Housing Agency is a State Agency with a vision of achieving an integrated housing system, meeting the nation's housing needs and promoting sustainable communities. Through close collaboration with all our stakeholders, including The Department of Housing, Local Government and Heritage, local authorities and Approved Housing Bodies, The Housing Agency supports the delivery of new social and affordable homes. We do this in a number of ways. Firstly, we provide high quality housing data, assessments, and research evidence. Secondly, we co-ordinate the implementation of Government programmes, and thirdly, we build capacity in the housing sector through supporting education and information provision. The Housing Agency is here to help address housing needs across the board, and we have a team of experienced and knowledgeable housing professionals who can contribute to doing so.

The Government's Housing for All programme provides for a significant increase in funding for both social and affordable housing over the period to 2026. €12bn in direct Exchequer funding has been made available for housing. The Housing Finance Agency will provide up to €5bn in loan funding, through the provision of additional borrowing capacity. The Land Development Agency will have access of up to €3.5bn. These measures combined will, on average, deliver in excess of €4bn of funding for social and affordable housing per annum.

This afternoon I intend to focus on the areas where The Housing Agency supports the financing and funding of social and affordable housing either directly, indirectly, or in a support and advisory role.



## **The Housing Agency's Direct Roles – Financing & Funding**

The Housing Agency currently has two direct roles in relation to the financing and funding of social and affordable housing:

- Firstly, we provide Cost Rental Equity Loans (CREL) to Approved Housing Bodies (AHBs) to provide Cost Rental housing; and
- Secondly, we manage The Housing Agency Acquisition Fund (€70m) to acquire vacant housing stock for social housing use.

Cost Rental housing provides secure rental accommodation to those with incomes above the eligibility threshold for social housing but who are unable to afford to rent or buy on the open market. Rents are calculated based on the cost of delivering, managing and maintaining the home, with the costs spread over the long-term and not subject to open market rent fluctuations. Cost Rental housing aims to provide a long-term sustainable housing solution.

The Cost Rental Equity Loan, or CREL, is long-term loan funding available to Approved Housing Bodies to support their provision of Cost Rental homes. This loan funds up to 30 per cent of the cost of delivering new homes. The Housing Agency has the role of managing and administering this loan on behalf of the Minister for Housing, Local Government and Heritage, under the provisions of Section 40 of the Affordable Housing Act 2021. This includes advancing loans to AHBs and overseeing the administration of the loan arrangements including the drafting of the agreements under the scheme. The Agency also undertakes the due diligence on each funding proposal.

The €70m Housing Agency Acquisitions Fund was established at the beginning of 2017 to buy existing vacant properties from banks and other financial institutions to provide social housing. By the end of February 2022, a total of 927 properties had been acquired under the fund. Housing for All committed to a review of the operation of the Housing Agency Acquisitions Fund and this is currently underway.

## **The Housing Agency's Indirect Roles – Financing & Funding**

In addition to the Housing Agency's direct roles in providing CREL loans and managing the Acquisition Fund, we also indirectly support the financing and funding of social and affordable housing in the following ways:

- We carry out the technical assessment of Payment and Availability (P&A) payments and Capital Advance Leasing Facility (CALF) funding applications from AHBs on behalf of the Department of Housing, Local Government and Heritage.

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- We are responsible for programme management of the national Mortgage to Rent Scheme (MTR).
- We provide local authorities with a national shared service for the underwriting of all Local Authority Home Loan applications.
- On behalf of the Department of Housing, Local Government and Heritage, we provide technical assessment of local authority applications for the Affordable Housing Fund (AHF).

Housing for All commits to delivering 90,000 social homes by 2030 and Approved Housing Bodies will play a significant role in delivering approximately 45% of total social housing output. P&A and CALF funding is the primary funding mechanism used by AHBs to deliver social housing. To the end of 2021, a total of just over 11,000 homes have been delivered using this funding mechanism. The Housing Agency's technical assessment role ensures that AHBs receive the appropriate level of CALF loan funding for their projects and, where necessary, adjusts P&A payments to reflect specific project requirements. The in-house expertise and knowledge developed through operating these schemes supports policy development and The Housing Agency is currently assisting the Department in reviewing the structure and operation of CALF, as set out in Action 4.11 of Housing for All.

The Housing Agency is also the national programme manager for the Mortgage to Rent (MTR) scheme. MTR is designed to help homeowners at risk of losing their homes due to mortgage arrears to remain living in their homes as social housing tenants. By the end of February 2022, 1,727 households had been supported to remain in their homes. Housing for All includes a target of an average additional 1,000 households being assisted by the scheme each year to 2026.

The Local Authority Home Loan enables first-time buyers and 'fresh starters', on low to moderate incomes, to access sustainable, competitive mortgages to buy new or second-hand homes or self-builds. The Housing Agency provides a national underwriting shared service for applications to local authorities for the Home Loan. This shared underwriting service ensures an efficient and consistent national approach, as well as reducing costs to local authorities. There have been 179 Local Authority Home Loans underwritten to the end of February 2022, and 11,259 of the earlier Rebuilding Ireland Home Loans underwritten between February 2018 and February 2022.

Finally, The Housing Agency provides the technical assessment for applications to the Department of Housing, Local Government and Heritage for the Affordable Housing Fund (AHF) from local authorities. The Affordable Housing Fund provides local authorities with a subsidy of up to €100,000 towards the cost of a home and is aimed at

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delivering thousands of homes for Affordable Purchase and Cost Rental. The Housing Agency assesses local authority submissions against predetermined selection and award criteria to ensure that this Fund is used to provide homes where there is a clear affordability challenge. To date, The Housing Agency has completed assessments on eight AHF submissions comprising approximately 500 homes.

### **The Housing Agency's Support and Advisory Roles – Financing & Funding**

Apart from our direct and indirect roles in relation to the financing and funding of social and affordable housing, we also provide support and advisory services. These range from practical support to local authorities, to advisory and project management roles, including:

- Advising on the design and operation of the First Home Affordable Purchase Shared Equity Scheme. We are supporting the Department with this scheme, which will be co-funded by participating mortgage banks. The scheme will be available to first-time buyers and those qualifying for 'fresh start' on moderate incomes seeking to purchase a newly built home in private developments throughout the country, subject to area-based price ceilings.
- We also play a role in long-term social housing leasing. We oversee the template leases, including the Repair and Leasing Scheme. Long-term leasing is being phased out under Housing for All, but we continue to support local authorities providing homes through the leasing schemes and we will also be supporting local authorities to deliver housing using the updated Repair and Leasing Scheme.
- Another area we support is the Capital Assistance Scheme (CAS) and local authority direct build capital projects. The Housing Agency's Projects and Procurement team provides expert technical support to local authorities and AHBs in the procurement, design and delivery of social housing projects. Under Action 24.7 of Housing for All, The Housing Agency's Procurement and Delivery Unit will be expanded to provide technical services and supports to local authorities, including in procurement, design and modern construction methods.
- Finally, we provide guidance and assistance including template documentation to support local authorities with Compulsory Purchase Orders (CPO). As set out in Housing for All, the Housing Agency has established a team to assist local authorities with information gathering, title searches and investigating third party charges which arise with CPOs.



## **Conclusion**

The Housing Agency published our three-year Statement of Strategy 2022 – 2024 at the start of this year and a key priority is working in collaboration with other stakeholders to deliver more affordable and social housing.

As I have set out in this statement, The Housing Agency is playing an important role in supporting the financing and funding of a wide range of housing programmes. We are strongly committed to playing our part in the delivery of social and affordable housing in the years to come.

Chair, we are happy to answer any questions which Members may have, or to provide further details as required. Thank you.

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