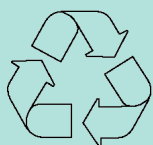
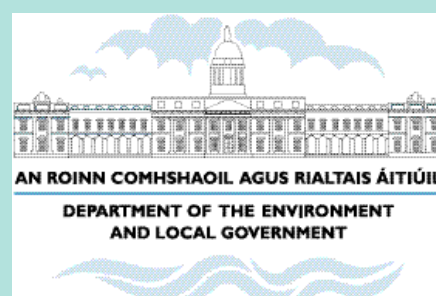


Capital Funding Schemes for the Provision of Rental Accommodation by Approved Housing Bodies

(Voluntary & Co-Operative Housing)



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Capital Funding Schemes for the Provision of Rental Accommodation by Approved Housing Bodies

(Voluntary & Co-Operative Housing)

- **Approved Status**
- **Capital Assistance Scheme**
- **Capital Loan and Subsidy Scheme**
- **Lottery Fund Grant Scheme for Communal Facilities**

Memorandum:

VHU: 2/02

May, 2002

Issued by:

**Voluntary & Co-Operative Housing Unit
Department of the Environment and Local Government
Custom House
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Memorandum on Capital Funding Schemes for Approved Housing Bodies (Voluntary and Co-Operative Rental Housing)

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Part 1

Introduction and Implementation

Expanding the output of voluntary and co-operative housing

Purpose of the consolidated Memorandum for the Schemes

Implementation, enabling role of the housing authorities

Designation of senior administrative officer

Housing authorities administering the funding schemes

**MEMORANDUM ON CAPITAL FUNDING
SCHEMES
FOR APPROVED HOUSING BODIES**

PART 1

1. INTRODUCTION AND IMPLEMENTATION

- 1.1 The provision of rental accommodation by the voluntary and co-operative housing associations and other approved voluntary organisations has become an increasingly important part of the overall response to national housing needs.
- 1.2 During the period 1993 – 2001 over 7,700 dwelling units were completed by approved housing bodies with the aid of the Capital Funding Schemes provided by the Department. This is equivalent to about 20% of the total additional units built or acquired into the national stock of social rented dwellings during the same period, i.e., local authority/public, non-profit/voluntary and co-operative rental housing.
- 1.3 The range of housing projects and services developed by the voluntary and the co-operative housing associations helps to fill gaps in the housing system, increases the supply of good quality rental housing and contributes towards a socially balanced response to national housing needs.
- 1.4 This new stock of rental dwellings has helped to widen the housing options for families and single persons drawn mainly from the local authority housing waiting lists. The Schemes have also provided a flow of funds for housing projects designed to meet the special needs of elderly persons, the homeless and persons with disabilities. In addition, Travellers and refugees have been successfully integrated into several of the housing projects completed to date.

- 1.5 The Government wishes to ensure that the output of dwellings by the voluntary and co-operative housing sector is expanded more rapidly. In order to assist in this process, the Department has taken steps to improve the levels of funding and to simplify aspects of the terms and conditions of the Schemes in consultation with representatives of the Local Authorities, the Voluntary Housing Sector and the Co-operative Housing Movement.
- 1.6 The purpose of this Memorandum is to update, consolidate and combine all the information and guidance required, both by housing authorities and the management boards of approved housing bodies, to achieve the speedier commencement of more housing projects and to adopt appropriate means for compliance with the terms of the Schemes thereafter.
- 1.7 Housing authorities have a key “enabling” and administrative role in the operation of the Capital Funding Schemes to assist approved housing bodies. This Memorandum is intended to help housing authorities to adopt a more streamlined approach, in conjunction with the Voluntary and Co-operative Housing Unit in the Department, to the procedures involved for both the approval and the issue of the capital funds for the provision of more rental houses by such bodies.
- 1.8 However, the effective operation of the procedures set out in this Memorandum is only one aspect of the policy response required to achieve an expanded contribution from the voluntary and co-operative housing associations. This needs to be linked to:
- the development of local housing strategies which include the encouragement of an increased output by the voluntary and the co-operative housing associations, along with the local authorities’ own building programmes, to help meet overall housing needs,
 - building land acquisition and development programmes which include the designation and transfer of building sites for both voluntary and co-operative

housing projects, aimed at achieving sustained housing construction outputs from the sector. (References: the Low Cost Subsidised Sites Scheme, Part V of the Planning & Development Act, 2000 and the related Guidelines issued by the Department.)

1.9 **IMPLEMENTATION**

In view of the mainstream role envisaged for voluntary and co-operative housing associations in helping to meet local housing needs, Managers of local authorities are requested to designate an administrative officer, or officer of equivalent senior grade in their local authorities, to have direct responsibility for the implementation of this Memorandum and the operation of all aspects of the Capital Funding Schemes in a co-ordinated way.

1.10 This senior officer should be responsible for:

- maximising the contribution of both voluntary and co-operative housing associations towards the relief of housing needs in the housing authority's area,
- co-ordination of any arrangements needed with other sections of the local authority to obtain the speedy commencement of housing projects by approved housing bodies, including the sections dealing with planning approval, infrastructural/utility services and legal documentation,
- establishing regular personal liaison with the approved housing bodies in the housing authority's area, in relation to access to building sites, processing of funding applications, issue of funds sanctioned to meet acquisition and construction costs, and achieving compliance with the terms of the Schemes,
- maintaining contacts with the respective representative, co-ordination, information and advisory bodies for voluntary housing associations and for co-operative housing societies, so that the housing authority can keep itself up to

date on trends in the sector, good housing association management practices and the related guidance available (see Part 2, Paragraph 2.14).

- liaising with local voluntary or community organisations with a view to encouraging or facilitating such organisations' involvement in the provision and management of social housing in their area with advice about the status required to form an approved housing body and the guidance available from the representative and advisory bodies for the sector mentioned in Paragraph 2.14.

1.11 The name, contact address and telephone number, etc., of each senior officer so designated, or any change thereof, should be forwarded to the Voluntary and Co-operative Housing Unit in the Department, so that adequate communication can be maintained in relation to all relevant aspects of voluntary and co-operative housing output and the operation of the Capital Funding Schemes.

1.12 In this Memorandum the term "Capital Funding Schemes" refers to the Capital Assistance Scheme, the Capital Loan and Subsidy Scheme and the Lottery Funds Grant Scheme for Communal Facilities. Matters relating specifically to one Scheme or the other are dealt with under the heading of, or by direct reference in the text to, the particular Scheme.

Due to the revision of the Scheme previously referred to as the Capital Loan and Rental Subsidy Scheme, or Rental Subsidy Scheme, this Scheme is heretofore known as the Capital Loan and Subsidy Scheme (LSS) - see Part 5, Paragraph 5.1. The Scheme was introduced in 1991 as a pilot programme to assist approved housing bodies in the provision of self-contained rented accommodation for low-income households in need of housing and is being continued now on a permanent basis in accordance with the terms outlined in this circular.

The Capital Funding Schemes are administered by the County Councils, City Councils, Drogheda, Sligo and Wexford Borough Councils and Dundalk and Athlone Town Councils.

Part 2

Approved Status for Housing Bodies

Housing legislation provision for approval of bodies

Legal status and objects of approved bodies

Governing body or board of directors, trustees

Applications for approved status/supporting documentation

Suspension or withdrawal of approved status

Information, guidance, legal registration services

PART 2

2. APPROVED STATUS FOR HOUSING BODIES

2.1 Section 6 of the Housing (Miscellaneous Provisions) Act, 1992 enables housing authorities, inter alia, to provide assistance to approved housing bodies in respect of the provision of housing. Section 6 (6) of the Act empowers the Minister to grant approved status for this purpose. Applications for approved status should, accordingly, be made to the Voluntary and Co-operative Housing Unit, Department of the Environment and Local Government, Custom House, Dublin 1.

2.2 Bodies which may be considered for approval are as follows:

- a) Limited Companies formed by guarantee of their members and not having a shareholding, registered under the Companies Acts, 1963 – 2001;
- b) Societies registered under the Industrial & Provident Societies Acts, 1893 – 1978;
- c) Trusts incorporated under the Charities Acts.

2.3 A body seeking to obtain, and to retain, approved status under Section 6 of the 1992 Housing Act must: -

- a) have as primary objects the relief of housing needs, or poverty or hardship or the welfare of Travellers, and the provision and management of housing,
- b) have in its memorandum of association or registered rules, as the case may be, provisions prohibiting the distribution of any surplus, profit, bonus or dividend to members and requiring that the assets of the body be applied solely towards its objects.

- 2.4 Such a body may seek to provide housing accommodation and related services for families, single persons, elderly persons, persons with disabilities, homeless persons, Travellers and other disadvantaged persons. The payment of capital funding or provision of other assistance under the terms of any of the Department's housing schemes is conditional on compliance by the approved body with the conditions of the relevant scheme, including the accommodation of eligible or qualified persons.
- 2.5 Each approved housing body must have a properly functioning governing body, or board of directors or trustees, which is directly responsible for the commissioning of housing projects and services, the ownership, management and maintenance of dwellings let and compliance with all relevant statutory regulations.
- 2.6 The governing body or management board of directors or trustees of an approved housing body shall consist of not less than five individuals each of whom should be ordinarily resident within the jurisdiction of the State. The chairperson and secretary of the approved housing body, or persons fulfilling these functions, shall also be resident within the jurisdiction of the State.
- 2.7 No individual may be elected or appointed as a director or trustee or senior employee of an approved housing body, or retain such a position, where he or she has any material interest of significance in relation to the income or any other benefit derived from any commercial contract or other arrangements for the construction of houses for the approved housing body, or in the supply of goods and services to the approved housing body.
- 2.8 Approved housing bodies must ensure that adequate financial accounting and control procedures are adopted to monitor capital income and expenditure in respect of the development of housing projects and, thereafter, in respect of the control and accountability for ongoing current income (including accounts of rental income and other revenue) and expenditure in respect of each project undertaken. Details of the audited income and expenditure accounts and balance sheet of an approved body shall be provided on request to the Department, or to any housing authority holding a mortgage or other charge in respect of an approved housing body's dwellings or issuing other forms of subsidy, allowances or grants to the body.
- 2.9 Applications for approved status must be supported by:

- (a) the memorandum and articles of association, rules or constitution of the body seeking approval, together with a copy of its certificate of incorporation or registration;
- (b) the names and address of its officers and of all the members of its governing body or board of directors or trustees, the address of its registered office and the address of the secretary, if different from the registered office;
- (c) a description of its existing and/or proposed activities, plans or programmes;
- (d) information on its current financial position, including latest statements of audited accounts, if available.

2.10 The Voluntary and Co-operative Housing Unit in the Department of the Environment and Local Government and the relevant housing authorities should be advised immediately by an approved housing body of any change in its name, objects or legal constitution, or on cancellation of its legal registration status, or on change in the address of its registered office, or in the name and address of its secretary and, on request, provide the names and addresses of all its current directors or trustees.

2.11 Organisations engaged in commercial or other risk taking activities should, in addition to (a) to (d) of Paragraph 2.9 also furnish information on the nature of the management structure and control procedures for the proposed housing project/s. To obtain approval under Section 6 of the 1992 Housing Act, such organisations would generally be required, where appropriate, to form a separate legal body complying in full with Paragraphs 2.3 to 2.10 with the sole purpose of operating the housing project/s. Approved housing bodies may not be controlled or be a subsidiary of another organisation.

Approved housing bodies may not engage in any other commercial risk taking activities which may adversely affect the financial solvency of their housing activities. Bodies seeking approved status must have a genuine commitment to the provision and ongoing management of social housing services.

- 2.12 In considering an application for approval account may be taken of the promotion of the orderly, reliable and balanced development of the numbers of approved housing bodies in each part of the country and related housing management responsibilities, having regard to the substantial public resources utilised in providing financial aid to such bodies.
- 2.13 A body approved under Section 6 of the 1992 Housing Act may have its approved status suspended or withdrawn in the event of the body ceasing to comply with the provisions of Paragraphs 2.3 to 2.11, or the requirements, terms and conditions of the Department's Capital Funding Schemes.
- 2.14 Housing authorities, or existing local development organisations seeking to encourage or assist the formation of voluntary housing associations or housing co-operatives in their areas, are urged to contact the respective representative, co-ordination, information and advisory bodies for guidance about the legal, management and other responsibilities involved, including those of social housing landlords. The following information gives the relevant names and addresses, etc., of the representative and advisory bodies for both the voluntary and the co-operative types of housing associations: -
- **Irish Council for Social Housing (ICSH)** 50 Merrion Square East, Dublin 2
Telephone No: (01) 661 8334 Telefax No: 661 0320, Website: www.icsh.ie
The ICSH has a representative, promotion, co-ordinating, information, advisory and training role in relation to non-profit and voluntary housing associations. Information and advice about the provision and management of voluntary, philanthropic and social housing services is provided. This includes assistance with legal incorporation and the provision of a model legal constitution for the registration of a bona fide voluntary housing association. Guidance is also provided for affiliated bodies about housing project development, management and maintenance, rents, budgets, accounts, etc.
 - **National Association of Building Co-operatives (NABCo)** 50 Merrion Square East, Dublin 2.

Telephone No: (01) 661 2877 Telefax No: 661 4462, Website: www.nabco.ie

NABCo has a representative, promotion, development, co-ordinating, information, advisory and training role in relation to housing co-operatives. The Association comprises an affiliated network of non-profit, mutual, local and district / area co-operative housing societies providing rental and ownership housing. The Association's services include the provision of the model rules/constitution and legal registration, when necessary, of co-operative housing societies. The Association organises new co-operative housing projects and provides ongoing management, advice, guidance, and other support services for affiliated housing co-operatives.

Part 3

General Provisions Relating to the Capital Funding Schemes for Approved Housing Bodies

Determination of terms and conditions by a housing authority

Encouragement of suitable housing projects

Consultation and liaison/role of health boards /use of both Schemes

Provision by new build, acquisition, renovation, conversion

Site costs and development works

Acquisition of existing houses

Mortgage loan agreements and guarantees/terms and conditions

Processing of loan applications, approvals, sanctions, notifications

Prompt payments/ instalments for acquisition, fee costs, and construction

Signposting projects, NDP logo

PART 3

3. GENERAL PROVISIONS RELATING TO THE CAPITAL FUNDING SCHEMES FOR APPROVED HOUSING BODIES

3.1 Determination of Terms and Conditions for Assistance by a Housing Authority

Section 6 of the Housing (Miscellaneous Provisions) Act, 1992 provides that assistance by a housing authority to approved bodies must be given on such terms and conditions as are determined by the Authority by resolution of the elected members. Once these terms and conditions have been adopted by the elected members of the Local Authority, the granting of loans and other assistance in the case of each individual housing project is an executive function exercisable by the Manager. In order to obtain funding for such purposes, under section 15 of the Housing Act, 1988 any such assistance must, in addition, be given in accordance with the Housing (Accommodation Provided by Approved Bodies) Regulations 1992, the Housing (Accommodation Provided by Approved Bodies) Regulations, 1992 (Amendment) Regulations, 2002 and this Memorandum.

3.2 Housing authorities should encourage and assist the efforts of approved housing bodies to bring forward housing projects suitable for funding under the Schemes. The output and development of the voluntary and co-operative housing sector is critically dependent on the response by housing authorities to approaches from approved housing bodies for assistance.

Given the nature of the social housing schemes and the role of housing authorities in facilitating the voluntary and co - operative housing sector, authorities should not, as a matter of practice, impose conditions under section 48 of the Planning and Development Act, 2000 in grants of planning permission for social housing schemes.

3.3 The provision of sites (or buildings) whenever possible, to approved housing bodies is a key way of promoting voluntary and co-operative housing activity and developing a partnership

approach with the sector. The national housing policy envisages that in addition to the local authority provision of housing, the expanded contribution of the voluntary and co-operative sector housing associations should also be provided for in the local authorities' land acquisition plans and housing strategy programmes.

3.4 It is essential that the administrative procedures for dealing with approved housing bodies are streamlined as far as possible and that every help, consistent with their function as housing authorities, is given by the housing authorities to the promotion of suitable projects. The speedy application of the procedures for approval, sanction and issue of capital funds, subject to the terms and conditions of the Schemes, impacts directly on increasing housing output from the sector.

3.5 The senior officer designated to deal with approved housing bodies in the housing authority's area (see Part 1, Paragraphs 1.9 – 1.11) should ensure that all aspects of the progress of each project being promoted by an approved housing body are dealt with as speedily as possible. This includes those aspects of the local authority's functions having a bearing on a particular project such as applications for planning permissions, preparation of legal documentation for site transfers, processing of applications and the issue of funds to finance construction and related costs as incurred by the approved housing body.

3.6 **Consultation and Liaison**

An approved housing body considering the commissioning of a housing project is advised to consult at an early stage with the housing authority about its proposal. This should involve giving an indication to the housing authority of the purpose of the housing project in terms of the housing needs which it is intended to meet and the management and letting policies envisaged having regard to the terms and conditions of the Capital Funding Schemes as set out in this Part and the other Parts of this Memorandum. Encouragement and assistance should be provided by the housing authority towards achieving a viable project, including liaison between the administrative and, where necessary, the technical sections (e.g., planning and engineering etc.) and the approved housing body in relation to the formulation of its applications for

planning permission and for Capital funding. In addition, an authority may, under Section 6 of the Housing (Miscellaneous Provisions) Act, 1992, give a guarantee to an approved housing body in respect of borrowings that may be necessary to enable planning of a project to proceed in the early stages.

In considering projects for funding under the Capital Assistance Scheme or the Capital Loan and Subsidy Scheme and in determining priorities as between projects, housing authorities should have regard to the extent to which a project responds to housing needs established by the authority as existing in the area under the statutory procedures for assessing housing needs.

However, it is not envisaged that housing authorities would organise forms of competition between approved housing bodies in relation to meeting particular categories of housing needs or in relation to the allocation of sites for this purpose. This can be a time consuming process and has the potential to be wasteful of resources of approved housing bodies.

When considering individual bodies for involvement in particular sites or projects, housing authorities should have regard to the profile of the approved housing bodies and take into account factors such as their capacity, expertise (special needs or general family type housing providers) and a body's desired level of operation within the authority's area.

3.7 Health Board Assistance Towards Running Costs

Health Boards provide a range of community care services and support and may contribute towards the running costs of providing support services in housing projects. Approved housing bodies should consult at an early stage with the appropriate health board in relation to proposals for the provision of sheltered housing, group homes or hostels for persons such as the elderly, persons with disabilities or handicapped or homeless persons who may need this type of supportive accommodation with various levels of on-site and/or visiting support services. Where such a project is proposed, the approved housing body should have adequate arrangements available for the operation of the type of support services envisaged.

3.8 **Use of Both Capital Funding Schemes**

A project may consist of dwelling units, some of which are funded under the Capital Assistance Scheme and others, which are funded under the Capital Loan and Subsidy Scheme. Financial assistance under both Schemes cannot, however, be given in respect of the same unit of accommodation. Accordingly, it is essential that housing authorities ensure that the cost of works associated with each Scheme is properly apportioned by the approved housing body and that there is no overlap in the financial assistance given.

A grant under Section 7 of the Housing (Miscellaneous Provisions) Act, 1979 will not be paid in respect of accommodation for which funding under the Capital Assistance Scheme or the Capital Loan and Subsidy Scheme has been given.

3.9 **Provision by New Building or Purchase, Renovation, Conversion of Existing Building**

Accommodation may be provided under the Capital Assistance Scheme or the Capital Loan and Subsidy Scheme by way of new building, acquisition of new houses, or by purchase, renovation or conversion of an existing building.

In calculating the maximum amount of the loan that may be advanced to an approved housing body, the following costs may be included:-

- (i) acquisition of sites, houses or buildings,
- (ii) construction, renovation, conversion and refurbishment works,
- (iii) legal and other professional fees, public utility connection charges and other project development costs incurred by the approved body
- (iv) bridging loan charges and charges on instalments of loans advanced during the

construction phase.

Where a site, which is being used to provide accommodation under the Capital Assistance Scheme, is already in the ownership of an approved housing body or is obtained free of charge or for less than the market value, the current market value, as estimated by the housing authority, may be reckoned in the approved cost .

The provision of the accommodation should meet the requirements of the Technical Guidelines as set out in Part 7 of this Memorandum.

3.10 **Site Costs**

Where a housing authority provides land to an approved housing body for housing, the authority should continue to avail of the Low Cost Sites Scheme to recoup its costs. It is envisaged that the Low Cost Sites Scheme will continue to be a key source of building land for both voluntary and co-operative housing projects. Provision for the designation and transfer of building sites for this purpose under the Low Cost Sites Scheme should form part of the housing authority's overall response to housing needs.

- 3.11 Additional loan assistance is available towards the costs incurred by approved housing bodies in the direct acquisition by them of land or sites for providing housing accommodation. Where site costs are included in an application for Capital funding, grant assistance up to 100%, subject to the maximum amount for a site per unit of accommodation specified in Part 4 Paragraph 4.15, or the cost of the site whichever is the lesser, will be available to local authorities for lending to approved housing bodies within the terms of the Capital Assistance Scheme. Additional loan funding up to the same limits is also available to approved housing bodies under the Capital Loan and Subsidy Scheme - see Part 5, Paragraph 5.13 (but loan funds cannot be drawn for the same site/dwelling unit under both Scheme/s). Holding charges, limited to a maximum of 5 years from the date of purchase, may also be included.

This additional loan assistance towards the site costs incurred applies only to the direct acquisition of land by approved housing bodies themselves.

3.12 Costs incurred by an approved housing body in relation to site development and substructural works may also be included as site costs (subject to the maximum amount allowable under the terms of the Scheme) where the local authority considers the works justified. Such work could be necessitated by, for example, the need for special foundations, demolition / clearance, exceptional costs relating to services, etc. Legal costs incurred by an approved body in acquiring a site may also be included.

3.13 **Acquisition or Purchase of Existing Houses or Buildings**

Where an approved housing body brings a proposal to a housing authority for the purchase of existing houses or an existing building or premises with a view to converting same to provide housing accommodation, the authority should consider such an application for funding as a matter of urgency having regard to the housing market circumstances in which such an acquisition or purchase is being considered, i.e., the possibility of other bids to purchase the houses or buildings. It is vital that such proposals be considered on a priority basis so that the approved body will be in a position to proceed with a proposal to purchase.

3.14 In such cases, the housing authority should consider issuing approval in principle where it is satisfied that the purpose, general design of the accommodation (number of accommodation units, etc.,) and outline cost plan for the project would meet the terms of the relevant Capital Funding Scheme, in advance of the purchase of the houses or the building and formal completion of any necessary conversion or renovation works.

3.15 Where an existing house or building is acquired for the purpose of providing units of accommodation, either by demolition and rebuilding or by renovation and conversion, the unit cost of the accommodation, may be increased to allow for the element of the acquisition cost attributable to the site, subject to the maximum amount per site/unit allowable. (See Parts 4 & 5 Paragraphs 4.15 and 5.13). Where a building is demolished to facilitate the provision of newly

constructed dwelling units, the cost of acquiring the building and any site clearance costs may be included as site costs and may be apportioned between the accommodation units.

Where it is proposed to refurbish a building and convert it into units of accommodation, the element of the acquisition cost which is attributable to the site may be apportioned between the units being provided and considered as site costs.

3.16 **Mortgage Loan Agreements / Terms and Conditions**

An approved housing body should be required to enter into a legal Agreement with the relevant housing authority creating a Mortgage Charge on the dwellings and related property in the project in respect of which any loan is advanced under the Capital Funding Schemes. This agreement should give the housing authority the right to exercise the usual powers of a mortgagee in the event of a breach of the conditions on which the loan has been paid. A sample Mortgage Deed Agreement is included in Appendix 2 of this Memorandum for use by local authorities in making loans to approved housing bodies.

3.17 The relevant terms and conditions relating to the ongoing operation of the Capital Assistance Scheme and / or the Capital Loan and Subsidy Scheme, as set out in this Memorandum, are contained in the sample Mortgage Deed Agreement, including:

- (i) the housing accommodation continuing to be let to eligible categories of persons or qualified tenants as required by the respective Schemes,
- (ii) the relevant housing authority having a right of consultation in respect of the letting policies of approved housing bodies using the Schemes to fund their housing projects, including the right of the housing authority to nominate one quarter of all the individual tenancies in the case of the Capital Assistance Scheme, and the right to consultation in relation to the granting of all tenancies not nominated directly by the authority.

- (iii) the relevant housing authority having a right of consultation in respect of the determination of rents by the approved housing body,
- (iv) the dwellings and related property in the project being properly managed, maintained and insured by the approved housing body,
- (v) any disposal or other alienation of the dwellings and or other property in the project being subject to the housing authority's prior approval,
- (vi) payment by the approved housing body of the loan and interest due being made promptly and in full on the due date, which requirement would be waived in the case of the dwellings funded under the Capital Assistance Scheme, or met in full by a Subsidy recouped by the Department in the case of dwellings funded under the Capital Loan and Subsidy Scheme, for so long as the other conditions of the Schemes continue to be fulfilled, and
- (vii) any other conditions considered appropriate following consultation between the housing authority and the approved housing body to meet particular circumstances.

3.18 Mortgages executed on or after 1st June, 2002 under both the Capital Assistance Scheme and the Capital Loan and Subsidy Scheme will be for a 30-year period. As both Schemes involve the issue of loans on an annuity repayment basis, subject to the mortgage agreement as outlined in Paragraph 3.17 above, the value of the outstanding mortgage charge held by the local authorities in respect of projects funded under the Schemes declines each year. The mortgage should be registered in the Land Registry or the Registry of Deeds as appropriate. Where the approved housing body's title to the sites / buildings for which a capital loan is being sought under one or other of the Schemes to fund the provision of dwellings is leasehold, the housing authority should be satisfied that the period and terms of the lease would not prejudice the continuing availability of the housing accommodation for its intended purpose.

3.19 Guarantee Pending the Completion or Finalisation of a Mortgage Deed Agreement between the Local Authority and the Approved Housing Body

In order to facilitate the payment of instalments of a sanctioned loan amount to meet acquisition costs, fees and construction progress costs and to help speed up the commencement of housing projects, pending the completion or finalisation of a Mortgage Deed Agreement between the local authority and the approved body, an arrangement should be made by the authority to accept a Letter of Guarantee, signed by duly authorised officers of the approved housing body. Such a letter must clearly state the location and name of the approved housing project to which it refers, and provide an undertaking that any instalment of the loan received by the approved housing body shall be applied solely to meet certified or vouched costs incurred in providing the housing project, that the approved body will agree to sign the standard Mortgage Deed Agreement prepared under the relevant Scheme for the housing project and that any lettings of dwellings completed will also be strictly in accordance with the terms and conditions of the relevant Scheme. A form of such a letter is provided in Appendix 3.

Where the housing project is to be carried out on a site other than one which is owned or to be transferred by the housing authority to the approved housing body, it will be necessary for the approved housing body to provide site title deed documentation to the housing authority in support of such a guarantee.

3.20 Applications for Loans by Approved Housing Bodies/Dual Process

An application for a loan should be made by the approved housing body completing in full two copies of the application form CAS 1 when seeking funding under the Capital Assistance Scheme or form LSS 1 when seeking funding under the Capital Loan and Subsidy Scheme, as shown in Appendix 1 to this Memorandum. Where a project involves applications for funding under both Schemes, separate application forms for the CAS and LSS dwellings etc. should be completed in duplicate. The costs should be apportioned accurately between the two applications. If an application for a Lottery Fund Grant towards communal facilities is also to be considered, (see Part 6) the appropriate form CF 1 should also be completed in duplicate and

separate details of the cost provided. Care should be taken to deal accurately with each item in the relevant form and to clearly indicate the location/address of the project for which funding is being sought. One copy of the correct application form(s) should be sent to the relevant housing authority with two copies of an indicative Cost Plan for the project prepared by a suitably qualified professional person and two copies of the Design Plans for the housing project.

The second copy of the application form(s) should be sent by the approved housing body to the Voluntary and Co-operative Housing Unit, Department of the Environment and Local Government, Custom House, Dublin 1 - it is not necessary to submit copies of the Design Plans to the Department.

Approved housing bodies should ensure that any change in the Design Plans resulting in a different number of dwellings, or type or size of dwellings (e.g., number of bedrooms), or in the indicative Cost Plan, is promptly notified to the housing authority and to the Voluntary and Co-operative Housing Unit in the Department by means of a new form (CAS or LSS, depending on the scheme/s being used) clearly marked “amended application” and accurately dated.

Application forms must be signed by two authorised officers of the approved housing body on the basis of a clear willingness on the part of the governing body, or management board of directors or trustees, to accept the terms and conditions of the relevant scheme/s under which the application for capital funding is being made together with the ongoing social housing landlord responsibilities involved in the provision of a good housing service for tenants/residents.

3.21 Acknowledgement of Applications

Housing authorities are expected to promptly acknowledge receipt of an application made under the Scheme/s within 5 days, having checked the application to ensure that all the necessary

information is included and/or to promptly notify the approved housing body of any omission relating thereto.

3.22 **Approval and Sanction of Loans**

A final decision in relation to the approval of an application by the housing authority for funding should normally be notified to the Department (Voluntary and Co-operative Housing Unit) and the approved housing body as soon as possible but not later than 2 months from the date of the receipt of the application. If a decision is made to postpone or to refuse approval of an application the approved housing body should be promptly notified and the reasons given in writing. A copy should also be forwarded to the Department's Voluntary and Co-operative Housing Unit.

Applications from approved housing bodies seeking capital funding for the acquisition of sites or existing houses or buildings should be dealt with as a matter of urgency having regard to the market conditions in which such a proposal is being considered.

Housing authorities should only seek sanction for loans from the Department of the Environment and Local Government in relation to projects where planning permission has been granted and adequate details of the anticipated costs for the housing project have been provided by the approved housing body to the satisfaction of the housing authority. In addition the housing authority should be satisfied that the housing project will make a useful contribution to the relief of housing needs in the area where it is located and any other potential difficulties have been resolved. Housing authorities should monitor progress on housing projects approved and sanctioned for funding and advise the Department where there are delays or indications of likely delays so as to ensure that available funds are used to maximum benefit. A housing authority should provide a loan for a project only after funding has been sanctioned by the Department of the Environment and Local Government.

Housing authorities should use form CAS 2 when seeking funding for projects under the Capital Assistance Scheme and Form LSS 2 when seeking funding under the Capital Loan and Subsidy Scheme from the Department.

The necessary arrangements for preparation and execution of the mortgage agreement for loans given under the scheme should be made as early as possible so that loan instalments can be advanced promptly as work progresses. This would be crucial to the most advantageous financing of projects and housing authorities should facilitate approved housing bodies as far as possible in this regard. However, funding of larger projects may have to be spread over more than one financial year.

In order to secure maximum value from the available resources, housing authorities should ensure that specifications and costs of projects are not excessive.

The Department will send notification of its sanction or otherwise of funding for a project to both the housing authority and the approved housing body on the same date.

Notwithstanding any earlier estimates of cost for the purpose of determining the approved cost, a housing authority should, on completion of a project and before the final loan payment is made, ensure that costings are reviewed to confirm actual expenditure by the approved housing body. In no case, irrespective of the cost initially approved for the purpose of determining the amount of the loan applicable, should the loan exceed the actual expenditure incurred by the body on the project (i.e., the actual cost of construction, fees and site acquisition by the body).

3.23 Prompt Payments

Approved housing bodies depend on the issue of instalments of the sanctioned capital funds to meet payments due to creditors in connection with the acquisition and construction of houses

and related costs. Financial liabilities incurred by approved housing bodies in relation to technical and legal fees arising from the design, planning and other preparatory work for housing projects should be met by early payment of instalments of the sanctioned loan amounts. Approved housing bodies should be assisted in minimising alternative bank bridging interest costs when, in fact, a capital loan has already been sanctioned for payment by the housing authority. Delays in processing payments by local authorities can give rise to increased costs for approved housing bodies and to possible breaches of Prompt Payment legislation.

Accordingly, housing authorities should ensure that the necessary arrangements are in place to enable all claims from approved housing bodies to be processed quickly and that, in particular:

- steps are taken to facilitate the issue of early instalments of the sanctioned loan amount to enable the approved housing body to pay vouched costs in relation to preliminary site or building acquisition costs, technical and legal fees,
- arrangements are made to take account of the usual contractual obligations falling on approved housing bodies to pay building contractors on time for certified construction progress by releasing further instalments of the loan amount promptly when claimed by the approved housing body.

Such payments should be issued directly to the Secretary or designated accounting officer of the approved housing body within 10 days of the claim/request being made.

3.24 **Signposting of Projects**

A suitable billboard, visible and easily legible from the nearest public road, should be erected by the approved housing body at the entrance to the site giving its name and the name of the housing authority and stating that funding for the project is being provided by the Department

of the Environment and Local Government. This billboard shall be separate to any other billboard erected on the site. The cost of the provision billboard may be included as part of the cost of the project and should be erected, when appropriate, at the commencement of the project and remain in place until completion.

Use of National Development Plan (NDP) Logo

In accordance with guidelines issued by the Department of Finance all measures or projects being implemented under the NDP including projects being provided under the Capital Assistance and the Capital Loan and Subsidy Schemes, must display the NDP logo on all signs and on all relevant advertisements, information and publicity material. Copies of the guidelines are available from local authorities and or the NDP/CSF Information Office (Tel: 01 - 6045333). The NDP logo and the guidelines may be accessed through the NDP website at - www.ndp.ie.

Part 4

Terms and Conditions for Loans to Approved Housing Bodies under the Capital Assistance Scheme (CAS)

Statutory provisions for grants to housing authorities to fund loans

Eligibility of persons for accommodation, returning emigrants

Inclusion of site costs in additional loan amounts

Types and standards of accommodation

Caretaker/welfare accommodation

Additional other borrowings, loan account statements

Funding limits/maximum amounts

PART 4

4. TERMS & CONDITIONS FOR LOANS TO APPROVED HOUSING BODIES UNDER THE CAPITAL ASSISTANCE SCHEME

4.1 Statutory Provisions

Section 6 of the Housing (Miscellaneous Provisions) Act, 1992 along with Section 15 of the Housing Act, 1988 is the statutory basis for the scheme of Capital Assistance for the provision of housing accommodation by approved housing bodies. This Part and the other Parts of this Memorandum consolidate and supersede Circulars HGS 6/92, 3/93, 3/95, 6/95, 1/96, 10/97, 3/98, Circulars VHU 1/99, 1/00, 2/01, 4/01,5/01 6/01 and Circular H 05/00 insofar as they relate to the Capital Assistance Scheme. It takes account of the provisions of the Housing Act, 1992 and of the Housing (Accommodation Provided by Approved Bodies) Regulations, 1992 and the Housing (Accommodation Provided by Approved Bodies) Regulations, 1992 (Amendment) Regulations, 2002. The 1992 Regulations continue in force under the 1992 Act; references in them to Section 5 of the Housing Act, 1988 being read as reference to Section 6 of the 1992 Act.

4.2 The Capital Assistance Scheme provides primarily for the payment of a grant in respect of each sanctioned rental housing project by the Department of the Environment and Local Government to a housing authority following its approval of a housing project under the Scheme. The housing authority then lends this money in the form of a 30-year annuity mortgage loan to the approved housing body towards the approved costs it incurs in providing the dwellings. The terms of the Scheme provide that repayments and interest charges due from the approved housing body may be fully waived, provided the approved housing body continues to comply with the terms and conditions of the Scheme and the mortgage deed contract signed with the local authority. Full details of the terms and conditions of the Scheme are provided in this Part and the other Parts of this Memorandum, including the funding limits allowed under the Scheme.

- 4.3 A housing authority may make a loan under Section 6 of the Housing (Miscellaneous Provisions) Act, 1992 to a body approved under that section (see Part 2 of this Memorandum) for the provision by the body of accommodation for letting to eligible categories of persons under the terms of the Capital Assistance Scheme. Funds for the making of such loans are provided by way of grants to the housing authority by the Department of the Environment and Local Government under Section 15 of the Housing Act, 1988 (as amended by the 1992 Act).
- 4.4 In these guidelines accommodation is classed as Category I, Category II or Category III for the purposes of the Capital Assistance Scheme. Category I relates to accommodation designed for 1 or 2 persons. Category II relates to larger family-type dwellings designed for occupation by 3 or more persons and Category III relates to serviced residential caravan parks (halting sites) for Travellers, as defined in section 13 of the Housing Act, 1988 amended by section 29 of the Housing (Traveller Accommodation) Act, 1998.(see also Part 7, Paragraph 7.5).

The maximum grant paid by the Department to a housing authority under Section 15 of the Housing Act, 1988 to fund loans to approved housing bodies under the Capital Assistance Scheme for construction, purchase, renovation or refurbishment work is 95% of the approved cost (for works commenced on or after 18th July, 2001) in the case of accommodation provided for all eligible persons including homeless persons (as defined in Section 2 of the Housing Act, 1988) elderly persons or persons with disabilities. (See Paragraph 4.6 in relation to site costs).

The maximum grant funding specified for Category III accommodation may be up to 100% of the approved cost subject to the limits specified in Paragraph 4.15.

A higher level of capital assistance is available in the administrative areas of the five City Councils and in the administrative counties of Fingal, Dun Laoghaire-Rathdown and South Dublin. These higher levels of maximum assistance are listed in Paragraph 4.15.

A special level of capital assistance funding is also available for accommodation provided on the offshore islands as listed in Appendix 4 of this Memorandum. The maxima for this special level of assistance are also listed in Paragraph 4.15.

These maximum grants are subject to the funding limits specified in Paragraph 4.15 for each unit of accommodation. However the Minister for the Environment and Local Government may be prepared to approve a higher loan limit for an individual project where particular circumstances exist.

4.5 (i) **Eligible Persons for Housing Accommodation under the Scheme**

A loan to an approved housing body under the terms of the Capital Assistance Scheme may only be made by a housing authority if it is satisfied that the accommodation is being provided to meet housing needs in the area and that at least 75% of the dwelling units being provided, excluding any caretaker / welfare accommodation, will be used as the main place of residence for:

- (a) persons whose need for accommodation has been included in a local authority's most recent assessment of housing needs under Section 9 of the Housing Act, 1988, or have been accepted for inclusion in the next such assessment. In this connection, it should be noted that it is open to a local authority at any stage to make a determination that a person has been accepted for inclusion in the next assessment of housing needs, i.e., to include persons in need of housing or re-housing, including single parents in need of housing or victims of desertion or family violence;
- (b) homeless persons as defined in Section 2 of the Housing Act, 1988;
- (c) tenants, or tenant purchasers, of houses provided by a housing authority who provide the authority with vacant possession of the house by surrendering the tenancy or by conveying the house without compensation to the housing authority;

- (d) elderly emigrants returning to reside in this country - see Paragraph 4.5(ii) for details of allocations to emigrants.

The Scheme is not intended for the provision of residential care or nursing home accommodation, or for the accommodation of persons under the age of 18, except couples or single parents with children.

4.5 (ii) **Accommodation for returning emigrants**

Under the terms of the Capital Assistance Scheme accommodation may be provided by approved housing bodies for elderly emigrants returning to reside in the State. (The existing provision of the Scheme under which 25% of accommodation in a project may be allocated to persons, including emigrants, freely nominated by the approved housing body will continue to apply). Under the Scheme, up to 25% of accommodation in a project can be made available for allocation to elderly emigrants returning to this country from abroad who satisfy the eligibility criteria [see (a) below]. The conditions of the Scheme set out in Paragraph 4.5(i) apply to the balance of accommodation in a project.

Emigrants allocated accommodation under the terms of the Scheme will not have to satisfy the condition that they are included or have been accepted for inclusion in the housing authority assessment of housing need. Instead, compliance with specified conditions in relation to their present circumstances [see (a) below] and inclusion in the Safe Home waiting list [see (b) below] will be a requirement.

Where a project makes no provision for the accommodation of returning emigrants, the terms of the Capital Assistance Scheme, set out in Paragraph 4.5(i) will apply to allocations in that project (at least 75% of the accommodation in the project must be allocated to persons who have been included or have been accepted for inclusion in the housing authority assessment of housing need, homeless persons etc.).

Emigrants allocated accommodation under the terms of the Scheme will become tenants of the approved housing body undertaking the project in the normal way. The tenants will also be subject to the conditions of the Capital Assistance Scheme.

(a) Eligibility criteria for emigrants under amended Scheme

To qualify for accommodation provided under the amended terms of the Scheme, applicants must be elderly persons who emigrated from the State to another country and:

- be on the Safe Home waiting list [see (b) below] and intend returning to this country, and
- be either in existing social housing (e.g. housing authority, housing association, etc) or private rented accommodation in their country of residence, and
- their circumstances must be such that they could not provide suitable accommodation for themselves out of their own resources on their return.

(b) Assessment of applicants for accommodation

The Safe Home Programme, St Brendan’s Village, Mulranny, County Mayo will act in a co-ordinating role for emigrants wishing to return. It will assess eligibility of applicants for accommodation under the Scheme, compile a list of emigrant applicants for accommodation who satisfy the eligibility criteria [see (a) above], and prioritise the applicants on the list. Safe Home will liaise with relevant individual approved housing bodies in relation to accommodation for persons on the list seeking accommodation in particular areas.

(c) Procedure

The relevant approved housing body will select suitable candidates from the Safe Home waiting list in consultation with Safe Home. The housing authority will have clear rights of consultation in relation to the granting of tenancies. Where accommodation provided under the amended

terms of the Scheme is vacated by a returned emigrant, the re-letting should be offered to another candidate on the Safe Home list, where appropriate.

Housing authorities should facilitate approved housing bodies which propose to accommodate emigrants within the terms of the Scheme, as amended, in projects being undertaken by them.

4.6 **Site Costs**

In housing projects commenced on or after 21st October, 1999 additional grants to housing authorities for the funding of higher loans to approved housing bodies, up to 100% of the site cost are available, where the site is acquired by the approved housing body, subject to the relevant maximum amount per unit of accommodation. The limits for grant assistance towards the cost of sites are set out in Paragraph 4.15 (See also Part 3, Paragraphs 3.9 - 3.15 for guidance in relation to other aspects of costs which may be included in applications for grants towards site costs).

A breakdown of costs as between the site and the other housing accommodation costs should be shown on the CAS application form.

4.7 **Types and Standards of Accommodation**

Part 7 of this Memorandum – **Technical Guidelines for Accommodation Provided by Approved Housing Bodies** – provides details of the minimum floor areas and related standards required for the approval of the various categories of housing accommodation for funding under the Capital Assistance Scheme. Such accommodation may take the form of:

- non-self contained accommodation with shared communal facilities (i.e., bed-sitter accommodation in group homes, hostels, etc),
- self-contained 1 and 2 person dwelling units (apartments or houses),

- self-contained family size dwelling units (apartments or houses),
- caravan-parking bays in halting sites for Travellers.

The housing accommodation may be provided by way of construction of new buildings or houses, purchase of houses or renovation, conversion and refurbishment of an existing building. Approved housing bodies are expected to comply with the Technical Guidelines set out in Part 7 of this Memorandum and the current Building Regulations. However, in applying the Technical Guidelines housing authorities should adopt a reasonably flexible approach in the light of the particular circumstances of individual projects.

4.8 **Caretaker / Welfare Accommodation**

The provision of self-contained residential accommodation for a caretaker or a person providing welfare services as an integral part of a project may qualify for capital assistance as a separate dwelling unit. In such cases the amount of the assistance may not exceed the highest amount payable in respect of any one of the other units of accommodation in the project. Capital assistance up to 100% of the approved cost, subject to the maxima specified for family size dwellings in Paragraph 4.15, is also available for a single accommodation unit for a caretaker in a halting site project for Travellers.

4.9 The Capital Assistance Scheme is not intended for the provision of nursing home or similar accommodation where residents would require extensive medical, nursing or institutional type care. However, some housing projects for persons with mental disabilities or handicaps require a higher ratio of carers to residents than a single caretaker unit of accommodation. These projects may proceed on the basis of shared funding assistance to the approved housing body between the housing authority and the relevant health board for the area in which the project is located. A housing authority may assist an approved housing body with the provision of housing accommodation for eligible persons and a single accommodation unit for a caretaker or person providing welfare services. The Department of Health and Children will provide additional funding assistance through the health board for the extra accommodation required for

carers on the same general terms as the Capital Assistance Scheme. The accommodation for carers may include self-contained dwelling units or non-self-contained accommodation shared with the residents.

- 4.10 In projects where accommodation is to be provided for extra carers and for persons eligible for housing under the Capital Assistance Scheme the capital contributions should be divided based on the proportion of eligible persons and carers, having regard to the fact that a housing authority may assist towards the cost of one caretaker accommodation unit.

For example, if five persons with mental handicap and five carers were to share a house, the capital contributions would be divided 60:40 between the housing authority and the health board ie. the housing authority contribution would assist the provision of 6 units - 5 for persons in need and 1 caretaker unit.

- 4.11 Where an application for funding under the Capital Assistance Scheme, for a housing project to provide accommodation for eligible mentally handicapped persons which also appears to require accommodation for extra carers, is submitted to a housing authority, the authority should, in the first instance, consult with the relevant health board. When it has been confirmed that the accommodation for carers will qualify for the additional funding from the health board, the project may be submitted to the Department of the Environment and Local Government for approval.

- 4.12 Where such a project is being assisted under joint-funding arrangements, the approved housing body should be required to enter into an agreement with the housing authority creating a mortgage on the property in respect of both the loan advanced under the Capital Assistance Scheme and the additional financial assistance provided by the health board. The exercise, in such instances, of the usual powers of the housing authority mortgagee in the event of a breach of any of the conditions of the loan agreement by the approved housing body would necessarily be subject to consultation with the health board. This joint funding arrangement will apply to a small number of housing projects providing accommodation for eligible persons with mental handicap where a high ratio of on-site carers is required to ensure the success of the project.

(See also Part 3, Paragraph 3.7 regarding the involvement of health boards in projects of this nature).

4.13 **Additional Borrowings by Approved Housing Bodies**

In order to facilitate an approved housing body in raising additional finance, otherwise than from the housing authority, to:

- (a) supplement a loan made by the authority under the Capital Assistance Scheme, or
- (b) meet the cost of carrying out necessary works of improvement or maintenance to an existing housing project in respect of which such a Capital Assistance loan has previously been made, the housing authority may agree that a mortgage in respect of such additional borrowed finance may take priority over the mortgage in relation to the Capital Assistance loan advanced by the authority. Before agreeing to such an arrangement in any case, the authority should satisfy itself that:
 - (i) there are reasonable grounds, directly associated with the provision of the accommodation, or the carrying out of works of improvement or maintenance, for the raising of the additional borrowings;
 - (ii) the approved housing body will be in a position to meet all the loan repayments and interest charges arising therefrom, and
 - (iii) total borrowings, including those due to the housing authority by the approved housing body in respect of the particular project, do not exceed:
 - in the case of a new project, the approved cost for the purposes of the Capital Assistance Scheme, or

- in the case of works of improvement or maintenance to an existing project, the current market value of the property.

4.14 **Statements of Loan Accounts**

The housing authority should at least once in each calendar year in respect of each project funded issue to the approved housing body a Statement of the original amount borrowed under the Scheme, any adjustments made thereto by way of additional borrowings, the amounts of the interest charges applied together with the loan repayments credited to the mortgage account by way of the waiver in the terms of the Scheme and the balance of the mortgage loan outstanding as on the date of issue of the statement.

4.15 Capital Assistance Scheme / Maximum Loan Amounts

The maximum levels of Capital Assistance - payable to approved housing bodies towards the cost of providing dwellings applicable to projects commenced* on or after the 1st January, 2002 together with the maximum levels applicable to schemes which commenced before the 1st January, 2002 are as follows: -

ORDINARY LEVEL OF ASSISTANCE	Previous Limit	Revised Limit
• One and Two Person Units	€88,882 (£70,000)	€88,900 (£70,014)
• Family Type Houses and Bays for accommodation of Travellers	€107,928 (£85,000)	€108,000 (£85,057)

HIGHER LEVEL OF ASSISTANCE

Higher levels of Capital Assistance are available in the five City Council areas (Dublin, Cork, Limerick, Galway ,Waterford) and in the areas of Fingal, Dun-Laoghaire Rathdown and South Dublin County Councils, as follows: -

	Previous Limit	Revised Limit
• One and Two Person Units	€120,625 (£95,000)	€120,700 (£95,059)
• Family Type Houses and Bays for accommodation of Travellers	€139,671 (£110,000)	€139,700 (£110,023)

SPECIAL LEVEL OF ASSISTANCE (DESIGNATED ISLANDS) – See Appendix 4

Special levels of assistance are available for dwellings provided in certain designated offshore islands, as follows: -

	Previous Limit	Revised Limit
• One and Two Person Units	€114,276 (£90,000)	€114,300 (£90,019)
• Family type Houses and Bays for accommodation of Travellers	€120,625 (£95,000)	€120,700 (£95,059)

ASSISTANCE TOWARDS SITE COSTS

Additional maximum amounts of Capital Assistance are available towards acquisition by approved housing bodies of sites, as follows: -

	Previous Limit	Revised Limit
Five City Council areas, Fingal, Dun-Laoghaire Rathdown and South Dublin County Council areas	€38,092 (£30,000)	€38,100 (£30,006) per dwelling unit, or the cost of the site apportioned per dwelling whichever is the lesser.
All other areas	€31,743 (£25,000)	€31,800 (£25,045) per dwelling unit, or the cost of the site apportioned per dwelling, whichever is the lesser.

*Where construction work had commenced or in the case of purchases to purchases contracted or contracts entered into.

Part 5

Terms and Conditions for Loans to Approved Housing Bodies under the Capital Loan and Subsidy Scheme (LSS)

Statutory provisions for payments of loans and subsidies

Eligibility of persons, loan amounts, site costs, communal facilities

Payment/claims of loan subsidy

Statements of loan accounts

Funding limits/maximum amounts, extensions

PART 5

5. TERMS AND CONDITIONS FOR LOANS TO APPROVED HOUSING BODIES UNDER THE CAPITAL LOAN AND SUBSIDY SCHEME

5.1 Statutory Provisions

Section 6 of the Housing (Miscellaneous Provisions) Act, 1992 and Section 15 of the Housing Act, 1988 comprise the statutory basis for the scheme of Capital Loans and Subsidy for the provision of housing accommodation by approved housing bodies. This part of the Memorandum consolidates and supersedes Circulars HRT 9/95 and 12/99 and, insofar as they relate to the scheme known as the Rental Subsidy Scheme, Circulars HGS 10/97 and 3/98, Circulars VHU 1/99, 1/00, 2/00, 1/01, 2/01, 4/01,6/01, 1/02 and Circular H 05/00.

The scheme was introduced in 1991 as a pilot programme to assist approved housing bodies in the provision of self-contained rented accommodation for low-income households in need of housing and is being continued now on a permanent basis in accordance with the terms outlined in this circular. The Scheme has been simplified and it is now known as the Capital Loan and Subsidy Scheme (LSS). The subsidy was previously described as a “rental subsidy” because the amount of the subsidy met the difference between the income related rents paid by qualified tenants and the amount of the loan repayments and interest charges attributed to each dwelling in a housing project. It is now a subsidy credited directly to the approved housing body’s mortgage loan account on a per housing project basis, irrespective of the tenants’ incomes.

5.2 The Capital Loan and Subsidy Scheme provides primarily for the payment of a mortgage loan by a housing authority to an approved housing body towards the approved costs incurred in providing rental dwellings from funds advanced by the Housing Finance Agency, subject to the sanction of the Department of the Environment and Local Government. The terms of the Scheme provide that the Department may pay a Subsidy towards the full amount of the loan repayments and interest charges incurred by the approved housing body (credited directly by the

housing authority to the approved body's mortgage loan account), subject to continued compliance by the approved housing body with the terms of the Scheme. Full details of the terms and conditions of the Scheme, including arrangements for payment of a management and maintenance allowance to the approved body and the payment of rents related to household incomes by qualified tenants are set out in this Part and the other Parts of this Memorandum.

5.3 A housing authority may make a loan under Section 6 of the Housing (Miscellaneous Provisions) Act, 1992 to a body approved under that section (see Part 2 of this Memorandum) for the provision by the body of accommodation for letting to households under the terms of the Capital Loan and Subsidy Scheme, 75% of whom, in any particular project, are qualified for local authority housing.

5.4 The amount of the loan, which is funded from monies advanced to the housing authority by the Housing Finance Agency, subject to the sanction of the Department of the Environment and Local Government, may be up to 100% of the cost of the provision of all the dwellings in a project provided that:

- (a) the costs have been approved by the housing authority,
- (b) the amount of the loan does not exceed the maximum amounts for each dwelling unit specified in Paragraph 5.13.
- (c) 75% of the dwellings are let to households that are qualified for local authority housing.

The Minister for the Environment and Local Government may be prepared to approve a higher loan limit for an individual project where particular circumstances exist.

5.5 Account should be taken of the costs set out in Paragraph 3.9 (i) to (iv) when calculating the maximum amount of the loan that may be advanced to an approved housing body

Where site costs are included in a project, the unit cost per dwelling for which the loan is sought may be increased by an amount up to the relevant limit for the additional assistance towards the site costs referred to in the Paragraph 5.13, or the cost of the site as apportioned to the dwellings, whichever is the lesser.

See also Part 3, Paragraphs 3.10 - 3.15 for guidance in relation to other aspects of costs which may be included in applications for additional loan amounts towards site costs.

5.6 Types and Standards of Accommodation

The Capital Loan and Subsidy Scheme is intended to encourage and assist the provision of family size self-contained dwelling units. However, a mix of houses / apartments to meet different household sizes and needs may be included in projects funded under the Scheme. Approved housing bodies are expected to comply with the Technical Guidelines applicable to self-contained dwellings set out in Part 7 of this Memorandum and the current Building Regulations. However, in applying the Technical Guidelines housing authorities should adopt a reasonably flexible approach in the light of the circumstances of individual projects.

5.7 Communal Facilities

The provision of communal facilities as part of a housing project funded under the Capital Loan and Subsidy Scheme may be allowed in the overall project cost subject to the maximum allowance per housing unit shown in Paragraph 5.13. This allowance is in addition to the maximum loan amounts per dwelling unit and is added to the overall loan advanced to the approved housing body. Approved housing bodies are expected to consult with the housing authority in regard to whether the provision of communal facilities is warranted or feasible in particular projects having regard to cost and other considerations such as tenants' welfare, facilities for meetings and local estate/apartment block management, equipment requirements, etc., prior to submitting funding applications.

5.8 Payment of Loan Subsidy

Approved housing bodies may qualify for a subsidy, paid by the housing authorities and recouped to them by the Department of the Environment and Local Government, to meet the full amount of the repayments and loan charges incurred in providing dwellings under the terms of the Capital Loan and Subsidy Scheme, provided that:

- (i) the dwellings and any related communal facilities forming part of a project are approved by the housing authority, and
- (ii) the dwellings are let to households qualified for local authority housing.

5.9 Where the circumstances of a sitting or existing tenant and his/her spouse or joint tenants, as the case may be in any year after the commencement of the tenancy, changes to such an extent that they would no longer qualify for local authority housing, the subsidy towards the loan repayments and interest charges incurred by the approved housing body will continue to be paid by the Department.

5.10 **Claims for Payment of the Loan Subsidy**

The loan subsidy year runs from 1st July to 30th June. The amount of the twice yearly loan repayment and interest charges due in respect of the borrowings advanced by the Housing Finance Agency (H.F.A.) to fund the loans paid by the housing authorities under the Capital Loan and Subsidy Scheme will be recouped by the Department to housing authorities, thereby relieving the approved housing bodies of this charge. A claim for payment of this subsidy should be made on the LSS 3 form, (as set out in Appendix 1) for 100% of the loan charges billed to the housing authority and sent to Housing Grants Section, Department of the Environment and Local Government, Government Offices, Ballina, Co. Mayo, as soon as the H.F.A. advises the housing authority of the amount due. If there are any dwellings in a project, funded under this Scheme, let to households which are not qualified households within the terms of the Scheme, the amount of the subsidy towards the loan charges claimed from the Department must be proportionately reduced.

5.11 **Statements of Loan Accounts**

The housing authority should at least once in each calendar year, in respect of each project, issue to the approved housing body a Statement of the original amount borrowed under the Scheme, any adjustments made thereto by way of additional borrowings, the amounts of the interest charges applied and loan repayments credited to the mortgage account from the Department's subsidy and the balance of the mortgage loan outstanding as on the date of issue of the statement.

- 5.12 The terms and conditions set out in the relevant paragraphs of Part 3 (General Provisions), Part 7 (Technical Standards) Part 8 (Contract Procedures and Tenders) and Part 9 (Management, Letting Policies, Rents and Maintenance) also apply to the Capital Loan and Subsidy Scheme.

5.13 Capital Loan and Subsidy Scheme / Maximum Loan Amounts

The maximum levels for loans under the Capital Loan and Subsidy Scheme to approved housing bodies towards the cost of providing dwellings applicable to projects, commenced* on or after the 1st January, 2002, together with the maximum levels applicable to schemes which commenced before the 1st January, 2002 are as follows: -

ORDINARY LEVEL OF LOAN AMOUNT	Previous Limit	Revised Limit
Family type houses and Bays for Travellers	€107,928 (£85,000)	€108,000 (£85,057)

HIGHER LEVEL OF LOAN AMOUNT

Higher maximum loan amounts are available for dwellings provided in the five City Council areas (Dublin, Cork, Limerick, Galway, Waterford) and in the areas of Fingal, Dun-Laoghaire Rathdown and South Dublin County Councils, as follows:-

	Previous Limit	Revised Limit
Family type houses and Bays for Travellers	€139,671 (£110,000)	€139,700 (£110,023)

SPECIAL LEVEL OF LOAN AMOUNTS (Designated Islands – see Appendix 4)

Special maximum loan amounts are available for dwellings provided in certain designated offshore islands, as follows:-

	Previous Limit	Revised Limit
Family type houses and Bays for Travellers	€120,625 (£95,000)	€120,700 (£95,059)

FUNDING FOR COMMUNAL FACILITIES

Additional loan finance up to €5,800 (£4,567) per unit of residential accommodation in a project is available.

ASSISTANCE TOWARDS SITE COSTS

Additional maximum amounts of Loan assistance are available towards the acquisition by approved housing bodies of sites, as follows:-

	Previous Limit	Revised Limit
Five City Council areas and Fingal, Dun-Laoghaire Rathdown South Dublin County Council areas	€38,092 (£30,000)	€38,100 (£30,006) per dwelling unit, or the cost of the site apportioned per dwelling, whichever is the lesser.
All other Areas	€31,743 (£25,000)	€31,800 (£25,045) per dwelling unit, or the cost of the site apportioned per dwelling, whichever is the lesser.

5.14 Extensions

Where, in the opinion of an approved housing body, an extension to a Capital Loan and Subsidy Scheme dwelling is necessary, an application may be made through the housing authority for an increase in the loan approved for the particular project. The approved housing body should first of all investigate all possible alternatives to meet the accommodation requirements of the family concerned. Tenants should not be required to fund or contribute to the funding of an extension to any dwelling which they occupy.

Part 6

Grants for Communal Facilities

Provision for grants towards communal welfare facilities under the National Lottery Act

Eligibility requirements for projects

Range of facilities which may be funded/usage of facilities

Application and approval procedures

Payments to meet construction works in progress

Maximum grant amounts

PART 6

6. GRANTS FOR COMMUNAL FACILITIES

6.1 Grants are payable to approved housing bodies, independently of the capital funding schemes for the provision of housing accommodation, under the National Lottery Act, 1986 towards the capital cost of building or installation of communal facilities in new or existing housing projects. The capital cost of acquisition, conversion, renovation and refurbishment of an existing building for use as a communal facility will also be eligible for assistance under the scheme.

This part of the Memorandum supersedes Circulars VHU 2/01 and 6/01 insofar as they relate to communal facilities.

6.2 In order to qualify for a grant at least 75% of the occupants of the dwellings in the project must be:

- (a) persons whose need for accommodation has been included in a local authority's most recent assessment of housing needs under Section 9 of the Housing Act, 1988 or who have been accepted for inclusion in the next such assessment;
- (b) homeless persons as defined in Section 2 of the Housing Act, 1988;
- (c) tenants or tenant/purchasers of houses provided by a housing authority who provide the authority with vacant possession of the house by surrendering the tenancy or by conveying the house without compensation to the authority;
- (d) elderly emigrants returning to reside in this country - see Paragraph 4.5(ii).

- 6.3 Eligible works for grant assistance may include communal dining and kitchen areas, sitting and recreation/activity rooms, laundries, accommodation for therapy or treatment or other facilities reasonably required to improve the occupants' living conditions.
- 6.4 Housing authorities are responsible for determining if an application complies with the qualifying conditions. The grants are sanctioned by the Department of the Environment and Local Government within the limits of the funds available on the basis of the recommendations received from housing authorities. A housing authority must be satisfied that an application comes within the terms of Paragraphs 6.1, 6.2, 6.3 above and is appropriate to the needs of the occupants of the housing project. The purposes for which the communal facilities are intended, the nature of the services proposed and the budget arrangements for operating them are relevant criteria in this regard.
- 6.5 The housing accommodation to which the communal facilities are being added need not, itself, have been the subject of financial assistance under the Capital Assistance Scheme or the Capital Loan and Subsidy Scheme. Bodies already involved in the management of existing or new housing projects with occupants who come within the criteria set out in Paragraph 6.2 may seek approved status under Section 6 of the Housing Act, 1992 for the purpose of seeking this grant.
- 6.6 However, a grant cannot be paid for communal facilities under this Scheme if the same communal facilities have already been financed under the Capital Assistance Scheme (i.e. shared communal facilities such as kitchen/dining rooms provided with bedsitter units) or in respect of communal facilities provided under the Capital Loan and Subsidy Scheme. Accordingly, in determining the amount of grant payable in any case, housing authorities should ensure that any funding allowances made for communal facilities provided under the other Capital Funding Schemes are taken into account.
- 6.7 Where it is practicable and compatible with the needs of occupants in the approved housing body's housing accommodation, housing authorities should seek to have communal facilities used to serve local community needs (e.g., meals-on-wheels, recreation and social services etc). Consultation between the housing authority, the approved housing body and the relevant health

board should contribute towards optimum utilisation of the communal facilities and avoid duplication of services.

- 6.8 Approved housing bodies seeking the grant for communal facilities should complete two copies of form CF1 in Appendix 1, one copy of which should be sent to the relevant housing authority and the second copy to the Housing Grants Section in the Department of the Environment and Local Government, Ballina, Co. Mayo.

It is essential that full and accurate details of the communal facilities and the location/address are provided and that the application form is signed by two authorised officers of the approved housing body.

Where the communal facilities are associated with the provision of new housing accommodation which is the subject of a current application for funding under the Capital Assistance Scheme or the Capital Loan and Subsidy Scheme, this should be clearly indicated on the application form.

Alternatively, if the communal facilities are to be associated with the provision of housing accommodation previously funded under one or other of the above Schemes, this should be clearly indicated on the application form at the appropriate place.

- 6.9 It will also be necessary for the approved housing body to provide a separate indicative Cost Plan for the communal facilities associated with a housing project, which is the subject of an application under the Capital Funding Scheme/s for the provision of the housing, when making an application for the communal facilities grant.
- 6.10 Housing authorities are expected to acknowledge receipt of any applications made under the Scheme within 5 days, having checked the application to ensure all the necessary information is included and/or to promptly notify the approved housing body of any query relating thereto. Such applications should normally be dealt with in parallel with any other application for Capital funding towards the provision of housing accommodation.

6.11 A decision in relation to the approval by the housing authority of an application should normally be notified to the Department (Form CF2 should be completed and forwarded by the housing authority to the Department of the Environment and Local Government – Housing Grants Section, Ballina) and the approved housing body within **21** days of the receipt of the application. If a decision is made to postpone or refuse the application, the approved housing body should be promptly notified and the reasons given in writing. A copy should also be sent to the Housing Grants Section in the Department.

Since funds for the payment of grants are limited, approval to a grant in respect of individual proposals should not be issued by the housing authority until specific authorisation is conveyed by the Department to the authority. In this connection, it is important that applicant bodies are made aware that the acceptance or approval of an application by a housing authority does not imply any assurance that a grant will be forthcoming.

The conditions applying to the grant should be clearly stated to any organisation notified of grant approval. Authorities should specify that the grant is coming from National Lottery funds and the approved housing body should be asked to acknowledge this in their own promotional material and to consider, where appropriate, the use of suitable signage to that end.

The Department will notify the housing authority and the approved housing body on the same date of its sanction or otherwise of an application received from the housing authority under the Scheme.

6.12 The amount of the grant approved may be drawn down to meet the certified or vouched costs incurred by the approved housing body in providing the communal facilities. Efforts should be made to ensure that the grant amount, or instalments thereof, are made available to the approved housing body as the certified costs arise. Housing authorities should complete Form CF3 (Appendix 1) to draw down the grant.

6.13 It should be noted that this is a non-repayable grant and should not form part of the mortgage loan amount for housing accommodation provided under the other Schemes. Housing authorities however, should monitor activity to ensure that funds drawn down are used for the purpose approved. Approved housing bodies should be advised that they may be called upon to supply certification of expenditure or annual accounts and to provide information to the Comptroller and Auditor General if requested.

6.14 Subject to approval and availability of funds, the grants for communal facilities will be up to:

- (i) 95% of the approved cost of the works, or
- (ii) a total equivalent to €5,800(£4,567) for each unit of living accommodation.

Part 7

Technical Guidelines for Accommodation Provided by Approved Housing Bodies using the Capital Funding Schemes

General guidelines

General design approach: site selection and social housing design standards

Floor areas in CAS and LSS projects

Construction standards, building regulations, materials, maintenance

Accommodation for special needs

Shared communal facilities, fire safety

Accommodation for elderly and people with disabilities

PART 7

7. TECHNICAL GUIDELINES FOR ACCOMMODATION PROVIDED BY APPROVED HOUSING BODIES USING THE CAPITAL FUNDING SCHEMES

GENERAL

- 7.1. This Part of the Memorandum provides guidelines as to the types of dwelling accommodation, minimum floor areas, standards for communal facilities, construction standards etc., which qualify for funding under the Capital Assistance Scheme and the Capital Loan and Subsidy Scheme. These guidelines are mainly intended for new buildings (houses and apartments) but, in so far as is practicable, they should also be applied to the refurbishment or conversion of existing buildings.
- 7.2 A flexible approach should be adopted by housing authorities in securing full compliance with these guidelines, particularly in cases where difficulties may be encountered due to the size or shape of an infill building site or arising from the particular circumstances involved in the refurbishment or conversion of an existing building. However, in all cases compliance with the current Building Regulations must be ensured.
- 7.3 The application forms for funding under the relevant Scheme require that details be provided of the type and purpose of the accommodation, the number of dwelling units, communal facilities if any and amenities etc. Two copies of the drawings and specifications, sufficient to show general compliance with these guidelines, (e.g., sizes of rooms) together with two copies of an estimate indicating the all-in cost (including site costs, building costs, fees, etc.) of the project should be submitted with the relevant application forms for the particular Scheme/s under which capital funding is being sought (see also Part 3, Paragraph 3.20).

7.4 **General Design Approach**

Housing projects should be designed in accordance with the proper planning and sustainable development of the area in which they are located. In the consideration or selection of sites reference can be made to:

- Social Housing Guidelines / Site Selection

published by the Department of the Environment and Local Government. Where possible advantage should be taken of suitable locations in central areas or settled residential areas, particularly when providing housing for elderly persons, in order to take advantage of existing services and facilities.

The general approach to the design of projects should be in accordance with the guidance given in “Social Housing Design Guidelines” published by the Department of the Environment and Local Government. Housing designs and layouts should take cognisance of the existing character and environment of the area. Attention should be paid to dwelling and room orientation in order to take advantage of sunlight/heat gain and views as far as possible.

In the case of non-self-contained housing accommodation with shared communal facilities (e.g., Category I accommodation as outlined in Paragraph 7.5) care should be taken to avoid an institutional atmosphere in the design approach.

7.5. **Capital Assistance Scheme**

The following guidance on floor areas applies to the various types of accommodation provided under the **Capital Assistance Scheme** is classified as follows:-

CATEGORY I

Bed-Sitting Room area : **21 m²**
Kitchenette area : **3 m²**

Type D One Person Separate Single Bedroom Dwelling with kitchenette and own bathroom included

Living/Dining Room area : **11 m²**
Kitchenette area : **5 m²**
Separate Single Bedroom : **7.4 m²**

Type D Two Person Separate Double Bedroom Dwelling with kitchenette and own bathroom included

Living/Dining Room area : **13 m²**
Kitchenette area : **7 m²**
Separate Double Bedroom Area : **10.2 m²**

CATEGORY II

Family Type Self-Contained Dwellings for Three or More Persons

- Three Person Two Bedroom Dwelling

Living area (including kitchen)

- **main room** : **not less than 13 m²**
- **Total area** : **25 m²**

One Double Bedroom area : **not less than 10.2 m²**

One Single Bedroom area : **not less than 6.5 m²**

(total bedroom area not exceeding 19 m²)

Plus own bathroom

- Four Person Two Double Bedroom Dwelling

Living area (including kitchen)

- **main room** : **not less than 13 m²**
- **Total area** : **26 m²**

Two Double Bedroom area : **not less than 10.2 m² per bedroom**

(total bedroom area not exceeding 22.7

m2)

Plus own bathroom

- Five Person Three Bedroom Dwelling

Living area (including kitchen)

- main room : not less than 15m2

- Total area : 29 m2

Two Double Bedroom areas : not less than 10.2 m2 per bedroom

One Single Bedroom area : not less than 6.5 m2

(total bedroom area not exceeding 29.2 m2)

Plus own Bathroom

Room sizes should normally comply with the Guidance set out above. However, maximum flexibility should be allowed to the designer (consistent with the Building Regulations) to ensure that the design of the accommodation is appropriate to the needs of the intended occupants.

CATEGORY III

- Parking Bays in Residential Caravan Parks for Travellers

Specifications for the design and layout of this type of accommodation is made available in the Department of the Environment and Local Government's Circular TAU 3/97 – *Guidelines for Residential Parks for Travellers*.

7.6 Capital Loan and Subsidy Scheme Dwellings

In these guidelines, housing accommodation provided under the Capital Loan and Subsidy Scheme must be as follows:-

- each dwelling unit must be self - contained with its own kitchen/cooking, bathroom and W.C. facilities, either in the form of a house or apartment;
- the total floor area of a dwelling unit must be at least 38m² and not more than 110m². The floor area of a dwelling is the gross area inside the finished external walls of the building including all internal walls and partitions;
- dwellings should be well laid out and be of good design with rooms of reasonable size and shape. Guidance on floor areas for bedrooms and other rooms is given in Para. 7.5 and in the Design Guidelines for Social Housing published by the Department of the Environment and Local Government.

7.7 Construction Standards, Materials and Finishes / Maintenance

Responsibility for ensuring that projects are properly designed and constructed, rests with the approved housing body. Social Housing Design Guidelines (referred to in Paragraph 7.4) provide information about appropriate standards for space provision, energy efficiency, access and circulation, safety, security, electrical services, sanitary facilities, sewage disposal, water supply, space heating and hot water. Approved housing bodies commissioning projects should have regard to the information and recommendations contained therein in providing instructions to the designers of their houses / buildings.

The design layout, materials and finishes should also, as far as possible, be selected to minimise maintenance running costs, taking due account of the need for economy in design specifications.

Approved housing bodies are responsible for ensuring that construction works and installations comply with current Building Regulations.

In regard to specifications for heating, it should be noted that in the cities of Dublin, Cork, Galway, Limerick and Waterford, the towns of Arklow, Dundalk, Wexford, Drogheda, Naas, Celbridge and Leixlip and certain areas of Dun Laoghaire Rathdown, Fingal, South Dublin, Kilkenny, Limerick, Clare, Meath, Wexford and County Cork are smoke control zones. In these areas the principal means of space and water heating in a house must be by means of electricity, gas, oil or a heating appliance which burns smokeless fuel.

7.8 Accommodation for Special Needs

Accommodation with special facilities appropriate to the particular needs of the intended occupants may be provided. Dormitory-type accommodation is not acceptable for grant aid under the Capital Assistance Scheme.

7.9 Accommodation Mix

A mix of various types of accommodation may be provided in any scheme.

7.10 Shared Communal Facilities

In the case of housing projects provided with non-self-contained accommodation and shared communal facilities, including grouped bathroom/sanitary facilities, the following guidelines apply:

- adequate kitchen facilities must be installed, with suitable cooking equipment for communal group meals, hygienic food preparation, storage and washing-up facilities;
- dining rooms for group meals should be designed with floor areas equivalent to 1.4 m² per resident/occupant;

- where individual own bathrooms/W.C.s are not provided, the grouped bathroom facilities should consist of one bath or shower per 8 occupants in the accommodation together with one W.C. (each with wash basin en suite) per 6 occupants. Where the housing accommodation is provided for elderly persons or persons with disabilities suitably designed W.Cs with washbasins per 4 occupants should be provided;
- other communal areas provided for recreation and welfare purposes may take the form of a number of smaller rooms to accommodate a variety of activities, rather than one or two large rooms. The recommended areas for communal recreational/welfare rooms are 2.4 m² per resident/occupant. Separate W.C./toilet facilities should be provided in association with any communal rooms. Compliance with Part M of the Building Regulations should be ensured;
- accommodation (which may also serve appropriate categories of persons in the general locality) for counselling, treatment/therapy, medical welfare and other community care services may also be desirable in some schemes. The need for and the suitability of such accommodation is a matter for the housing authority to determine in conjunction with the approved body and the health board;
- particular attention must be given to the need for adequate escape facilities in case of fire or other emergency, taking account of the particular circumstances of the prospective occupants, when designing non-self-contained accommodation with shared communal facilities or self-contained apartment type dwellings. There must be compliance with Part B of the Building Regulations in regard to fire safety with working fire and smoke detectors. Where necessary Fire Safety Certificates must also be obtained;
- it is recommended that a public telephone be installed in the communal areas of larger projects.

7.11 Accommodation for the Elderly and people with Disabilities

Particular care should be taken to ensure that accommodation for the elderly and people with disabilities is accessible and usable by those for whom it is intended. In particular, account should be taken of the recommendations contained in the publication “Buildings for Everyone” published by Comhairle.

In addition to the installation of an adequate fire and smoke detection alarm system in accommodation for elderly or disabled persons, provision should be made for linking the alarm or call system to the caretakers accommodation, or to a management office, if provided, or to a suitable control/response centre.

Part 8

Contract Procedures and Tenders

Principles of public procurement

Engagement of consultants, planning and design

Bills of quantities, contracts, competitive tenders, tender evaluation

EU tendering procedures

Acquisition, design and build, turnkey developments

Variations, extras, final accounts

Tax clearance

Disclosure of interest in contracts

PART 8

8. CONTRACT PROCEDURES AND TENDERS

8.1 In view of the significant investment of public funds in the housing projects undertaken by approved housing bodies under the Capital Assistance Scheme and the Capital Loan and subsidy Scheme, the need to obtain good value for money and the requirements of good practice in public accountability should be followed by approved housing bodies.

8.2 It is a basic principle of Government procurement that competitive tendering should always be used in publicly funded projects including those undertaken by approved housing bodies under the Capital Funding Schemes for voluntary housing projects. The broad principles of the procedures outlined in the booklet "Public Procurement" should be adhered to by approved housing bodies in the planning, tendering and construction of their housing projects. Housing authorities should advise and clarify the procedures involved for approved housing bodies, undertaking projects under the Capital Funding Schemes, where necessary. (Copies of the booklet "Public Procurement" may be obtained from the Government Publications Sales Office, Molesworth Street, Dublin 2). The booklet may be accessed through the Department of Finance website at www.irlgov.ie/finance. References in "Public Procurement" to "contracting authority" should be taken as a reference to the "approved housing body" and references to the Government Contracts Committee and funding / sanctioning authorities should be read as a reference to the housing authority in the area in which a housing project is proposed.

8.3 Engagement of Consultants

In the case of housing projects with an estimated value of less than €1,269,738 (£1,000,000) at the commissioning / assignment stage (excluding VAT), approved housing bodies may choose

to negotiate with one firm of consultants for the relevant parts of the work required (e.g., architecture/design or quantity surveying etc.) to arrive at a fee which is considered fair and reasonable taking account of the complexity of the work involved.

- 8.4 The approved housing body also needs to be satisfied that the firm(s) is suitably qualified professionally to carry out the work. If the approved housing body is not satisfied with the response of the firm chosen, negotiations should terminate and not be re-opened and the firm should be notified accordingly. Another firm should then be selected for the purpose of the negotiations with the same provisions applying as outlined above.
- 8.5 Fees for travelling and other incidental expenses should be computed and included as estimated costs added to the agreed fee. All expenses must be fully justified and recoupment of expenses to consultants should only be made where these are justified and necessarily incurred in the course of carrying out the work agreed with the approved housing body.
- 8.6 In the case of projects with an estimated value of €1,269,738 (£1,000,000) and over at the assignment/commissioning stage, subject to the fee value not exceeding the limits in the EU Services Directive, at least three suitable consulting firms should be selected in the first instance for the types of work required and submissions sought on the basis of an outline brief to ascertain the consultant's approach to the project, relevant experience and manning proposals and the general competence of the firm. The initial appointment may be for a preliminary report stage dealing with the feasibility, time scale and tentative programme for the project followed by the design stage and the construction stage. However, approved housing bodies may negotiate a single agreement with the appropriate fees covering all stages of this work related to the complexity of the project. If no agreement is reached with the firm chosen first, negotiations should terminate with that firm and the procedure outlined in Paragraph 8.4 applied.

In the case of projects with an estimated fee value of €249,681 (£196,639) or more the procedures required for the EU Services Directive must be followed.

8.7 For the purpose of commencing fee negotiations, the existing scale of fees and conditions of engagement as recommended by the professional bodies may be regarded as a useful guide in most cases. These fee levels are quoted by reference to the VAT exclusive cost of the project works.

8.8 **Planning and Design Procedures**

At the outset technical consultants should be advised of the need to take full account of the maximum Capital funding levels available and the technical standards as set out in the relevant Parts of this Memorandum. The design brief should also clearly indicate the approved housing body's requirements as far as possible and any constraints to be considered or taken into account by the consultants. It is essential that every effort is made to ensure that all aspects of the design and specifications are finalised before the housing project goes to tender in order to avoid increased costs later.

8.9 **Bills of Quantities**

It is advisable to have a bill of quantities prepared by a suitably qualified person, in order to itemise the materials and work which it is anticipated will be required for all but the smallest construction contract, say, below €761,843 (£600,000). This will enable the approved housing body to have a more direct insight into the pricing rates and impact of costs on the overall contract sum.

8.10 **Contracts**

Bodies should use the standard form of Agreement and Conditions of Contract for Building Work for use by Government Departments and Local Authorities (GDLA) (with or without quantities). Approved housing bodies should familiarise themselves with the provisions of the Contract before proceeding with its adoption and signing of same.

8.11 **Competitive Tender Procedures**

It is a matter for the approved housing body to ensure that the appropriate procedures for competitive tenders for construction contracts are adopted by:

- (i) either the open or restricted procedures for inviting tenders;
- (ii) in the case of restricted tendering a minimum of five firms, if possible, should be invited to tender.

The open tendering process involves an open advertisement under which all interested parties may tender. Advertisements should be placed in the national and, where appropriate, the local press. In the case of the restricted tendering system, tenders should be invited from firms identified, in a pre - qualification procedure, following a public advertisement in the national press and, where appropriate, the local press.

8.12 A valid tender is defined as any tender submitted in accordance with the normal instructions to tenderers, i.e., one which is received before the latest date for receipt of tenders, is without qualification, complies in all respects with the instructions issued to all tenderers and is not subsequently withdrawn. Value judgements made by the approved housing body as to the suitability or otherwise of a contractor on grounds of previous performance, technical capacity and experience, financial stability etc. do not affect the validity of the tender submitted though they may constitute reasons for not accepting that tender.

8.13 **Evaluation of Tenders**

Tenders should be generally evaluated according to the principle of best value for money. Contracts should be awarded on the basis of either the lowest suitable or the most economically advantageous tender.

Approval of the housing authority must be obtained in any case where the approved housing body proposes to pass over the lowest valid tender. In such cases the approved body must outline to the housing authority the reasons for non-acceptance of the lowest valid tender e.g.,

the factors which affect the suitability of the tender and the reasons why the tender may not be the most economically advantageous.

8.14 Fairness and impartiality must be demonstrated throughout the tender and selection process and the subsequent award of the contract. An approved housing body should not sign any construction contract depending on funding under one or other of the Capital Funding Schemes until it has received notification of the actual sanction of the funds and their availability.

8.15 **E.U. Competitive Tendering Procedures**

As approved housing bodies are organisations in receipt of over 50% of the cost of their projects from state sources, when finance is provided under the Capital Funding Schemes, there is a requirement that projects with an estimated value at the assignment / commissioning stage in excess of €6,242,028 (£4,915,996) would be subject to the relevant EU Directives for invitation of tenders, including the insertion of advertisements in the EU Journal. Advertisements in the EU Journal are usually supplemented by advertisements in the national press to ensure the widest possible competition. (See Part 2 of the booklet "Public Procurement" which sets out the procedure to be followed under the EU procurement regime).

8.16 **Acquisition, Design and Build Arrangements**

Approved housing bodies are permitted, under the terms of the Capital Funding Schemes to enter arrangements for the acquisition of suitable houses or the design and building of suitable houses/apartments for them. This is subject to satisfying the housing authority that such a project represents good value for the financial expenditure involved; would comply with the requirements of Part 7 (Technical Guidelines) of this Memorandum and achieve the purposes of the Capital Funding Scheme or Schemes under which a loan application is being made as set out in this Memorandum. In considering such applications housing authorities should then have regard to Part 3, Paragraph 3.13 - 3.15 and the procedures for dealing with applications in Paragraphs 3.20 – 3.23 of this Memorandum.

8.17 Turnkey Developments

Where an approved housing body is considering the provision of houses on a turnkey basis it should take into account the following guidance:

- the approved housing body should, to comply with public procurement requirements, advertise in the local or national newspapers, as considered appropriate, for suitable proposals;
- it should assess and evaluate responses received and, seek any information from the developer necessary to enable a decision to be made on a particular proposal;
- the evaluation process should include technical appraisal of the proposal for conformity with the requirements of Part 7(Technical Guidelines) of this Memorandum in relation to social housing e.g., suitability of design, accommodation standard of construction etc. Where there are significant deviations from these guidelines, which have obvious long-term estate management implications, such proposals should be avoided;
- it should assess the proposed cost of turnkey development against the estimated cost were such a scheme to be built by the approved housing body to establish if it represents reasonable value for money.

Housing authorities, when seeking funding sanction from the Department for such projects should include in their submission a description of the development (including necessary plans and specifications) and their evaluation of the proposal. The evaluation should include back-up information to indicate that:

- there is an identified housing need in relation to the waiting list for the particular area,
- the proposal has been positively evaluated from a technical/architectural perspective,
- the proposal represents reasonable value for money by reference to other benchmark costs in relation to other social housing developments or market values in the area (an independent evaluation of the project should be provided).

As in the case of normal construction projects, the appropriate contract and insurance arrangements must be in place to cover possible instances of failure to complete contract obligations.

8.18 Variations, Extras, Final Accounts

The prior approval of the housing authority is required to any extras, variations etc., except where:

- (a) their total accumulated cost does not exceed 5% of the contract sum; or
- (b) emergency action is required on health or safety grounds or for other urgent reasons. In such cases action should be taken without delay and the housing authority informed of the details as soon as possible

On completion stage of a project the approved housing body should submit details of any significant cost variations supported by the following information:

- the contract final account with the necessary technical report on any significant variations or contract sum adjustments.

8.19 Tax Clearance

Approved housing bodies are required to obtain details of the Contractor's current tax number and tax clearance as a pre-condition to the payment by a housing authority of an instalment of the capital funding sanctioned for a project. This should be done in advance of the award or commencement of a construction contract and be kept under review by the approved housing body. Details of the relevant numbers should be forwarded to the housing authority.

8.20 Disclosure of Interest in Contracts

Part 9

Terms and Conditions for Management, Lettings Policies, Rents and Maintenance of Dwellings Provided under the Capital Funding Schemes by Approved Housing Bodies

Responsibilities of approved housing bodies as owners and managers

Capital Assistance Scheme(CAS)/lettings policy requirements

Fixing of rents for CAS dwellings

Capital Loan & Subsidy Scheme(LSS)/lettings policy requirements

Fixing of rents for LSS dwellings, unemployment, disability

LSS management and maintenance allowance

Vacancies, insurance

Tenant involvement and participation

Financial accountability, separate accounts for capital, management and maintenance and services

Surrender of dwellings

PART 9

9. TERMS AND CONDITIONS FOR MANAGEMENT, LETTINGS POLICIES, RENTS AND MAINTENANCE OF DWELLINGS PROVIDED UNDER THE CAPITAL FUNDING SCHEMES BY APPROVED HOUSING BODIES

- 9.1 Approved housing bodies are the owners and have the responsibility for the proper management of their dwellings and for the operation of letting policies (tenancy allocations), fixing of rents, adequate repairs and maintenance systems to ensure the preservation of the dwellings and compliance with all relevant statutory regulations.
- 9.2 It is the responsibility of the governing body, management board of directors or trustees to ensure that policy procedures and administrative arrangements are in place to achieve compliance with the terms of the Scheme/s, best value in the approved housing body's repairs and maintenance operations and adequate financial control and accountability in respect of each housing project undertaken.
- 9.3 The housing authority senior officer designated to assist approved housing bodies should have suitable liaison arrangements in place to satisfy the housing authority that adequate compliance with the terms of the Capital Assistance Scheme and the Capital Loan and Subsidy Scheme is being achieved and that the investment made in the dwellings provided under the Scheme/s is being preserved.
- 9.4 **Capital Assistance Scheme/Lettings Policy Requirements**

An approved housing body must demonstrate to the housing authority that its letting policy will contribute to the greatest extent possible, within the terms of the Capital Assistance Scheme and

the objectives and capabilities of the approved body, to meeting the housing needs established by the housing authority under section 9 of the Housing Act, 1988.

9.5 A condition of advancing a loan under the Capital Assistance Scheme is that the approved housing body provides in its letting policy for the housing project that:-

- (i) the housing authority has clear rights to nominate applicants to one quarter of all individual tenancies (initially, on completion of the project and, subsequently, as vacancies arise);
- (ii) there is prior consultation by the approved housing body with the housing authority in relation to all other tenancy allocations (both initial and subsequent) and this consultation includes, as a minimum, the provision by the approved housing body to the housing authority of the names, previous addresses and information on the financial circumstances of eligible applicants for the dwellings.
- (iii) Where the housing authority choose to exercise their nomination rights fully, one quarter of the tenancies will be given to applicants nominated by the authority, at least half of the tenancies will be allocated to other applicants who are included or have been accepted for inclusion in the local authority housing needs assessment or elderly emigrants - see Paragraph 4.5(ii), and the remainder may be given to other applicants in need as determined by the approved housing body.

Housing authorities, in exercising their nomination rights should have regard to the capability of the approved housing body to accommodate their nominees.

9.6 **Fixing Rents for Dwellings Provided under the Capital Assistance Scheme**

Approved housing bodies should fix rents at levels which are reasonable having regard to tenants' incomes and the outlay of the approved housing body on the accommodation including the ongoing costs of management. It should be a condition of advancing a loan under the

Capital Assistance Scheme that the housing authority has clear rights of consultation in relation to the fixing of rents generally.

It should be noted that the term rent applies only to the letting and occupancy of the dwelling unit itself and the amount of the rent should be quoted in full irrespective of any social welfare or rent allowance support for which the tenant may qualify. Information and advice is available from the Irish Council for Social Housing to voluntary housing associations and from the National Association of Building Co-operatives to co-operative housing societies about approaches to fixing rents.

9.7 Capital Loan and Subsidy Scheme / Lettings Policy Requirements

A condition for advancing a loan under the Capital Loan and Subsidy Scheme is that the lettings policy of the approved housing body providing dwellings funded under this Scheme must provide that:

- (i) not less than three-quarters of the dwelling units are let to households that are qualified for local authority housing.(See Part 5, Paragraphs 5.4 and 5.8).

Approved housing bodies shall consult with the housing authority on their lettings policy for each project. Information about the names, previous addresses and household income circumstances of applicants to whom it is proposed to allocate dwellings should be provided to the housing authority so that the subsidy towards the loan repayments and interest charges can be confirmed.

9.8 Fixing Rents for Dwellings Provided under the Capital Loan and Subsidy Scheme

Approved housing bodies providing dwellings under the terms of the Capital Loan and Subsidy Scheme are responsible for determining the rent amounts to be paid by qualified tenants according to the following formula:-

- the rent is calculated annually by reference to the tenant's household income for the income tax year ending prior to the start of the loan subsidy year (1st July);
- the rent amount shall be not less than €6.35 (£5) per week for the first €102 (£80) or less of household income per week, plus €0.23 (£0.18) per week for each additional €1.27 (£1) of income over €102 (£80), with an abatement of €1.27 (£1) per week for each dependent child residing in the house subject to the rent not being less than €6.35 (£5) per week;
- household income for the purpose of determining rents shall be the total income of the tenant and his/her spouse or of joint tenants as the case may be and, in addition, in the case of other persons residing in the house whose income is not included in household income the weekly rent shall be increased by €0.23 (£0.18) for each €1.27 (£1) of such income in excess of €102 (£80), subject to the rent payable in respect of such person(s) being not more than €25.39 (£20), per week;
- a "dependent child" for the purposes of rent assessment means a person aged 18 years or under not in receipt of an income or a person under 23 who is attending a full-time course of education;
- the application of the rent formula may be modified, at the discretion of the approved housing body in particular respects where they consider it appropriate, subject to the overall rent yield being not less than what would be payable under the existing rent scheme.

9.9 Unemployment or Disability

Under the terms of the Capital Loan and Subsidy Scheme, the rent amount payable by tenants is calculated by reference to the household income in the preceding tax year. Where this would result in hardship arising from a fall in income due to loss of employment, disability etc. the rent may be adjusted in accordance with the above formula subject to:

- satisfactory evidence produced by the tenant to the approved housing body of a fall in income and of the likelihood of such a fall being sustained for at least four weeks;
- the tenant being informed that the approved housing body must be notified of any subsequent increase in the household income during the subsidy year in order to avoid any build-up of rent underpayments which would have to be made up subsequently by the tenant. Where such a subsequent increase in income occurs, the rent should be adjusted pro-rata, subject to the revised rent not exceeding that which would be payable by reference to the household income in the preceding tax year.

9.10 Capital Loan and Subsidy Scheme / Management and Maintenance Allowance

Having regard to the responsibility of approved housing bodies for the management and maintenance of dwellings provided under the Capital Loan and Subsidy Scheme and the fact that the rent paid to the approved housing bodies is directly related to the incomes of tenants, an additional management and maintenance allowance is payable by housing authorities in respect of each dwelling funded under the Scheme. It is a requirement of the Scheme that these dwellings are occupied by tenants qualified for local authority housing whose tenancies have been approved by the housing authority in accordance with the terms of the Scheme . The aggregate of these allowances will constitute the amount to be paid annually by the housing authority to the approved housing body which in turn is recouped by the Department of the Environment and Local Government.

- 9.11 For the year 1st July, 2001 to 30th June, 2002, the management and maintenance allowance is €422(£332) per dwelling in areas where the lower ordinary levels for loan amounts apply under the Scheme and is €560(£441) where the higher levels apply (See Part 5, Paragraph 5.13).

These amounts will be adjusted each year in line with movements in the Consumer Price Index. Where the allowance would be inadequate in the case of a housing project in which exceptional circumstances exist causing an increase in day-to-day costs, the Department would be prepared to consider the payment of a higher subsidy for such an individual case on the basis of a recommendation by the housing authority resulting from their examination of the detailed costings etc.

9.12 The management and maintenance allowances should be paid by local authorities to approved housing bodies during the first quarter of each calendar year in order to enable them to meet the ongoing/current management and maintenance costs in running their housing projects. The Department will recoup this expenditure by the authorities on receipt of claims which may be submitted after the 1st January of the subsidy year in respect of which the claim is being made, i.e., claims in respect of the subsidy year 1st July, 2001 to 30th June, 2002 may be made from 1st January, 2002 onwards. It is essential that housing authorities take the necessary steps to pay the allowances to the approved housing bodies as early as possible at the start of each calendar year (within the first quarter) and claims, in any event, should be submitted to the Department by the end of each subsidy year to which they relate.

9.13 Claims should be made out on form LSS 4 (as set out in Appendix 1). The claim form should contain details of the amount paid to the approved housing body by the housing authority and certification that the body is adequately managing and maintaining the dwellings and are operating the income based rent scheme on terms similar to, and producing no less rental revenue than, the terms applying in the subsidy year preceding the year for which the allowance is being claimed.

The allowance must be separately accounted for by the approved housing body and used only to meet its management and maintenance costs for the dwellings in each project funded under the Scheme (i.e., excluding the cost of additional special needs support services and associated staff/overhead costs, if any).

9.14 **Vacancies**

Approved housing bodies must have administrative and letting policies in place to minimise the number and duration of vacancies. They are expected to carry without subsidy a reasonable number of short-term casual vacancies as may occur on routine lettings. The operation of the waiver in respect of the loan repayment and interest charges under the terms of the Capital Assistance Scheme and the payment of the subsidy towards the repayment and interest charges incurred by approved housing bodies under the Capital Loan and Subsidy Scheme is conditional on the ongoing availability of the dwellings for letting to eligible or qualified tenants.

However, in exceptional cases of unavoidable long term vacancies (due for example to fire, flooding, etc) a moratorium on the loan charges of up to six months may be granted by housing authorities to approved housing bodies. The loan repayment period can be extended to compensate for the moratorium.

9.15 **Insurance**

Approved housing bodies must ensure that they have adequate insurance policies in place to cover themselves against loss or damage to dwellings (and communal facilities etc.) due to fire, flood and related property owners' risks following handover/completion. The relevant housing authority should be named as an interested party for the duration of the mortgage period where loans have been advanced under the Capital Assistance Scheme and/or the Capital Loan and Subsidy Scheme.

Arrangements must be put in place whereby the housing authority are notified by the Insurance Company of failure by the approved housing body to make payment of the annual renewal premium.

9.16 **Tenant Involvement and Participation**

Every effort should be made by approved housing bodies to encourage, assist and facilitate involvement by tenants in the management and upkeep of the housing projects – estates/apartment blocks in which they reside.

Such participation may be arranged through consultative or management committees organised at estate level. Care should be taken that tenants' representatives are genuinely appointed as the result of a suitable selection/election arrangement with adequate provision for the representatives to be changed over time. Sharing of responsibility for the overall care of the residential and communal areas should be actively encouraged. Opportunities should also be made available along similar lines for the tenant/occupants in special needs/sheltered housing and group homes to be consulted in the management, caretaking and upkeep of their accommodation.

9.17 **Financial Accountability**

Approved housing bodies are required to keep proper accounts of all monies received under the terms of the Capital Funding Schemes (See Part 2 – Paragraph 2.8 also) and any other financial aids towards the provision of housing accommodation, communal facilities, housing management and maintenance costs and related support services as follows:-

- **Capital Income and Expenditure Account** in respect of instalments of loans and other finance received for the purchase or building of housing accommodation and communal facilities and all expenditure incurred in acquisition, fees, development and construction works, interest charges, equipment, utility service connections etc.
- **Housing Management and Maintenance Account** recording all rent and other revenue received (including management and maintenance subsidy allowance under the LSS) in connection with the letting or occupation of accommodation and the expenditure incurred on administration, insurance, buildings caretaking, repairs and maintenance (including apportioned staff and other overhead costs as appropriate) and appropriate provision for reserves to meet future cyclical and other maintenance costs.

- **Special Needs Housing Support Services Account** recording all service charges, grants and subsidies received and expenditure incurred towards the provision of welfare, social and other support services for tenants/occupants, including group meals, additional cleaning, caretaking, security, heating and lighting of communal areas, equipment maintenance and apportioned staff and other overhead costs as appropriate.

Financial accounts should be kept on a per project basis. A housing authority providing capital or related financial aids has the right to confirm the operation of these accounts by inspection.

9.18 In the lettings of their dwellings to eligible or qualified tenants approved housing bodies are required to comply with the Housing (Rent Books) Regulations, 1993 and the Housing (Standards for Rental Housing) Regulations, 1993. Policies and procedures should be put in place by approved housing bodies to ensure that these aspects of the management and maintenance of the dwellings are adequately dealt with on an ongoing basis, including inspections to check safety standards etc. particularly in apartment blocks and communal facilities.

9.19 **Surrender of Dwellings provided under the Capital Loan and Subsidy Scheme or the Capital Assistance Scheme**

Tenants of approved housing bodies who are in occupation of a dwelling for not less than one year and who surrender the dwelling for re-letting are eligible for the same benefits as local authority tenants returning their houses. These include the mortgage allowance scheme, exemption from income limits for the shared ownership scheme, exemption from income limits for the affordable housing scheme, exemption from income limits for local authority house-purchase loans, the improvement works in lieu scheme and the low cost sites scheme.

Appendix 1

Application forms for Capital Funding Schemes

CAPITAL ASSISTANCE SCHEME

FORM CAS 1

TO BE COMPLETED IN DUPLICATE – PLEASE READ THIS FORM CAREFULLY

- ONE COPY TO BE SENT TO THE LOCAL AUTHORITY
- ONE COPY TO BE SENT TO VOLUNTARY AND CO-OPERATIVE HOUSING UNIT, DEPARTMENT OF THE ENVIRONMENT AND LOCAL GOVERNMENT, CUSTOM HOUSE, DUBLIN 1.

APPLICATION BY APPROVED HOUSING BODY FOR A LOAN UNDER THE TERMS OF THE CAPITAL ASSISTANCE SCHEME (CAS)

1. TO HOUSING AUTHORITY _____

2. APPROVED HOUSING BODY _____

ADDRESS _____

CONTACT TELEPHONE NO: _____ TELEFAX NO: _____

TAX REFERENCE NO. OF APPROVED BODY: _____

EXPIRY DATE OF TAX CLEARANCE CERTIFICATE OF APPROVED BODY* _____

CHARITABLE RECOGNITION NO. CHY _____

3. NAME, ADDRESS OR LOCATION OF HOUSING PROJECT:

4. TOTAL NUMBER OF DWELLING UNITS OF ACCOMMODATION TO BE PROVIDED IN CAS FUNDED PROJECT _____

5. TYPES OF ACCOMMODATION CATEGORY I for 1 or 2 persons NO. _____
CATEGORY II for 3 or more persons NO. _____
CATEGORY III NO. _____

6. CATEGORIES OF PERSONS TO BE ACCOMMODATED:
(if more than one category, state number of accommodation units for each category)

HOMELESS _____ HANDICAPPED/DISABLED _____ ELDERLY _____

FAMILIES _____ CARETAKER _____ ELDERLY EMIGRANTS _____

OTHER _____

CAS 1 contd.

7. TOTAL COST OF PROJECT € _____
(Including cost or value of site or building(s) acquired)

8. APPORTIONED COST OF SITE FOR WHICH AN ADDITIONAL
LOAN AMOUNT (PER ACCOMMODATION UNIT) IS BEING SOUGHT: € _____

9. TOTAL AMOUNT OF CAS LOAN REQUESTED: € _____

10. IS FUNDING TOWARDS CAPITAL COSTS BEING SOUGHT FOR FURTHER DWELLING
UNITS IN THIS PROJECT UNDER THE CAPITAL LOAN AND SUBSIDY SCHEME?

YES NO

IF SO, FOR HOW MANY DWELLING UNITS? : _____

AMOUNT OF OTHER LOAN REQUESTED: € _____
(The separate Application Form for the Capital Loan and Subsidy Scheme should be completed)

11. IS AN APPLICATION BEING MADE FOR A GRANT TOWARDS
COMMUNAL WELFARE FACILITIES UNDER THE LOTTERIES FUND GRANT SCHEME?

YES NO

12. IS FUNDING TOWARDS CAPITAL COSTS BEING PROVIDED BY ANY OTHER
STATUTORY AGENCY?
IF "YES" provide details of purpose and/or number of accommodation units etc. and amount
involved.

13. HAS PLANNING PERMISSION BEEN GRANTED FOR THIS PROJECT?

YES NO

CAPITAL ASSISTANCE SCHEME

FORM CAS 2

To be completed by the Housing Authority

- Return completed form to: Department of the Environment and Local Government,
Housing Grants Section,
Government Offices,
Ballina,
Co. Mayo
- **One copy to be sent to the Approved Housing Body as notification of the authority's approval**

APPLICATION TO THE MINISTER FOR THE ENVIRONMENT AND LOCAL GOVERNMENT FOR SANCTION OF GRANT UNDER SECTION 15 OF HOUSING ACT, 1988

1. HOUSING AUTHORITY _____

2. Name and address of approved body: _____

3. Tax Reference No. of approved body _____
Charity No. or expiry date of Tax Clearance Certificate of approved body* _____

4. Name, address or location of housing project: _____

5. Number of units of accommodation being provided under the scheme _____
CATEGORY 1 : _____ (for 1 or 2 persons) CATEGORY 2: _____ (for 3 or more persons)

6. Categories of persons to be catered for by project (if more than one category, state number of accommodation units intended for each category)

Homeless	_____
Handicapped	_____
Elderly	_____
Families	_____
Caretaker	_____
Elderly Emigrant	_____
Other	_____

7. Approved site cost € _____
Approved cost of accommodation units (**excluding site cost**): € _____
TOTAL COST: € _____

CAS 2 CONTD.

8. Is funding towards capital costs being provided by any other statutory agency YES ___ NO ___
If 'YES" provide amount and details: € _____

9. Proposed commencement and completion dates of project ___/___/___ to ___/___/___
10. Amount of loan proposed under section 6 of the Housing (Miscellaneous Provisions) Act, 1992 € _____
11. Has planning permission been granted for this project: YES___NO___

I hereby apply for sanction of a grant in the amount specified at 10 above. I am satisfied that the project will, on completion, comply with the terms of Memorandum VHU 2/02 and the Housing (Accommodation Provided by Approved Bodies) Regulations, 1992, and that the cost of the works for which the loan is to be made is reasonable.

(Stamp of Housing Authority)

Signed _____
Secretary/Town Clerk

Contact Person _____

Date _____

Tel. No. _____

* Where the approved body has not been granted charitable recognition by the Revenue Commissioners

To be completed by the Housing Authority

Return completed form to: Department of the Environment and Local Government,
Housing Grants Section, Government Offices, Ballina, Co. Mayo.

**APPLICATION TO THE MINISTER FOR THE ENVIRONMENT AND LOCAL
GOVERNMENT FOR PAYMENT OF GRANT OR INSTALMENT OF GRANT UNDER
SECTION 15 OF HOUSING ACT, 1988**

PROJECT ID: _____

1. HOUSING AUTHORITY: _____
2. Name of Approved Body _____
3. Name and full address of housing project _____

4. Are contractor's tax details in order? _____

5. Amount of grant approved by Minister € _____
6. Amount of loan approved by housing authority under section 6 of the Housing (Miscellaneous Provisions) Act, 1992. € _____
7. **Has the mortgage agreement been effected?** Yes No
8. Amount of loan advanced to date to approved body € _____
9. Value of eligible works carried out to date by approved body € _____
10. Grant payment required by housing authority € _____
Instalment No: _____

I hereby apply for payment of the grant amount specified at 10 above. I certify that –

- (a) the payment is required to meet expenditure properly chargeable to the grant in accordance with Memorandum VHU 2/02 and the Housing (Accommodation Provided by Approved Bodies) Regulations, 1992;
- (b) the value of eligible works carried out is as shown at 9 above;
- (c)* (i) the works on the project were satisfactorily completed on _____.
- (ii) the completed project contains _____ units of accommodation.
- (iii) the actual expenditure by the approved body on the project was € _____
- (iv) at least 75% of the units of accommodation referred to at (ii) are occupied by eligible categories of persons.

(Stamp of Housing Authority)

Signed _____
Secretary/Town Clerk

Contact Person: _____

Date _____

Tel. No. _____

*Should only be completed where payment of the full grant or the final instalment is sought.

CAPITAL LOAN AND SUBSIDY SCHEME APPLICATION
TO BE COMPLETED IN DUPLICATE – PLEASE READ THIS FORM CAREFULLY

FORM LSS 1

- ONE COPY TO BE SENT TO THE HOUSING AUTHORITY
- ONE COPY TO BE SENT TO VOLUNTARY AND CO-OPERATIVE HOUSING UNIT,
DEPARTMENT OF THE ENVIRONMENT & LOCAL GOVERNMENT, CUSTOM HOUSE, DUBLIN 1

APPLICATION BY APPROVED HOUSING BODY FOR A LOAN UNDER THE TERMS OF THE CAPITAL LOAN & SUBSIDY SCHEME(LSS)

1. **To** _____
NAME OF HOUSING AUTHORITY

ADDRESS _____

2. **By** _____
FULL NAME OF APPROVED HOUSING BODY

ADDRESS _____

CONTACT TELEPHONE NO: _____ **TELEFAX NO:** _____

TAX REFERENCE NO. OF APPROVED BODY: _____
(Where the approved body does not have charitable recognition by the Revenue Commissioners)

CHARITABLE RECOGNITION NO: CHY _____

3. **NAME, ADDRESS OR LOCATION OF HOUSING PROJECT:** _____

4. **TOTAL NUMBER OF DWELLING UNITS OF ACCOMMODATION TO BE PROVIDED IN L.S.S. FUNDED PROJECT:** _____

TYPES OF ACCOMMODATION

3 BEDROOM / HOUSES NO:	_____	AND/OR	APARTMENTS NO:	_____
2 BEDROOM / HOUSES NO:	_____	AND/OR	APARTMENTS NO:	_____
1 BEDROOM / HOUSES NO:	_____	AND/OR	APARTMENTS NO:	_____
TRAVELLER BAYS NO:	_____			

5. **CATEGORIES OF PERSONS TO BE ACCOMMODATED**

(If more than one category, state number of accommodation units for each category)

FAMILIES	_____		
SINGLE PERSONS	_____		
OF WHICH, HOMELESS	(_____)	TRAVELLERS	(_____)
ELDERLY	(_____)	HANDICAPPED / DISABLED	(_____)

6. **IS APPLICATION BEING MADE UNDER THIS SCHEME FOR THE CAPITAL FUNDING OF COMMUNAL WELFARE FACILITIES?**

YES NO

IF SO, AMOUNT SOUGHT: € _____ (Not exceeding limit based on number of dwelling units)

7. **TOTAL COST OF PROJECT:** € _____ (Including cost or value of site or building(s) acquired)

8. **APPORTIONED COST OF SITE OR BUILDING ACQUIRED FOR WHICH AN ADDITIONAL LOAN AMOUNT (PER ACCOMMODATION UNIT) IS BEING SOUGHT:** € _____

9. **TOTAL AMOUNT OF L.S.S. LOAN REQUESTED:** € _____

10. **IS FUNDING TOWARDS CAPITAL COSTS BEING SOUGHT FOR FURTHER DWELLING UNITS IN THIS PROJECT UNDER THE CAPITAL ASSISTANCE SCHEME?**

YES NO

IF SO, FOR HOW MANY DWELLING UNITS?: _____

AMOUNT OF OTHER LOAN REQUESTED: € _____
(The separate Application Form for the Capital Assistance Scheme should be completed)

11. **IS AN APPLICATION BEING MADE FOR GRANT TOWARDS COMMUNAL WELFARE FACILITIES UNDER THE LOTTERIES FUND GRANT SCHEME? (THIS MUST NOT DUPLICATE FUNDING UNDER ITEM 6. ABOVE)**

YES NO

12. **IS FUNDING TOWARDS CAPITAL COSTS BEING PROVIDED BY ANY OTHER STATUTORY AGENCY?**
IF "YES" provide details of purpose and/or number of accommodation units etc. and amount involved.

TO BE SIGNED BY TWO AUTHORISED OFFICERS OF THE APPROVED HOUSING BODY:

• _____
SIGNATURE NAME IN BLOCK CAPITALS
• _____
SIGNATURE NAME IN BLOCK CAPITALS

DATE: _____

Any other relevant information can be attached to this Application

DOCUMENTS TO BE ENCLOSED WITH THIS FORM
AND TO BE SENT TO THE LOCAL AUTHORITY – 2 Copies of estimate indicating all Costs

- 2 Copies of design drawings/plans and specifications for the project including location map

The Duplicate Copy of this Application Form should be sent to the Voluntary and Co - operative Housing Unit in the Department of the Environment and Local Government.
(see top of first page of this form).

To be completed by the Housing Authority

Return completed form to:
Voluntary & Co-operative Housing Unit,
Department of the Environment and Local
Government,
Custom House, Dublin 1.

HOUSING AUTHORITY _____

**APPLICATION TO THE MINISTER FOR THE ENVIRONMENT AND LOCAL GOVERNMENT FOR
LOAN APPROVAL IN ACCORDANCE WITH CIRCULAR VHU 2/02**

1. Name and address of approved housing body _____

2. Date approved status granted by Department _____

3. Tax Ref. No. of approved housing body _____

Expiry date of Tax Clearance Certificate
of approved housing body* _____

4. Full address of housing project _____

5. Number of dwellings to be provided

Number of dwellings with

1 bedroom 2 bedrooms 3 or more bedrooms

6. Number of households

(i) qualified for LSS (ii) not qualified for LSS

* Where the body has not been granted charitable recognition by the Revenue Commissioners.

7. (i) Proposed commencement date

(ii) Estimated completion date

8. Is any element of this project the subject of an application under the Capital Assistance Scheme YES NO

If "YES", provide details of number of units and amount of funding if sanctioned _____

9. (a) Are communal facilities being provided YES NO

(b) If "YES", provide details of nature and cost of facilities _____

(c) Under what scheme is funding for communal facilities being sought (or approved):

(i) Loan Subsidy Scheme YES NO

If "YES" to (i) state allowance included in the capital loan at paragraph 11 for this purpose _____

(ii) Capital Assistance Scheme YES NO

(iii) Other Source YES NO

If "YES" to (iii) provide details

10. Are estimated loan charges on loan instalments to be advanced during construction included in amount of loan sought at paragraph 11

YES

NO

If "YES" provide details of amount

€

11. Total amount of loan sought

€

12. Estimated cost per dwelling unit excluding communal facilities at paragraph 9 and loan charges at paragraph 10

€

13. Has planning permission been granted

YES

NO

I hereby apply for approval to the making of a loan not exceeding the amount specified at paragraph 11. I certify that the information contained in this application is correct, that the proposed housing project complies with the terms of the Capital Loan and Subsidy Scheme as set out in Circular (VHU 2/02) and that:-

- (i) the cost of the project is reasonable*;
- (ii) the dwellings satisfy the technical guidelines for the scheme;

**NOTE Where the unit costs exceed the specified limits outlined in Circular VHU (2/02) or as subsequently revised, a detailed breakdown of costs as well as copies of relevant technical reports, drawings etc. should be forwarded together with the authority's assessment of its reasonableness. In all cases, the unit cost must be commensurate with the size of the units being provided.*

- (iii) the housing authority is satisfied that suitable arrangements are, or will be put, in place by the approved housing body to enable them to undertake the project and manage the accommodation to be provided;
- (iv) there will be adequate funding available to the approved housing body to fund the cost of any accommodation to be occupied by households who do not qualify for rental subsidy;
- (v) a housing need exists in the locality which requires the provision of housing on the scale of this proposal;
- (vi) where communal facilities are included in the project, that the cost is reasonable and the allowance made in the capital loan is within the limits specified under the terms of the scheme.

Signed

Secretary/Town Clerk

(Certification must be provided by the properly authorised officer)

Date:

Contact Person:

Telephone No:

Stamp of housing authority

**APPLICATION TO DEPARTMENT OF THE ENVIRONMENT AND LOCAL GOVERNMENT
FOR RECOUPMENT OF SUBSIDY TOWARD LOAN CHARGES**

- 1. **HOUSING AUTHORITY:** _____

- 2. **NAME OF APPROVED HOUSING BODY:** _____

- 3. **ADDRESS/LOCATION OF HOUSING PROJECT:** _____

- 4. **PROJECT CODE NUMBER/ LOAN REFERENCE:** _____

- 5. **NUMBER OF 'QUALIFIED HOUSEHOLD' DWELLINGS:** _____

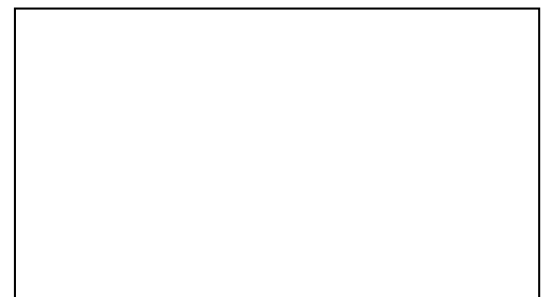
- 6. **TOTAL COST OF PROJECT:** € _____

I hereby apply for payment of: € _____ being the recoupment of the loan repayment and interest charges incurred for the six month period to 30th June, 20... /31st December, 20... (delete as appropriate) in respect of the dwellings provided under the Capital Loan and Subsidy Scheme at 3/ above.

I certify that the dwellings concerned have been provided and allocated in accordance with the terms of the Scheme. I confirm that an updated Statement of the loan amount issued together with the amount of repayments and interest charges credited to the loan account and the outstanding balance of the loan, as at the end of the calendar year immediately previous to the date of this Application, has been sent to the approved housing body, being the amount of the charge held by the housing authority on the mortgaged property on that date.

Signed: _____
Secretary/Town Clerk

Date: _____



Stamp of housing authority

**APPLICATION TO DEPARTMENT OF THE ENVIRONMENT AND LOCAL GOVERNMENT
FOR RECOUPMENT OF MANAGEMENT AND MAINTENANCE SUBSIDY ALLOWANCES**

Year ended 30th June, 20.....

- 1. **HOUSING AUTHORITY:** _____

- 2. **NAME OF APPROVED HOUSING BODY:** _____

- 3. **ADDRESS/LOCATION OF HOUSING PROJECT:** _____

- 4. **PROJECT CODE NUMBER:** _____

- 5. **NUMBER OF 'QUALIFIED HOUSEHOLD' DWELLINGS:** _____

- 6. **AMOUNT OF ALLOWANCE PER DWELLING:** _____

I hereby apply for payment of €_____ being the recoupment of the management and maintenance subsidy allowances paid to the approved housing body in respect of the dwellings at 3/ above under the terms of the Capital Loan and Subsidy Scheme for the subsidy year ended 30th June, 20.... .

I certify that the dwellings concerned are occupied by qualified tenants approved by the housing authority under the terms of the Scheme and that the approved housing body is adequately managing and maintaining the dwellings and operating an income based rent scheme along similar lines to, and producing no less rental revenue than those terms applying to the subsidy year 1998/99.

Signed: _____
Secretary/Town Clerk

Date: _____



Stamp of housing authority

TO BE COMPLETED IN DUPLICATE – PLEASE READ THIS FORM CAREFULLY

- ONE COPY TO BE SENT TO THE HOUSING AUTHORITY
- ONE COPY TO BE SENT TO
DEPARTMENT OF THE ENVIRONMENT AND LOCAL GOVERNMENT, HOUSING GRANTS
SECTION, GOVERNMENT OFFICES, BALLINA, CO MAYO.

**APPLICATION BY APPROVED HOUSING BODY FOR A GRANT UNDER THE TERMS OF THE
LOTTERY FUNDS GRANT SCHEME**

1. TO HOUSING AUTHORITY _____

2. APPROVED HOUSING BODY _____

ADDRESS _____

CONTACT TELEPHONE NO _____ TELEFAX NO _____

TAX REFERENCE NO. OF APPROVED BODY _____

EXPIRY DATE OF TAX CLEARANCE
CERTIFICATE OF APPROVED BODY* _____

CHARITABLE RECOGNITION NO. CHY _____

3. NAME, ADDRESS OR LOCATION OF HOUSING PROJECT
(IN WHICH THE COMMUNAL FACILITIES ARE TO BE PROVIDED)

4. NUMBER OF DWELLING UNITS OF ACCOMMODATION _____

CATEGORIES OF PERSONS ACCOMMODATED
UNDER THE CAPITAL FUNDING SCHEME

NO. OF UNITS FOR

HOMELESS _____ ELDERLY _____

TRAVELLER BAYS _____ HANDICAPPED/DISABLED _____

ELDERLY EMIGRANTS _____ OTHER PERSONS/FAMILIES _____

5. IS THE HOUSING PROJECT NEW? YES NO

IF NO, WHAT YEAR WAS IT BUILT? _____

OR ANTICIPATED COMMENCEMENT DATE _____

ANTICIPATED COMPLETION DATE _____

6. AMOUNT OF CAPITAL LOAN SOUGHT FOR HOUSING PROJECT? _____

CAPITAL ASSISTANCE SCHEME € _____

AND/OR CAPITAL LOAN & SUBSIDY SCHEME € _____

7. HAS ANY ALLOWANCE TOWARDS THE COST OF COMMUNAL FACILITIES BEEN INCLUDED IN THE LOAN APPLICATION FOR THE HOUSING ACCOMMODATION?

YES

NO

IF 'YES' PROVIDE DETAILS _____

HOW MUCH? € _____

8. STATE PURPOSE OF PROPOSED COMMUNAL FACILITIES FOR WHICH THIS GRANT IS BEING SOUGHT:

9. SHORT DESCRIPTION OF COMMUNAL FACILITIES TO BE PROVIDED

Is it envisaged residents from outside the housing project will be able to avail of the communal facilities?

YES

NO

Brief details to be provided _____

10. ESTIMATED TOTAL COST OF COMMUNAL FACILITIES € _____

11. IS CAPITAL FUNDING BEING PROVIDED TOWARDS THE COMMUNAL FACILITY BY ANY OTHER STATUTORY AGENCY?

YES

NO

IF 'YES' HOW MUCH? € _____

LOTTERY FUNDS GRANT SCHEME FOR PROVISION OF COMMUNAL FACILITIES BY APPROVED HOUSING BODIES

To be completed by the Housing Authority

Return completed form to: Department of the Environment and Local Government,
 Housing Grants Section,
 Government Offices,
 Ballina, Co. Mayo.

One copy to be sent to the approved housing body as notification of the authority's approval.

APPLICATION TO THE MINISTER FOR THE ENVIRONMENT AND LOCAL GOVERNMENT FOR AUTHORISATION AND SANCTION OF A GRANT IN ACCORDANCE WITH MEMORANDUM VHU 2/02.

HOUSING AUTHORITY _____

1. Name and address of approved body _____

2. Tax Reference No. of approved body _____

Charity No. or Expiry date of Tax Clearance Certificate of approved body* _____

* Where the body has not been granted charitable recognition by the Revenue Commissioners

3. Name, address or location of housing project in which the communal facilities are to be provided _____

4. Number of units of housing accommodation in the Project _____

5. Categories of persons catered for by the housing accommodation

HOMELESS _____ ELDERLY _____

DISABLED _____ FAMILIES _____

ELDERLY EMIGRANTS _____ OTHER _____

CARETAKER _____

6.(a) Year **Housing Accommodation** was provided _____

OR Anticipated Commencement date : _____

Anticipated Completion date : _____

(b) Amount of any loan for the accommodation under the **Capital Assistance Scheme** € _____

Amount of any loan for the accommodation under the **Capital Loan & Subsidy Scheme** € _____

7(a) Has any allowance been made for the communal facilities in any loan for the housing accommodation under the **Capital Assistance Scheme** YES _____ NO _____

If 'YES' provide amount and details € _____

(b) Has any allowance been made for the communal facilities in any loan for the housing accommodation under the **Capital Loan & Subsidy Scheme** YES _____ NO _____

If 'YES' provide amount and details € _____

8. Is funding towards capital costs of facilities being provided by any other statutory agency YES _____ NO _____

If 'YES' provide amount and details € _____

9. Does the standard, letting and rent of the housing accommodation comply generally with the provisions of Memorandum VHU 2/02 YES _____ NO _____

10. Description of facilities being provided:

11. Will residents from outside the project avail of the communal facilities. If so, provide brief details: YES _____ NO _____

12. Has planning permission been granted for this project YES _____ NO _____

13. Proposed commencement date of **Communal Facilities** _____/_____/____

Proposed completion date _____/_____/____

14. Assessment by housing authority of nature, urgency of need and proposed use of communal facilities

15. Summary of any observations by the health board**

16. (a) Estimated cost of communal facilities: € _____
- (b) Proposed contribution by approved housing body towards cost of the facilities € _____
- (c) Amount of grant recommended by housing authority: € _____

I hereby apply for authorisation and sanction of a grant in the amount specified at 16(c) above. I certify that the proposed communal facilities to which this application relates comply with the terms of Memorandum VHU 2/02 and that the cost of the works is reasonable.

Signed _____
Secretary/Town Clerk

Date _____

Contact Person _____

Tel. No. _____



(Stamp of Housing Authority)

** Additional information may be furnished on a separate sheet if necessary.

LOTTERY FUNDS GRANT SCHEME FOR PROVISION OF COMMUNAL FACILITIES BY APPROVED HOUSING BODIES

To be completed by the Housing Authority

Return completed form to: Department of the Environment and Local Government,
Housing Grants Section,
Government Offices,
Ballina, Co. Mayo.

CLAIM TO THE MINISTER FOR THE ENVIRONMENT AND LOCAL GOVERNMENT FOR FUNDS TO FACILITATE PAYMENT OF AUTHORISED AND SANCTIONED GRANT IN ACCORDANCE WITH MEMORANDUM VHU 2/02.

1. Project ID: _____
2. Housing Authority _____
3. Name of Approved Housing Body _____
4. Name, address of housing project in which the communal facilities are located

5. Are contractor's tax details in order? _____

6. Amount of grant approved for communal facilities € _____
7. (a) Original estimate of cost of communal facilities for grant purposes € _____
 (b) Amount of any previous instalments paid to the approved housing body for the communal facilities € _____
 (c) Value of eligible works carried out to date by approved body on communal facilities € _____
 (d) Expected final cost of communal facilities (if not fully completed) € _____
8. Grant payment required by housing authority (Instalment No.) € _____

I hereby apply for payment of the grant amount specified at 8 above.

I certify that -

- (a) the payment is required to meet expenditure properly chargeable to the grant in accordance with Memorandum VHU 2/02;

CF 3 contd.

- (b) the value of eligible works carried out is as shown at 7(c) above;
- (c)* (i) the works on the communal facilities were satisfactorily completed on _____,
- (ii) the works carried out and the use of the communal facilities comply with the provisions of Memorandum VHU 2/02 and with the particulars submitted to the Department for grant purposes on form CF 2,
- (iii) no allowance has been made for the communal facilities in any loan under the Capital Assistance Scheme or the Capital Loan and Subsidy Scheme for associated housing accommodation.

Signed _____
Secretary/Town Clerk

Date _____

Contact Person _____

Tel. No. _____



(Stamp of Housing Authority)

* Should only be completed where payment of the full grant or the final instalment is sought.

Appendix 2

Sample Mortgage Deed Agreement

DEED OF MORTGAGE CHARGE

AGREEMENT

BETWEEN

(Approved Housing Body)

(ONE PART)

AND

(Local Authority)

(OTHER PART)

(For use in connection with the Department of the Environment and Local Government's Capital Funding Schemes for the Provision of Rental Accommodation by Approved Housing Bodies).

THIS INDENTURE made the _____ day of _____ 20____
BETWEEN _____ of _____
_____ in _____
the Town/City/County of _____ (hereinafter called “the Borrower”) of the One Part and _____
of _____
in the Town/City/County of _____
(hereinafter called “the Authority”) of the Other Part.

1. **DEFINITIONS**

In these presents (save where the context otherwise requires or implies) the following words and expressions shall have the meanings assigned to them hereunder: -

- 1.1 “the Mortgage” means the within Indenture whether the same is created by way of Mortgage and /or sub-demise and/or charge.
- 1.2 “the Borrower” means the party or parties hereto of the One Part and includes the successors or assignees of the Borrower and (subject to the provisions of Clause 13) the transferees of the Borrower and the person or persons deriving title under the Borrower or the assignees or transferees and where more than one person is “the Borrower” all covenants, agreements, declarations and warranties shall be deemed to be made or given jointly and severally by the said persons constituting the Borrower.
- 1.3 “the Authority” means the party mentioned above as the Authority, its successors and assigns.
- 1.4 “the Act” means the Housing (Miscellaneous Provisions) Act 1992 and includes any statutory modifications or re-enactments thereof for the time being in force and any conditions made thereunder.
- 1.5 The Capital Assistance Scheme or the Capital Loan and Subsidy Scheme or the Scheme/s means the schemes operated under these names by the Department of the Environment or Local Government to assist approved housing bodies as set out in Memorandum VHU .. /.... or any addition to or amendment thereof.
- 1.6 “the mortgaged property” means the lands, dwellings and premises more particularly described in Part One of the Schedule hereto and includes any buildings now erected or presently in the course of erection or hereinafter to be erected thereon.

- 1.7 “the loan” means the sum or sums (stated in Part Three of the Schedule hereto) made or to be made to the Borrower by the Authority pursuant to the Act on the security of the mortgaged property.
- 1.8 “the term of the Mortgage” shall mean the periods set out in respect of loan amounts specified in Part Three of the Schedule hereto commencing on the first working day in the month following the date hereof.
- 1.9 “the tenure” means the manner in which the mortgaged property is held by the Borrower as more particularly set out in Part Two of the Schedule hereto.
- 1.10 “Year” means twelve months ending on the 30th June in any year and “yearly” shall be construed accordingly.
- 1.11 “the legal redemption date” (referred to in Clause 4) shall be in the first working day in the sixth calendar month computed from the date hereof.
- 1.12 “Month” means calendar month and “monthly” shall be construed accordingly.
- 1.13 “the first instalment” (where appropriate) shall mean the amount shown in Part Three of the Schedule hereto as the first instalment.
- 1.14 “instalment” (where appropriate) shall mean such sum or sums of money as may be certified in the manner appearing in Clause 3.1 hereof.
- 1.15 “the repayment dates” shall mean the first day of each calendar month commencing after date of signing hereof in respect of loan amount specified in Part Three of the Schedule hereto
- 1.16 “the interest rate” shall mean the rate specified as such in Part Three of the Schedule hereto but this rate shall be variable.
- 1.17 “the Planning Acts” means the Local Government Planning & Development Acts and the Planning and Development Act 1999 includes any statutory amendments modifications or re-enactments or statutory requirements, thereof for the time being in force.
- 1.18 Words importing the masculine gender shall include the feminine and neuter genders and the singular includes the plural and vice versa.

2. **WHEREAS**

- 2.1 The Borrower being an approved body is desirous of erecting dwellings and related facilities and amenities on the plot of ground more particularly described in Part One of the Schedule hereto and has requested the Authority to provide a loan the amount of which is stated in Part Three of the Schedule hereto in order to enable the Borrower to erect the said dwellings and related amenities and the Authority has agreed to make the said loan payable by way of instalments or otherwise the full amount of the loan in the manner hereinafter appearing under Section 6 of the Act as amended or extended, subject to the provisions of the Act,

the regulations made thereunder, or any amendment thereof, and in accordance with the terms and conditions of the Scheme/s, known as the Capital Assistance Scheme and / or the Capital Loan and Subsidy Scheme as applicable and the terms, covenants and conditions herein contained.

2.2 The tenure of the Borrower to the mortgaged property is set out in Part Two of the Schedule hereto.

3. **NOW THIS DEED WITNESSETH** as follows: -

3.1 In consideration of:

3.1.1 the loan amount made as stated in Part Three of the Schedule hereto and the first instalment paid, if any, by the Authority to the Borrower (the receipt of which the Borrower hereby acknowledges) and as to the payment of the remainder thereof by instalments or in total as soon as practicable after the date of certification by the person duly authorised or instructed from time to time in that behalf by the Authority (hereinafter referred to as the “authorised officer”) that the instalment is properly payable.

3.1.2 the Borrower as beneficial owner hereby

CHARGES so much of the mortgaged property as set out in Part One of the Schedule hereto as is registered or deemed to be registered in the Land Registry under the Registration of Title Act, 1964 with all monies payable by the borrower to the Authority by virtue of these presents **AND** hereby **ASSENTS** to the registration of the said charge as a burden on the Folio(s) opened or to be opened in respect of the said property.

3.1.3. **PROVIDED ALWAYS** that if and when the Borrower shall have repaid to the Authority the loan, together with the interest thereon and all other sums due to the Authority on foot of the mortgage, the Authority shall at any time thereafter at the request and cost of the Borrower release reconvey or surrender the mortgaged property to the Borrower as the nature of the property requires or as the Borrower shall direct.

3.1.4 **AND PROVIDED FURTHER AND IT IS HEREBY AGREED** that any certificate requested from the authorised officer by the Authority for the purpose of Clauses 3.1.1 or 3.1.5 herein shall be deemed to be for the benefit of the Authority only and shall not be deemed proof that the dwellings and related amenities on the mortgaged property have been or are being properly constructed or built in accordance with the Planning Acts or Building Regulations or otherwise and no action shall lie on foot of any misstatement or error contained in such certificate.

3.1.5 **AND PROVIDED FURTHER AND (IF APPLICABLE) IT IS HEREBY AGREED** that if the said dwellings and related facilities and amenities being erected on the mortgaged property shall not be fully completed and made fit for

occupation within a period of 24 months from the date hereof or such further time as the Authority shall permit, the Authority shall be entitled in its sole discretion to refuse to make further instalments including the final instalment and shall thereupon be entitled to require the Borrower to repay on demand all sum or sums advanced with interest thereon at the interest rate and for the purposes of this proviso the certificate of the Authority's authorised officer that the dwellings and related amenities have not been constructed and entirely completed and made fit for occupation within the time aforesaid shall be conclusive and binding upon the borrower.

- 3.2 In further consideration of the loan the Borrower as beneficial owner and in so far as the Borrower has power for to do so hereby **ASSIGNS** unto the Authority (subject to the like proviso for redemption aforesaid) the benefit of all and every undertaking, covenant, agreement, indemnity and guarantee furnished or obtained in relation to the mortgaged property whether relating to the structure or any other part of the building or buildings comprised in the mortgaged property or to the construction and maintenance of roads footpaths sewers public lighting or otherwise.

4. **IT IS HEREBY AGREED**

- 4.1 that the moneys hereby secured shall on the legal redemption date be deemed to have become due within the meaning of and for all purposes of the Conveyancing Acts 1881 to 1911 and any statutory modifications or re-enactments thereof which have or may for the time being amend, extend or replace the same.
- 4.2 that the provisions contained in Section 20 Conveyancing Act 1881 are hereby excluded.

5. **COVENANT TO REPAY**

- 5.1 The Borrower **HEREBY COVENANTS** with the Authority as follows: -
- 5.1.2 To duly and punctually repay to the Authority on the repayment dates the loan specified in Part Three of the Schedule hereto or any part thereof together with interest thereon at the interest rate **UNTIL** the loan referred to in Part Three of the Schedule hereto together with interest thereon at the interest rate and all other sums herein covenanted by the Borrower to be repaid and all monies, liabilities and interest due hereunder shall have been fully repaid or paid and satisfied.

5.2 **PROVIDED HOWEVER**

- (A) That for as long as the Borrower shall to the satisfaction of the Authority continue to provide that the dwellings within the mortgaged property financed by the loan, the amount of which is stated in Part Three of the Schedule hereto as payable or paid to the Borrower under the *Capital Assistance Scheme*, shall be occupied by persons or families within the eligible categories according to the terms and conditions for the time being of the Scheme and that the Authority has a right of consultation in respect of the letting policy for the dwellings and the right to nominate one quarter

of all the individual tenancies having regard to the objects and the capability of the Borrower to accommodate such nominees and the right of consultation in respect of the determination of the rents for the dwellings and that the Borrower continues to keep the said mortgaged property properly maintained and furnishes all documents or records in its control to satisfy the Authority that the conditions in this clause and the terms of the Capital Assistance Scheme are being met, the Authority shall waive in full the repayment of the loan amount and the interest charges as stated in Part Three of the Schedule hereto.

- (B) That for as long as the Borrower shall to the satisfaction of the Authority continue to provide that the dwellings within the mortgaged property financed by the loan, the amount of which is stated in Part Three of the Schedule hereto as payable or paid to the Borrower under the *Capital Loan and Subsidy Scheme*, shall be occupied by persons or families within the eligible or qualified categories according to the terms and conditions of the Scheme and that the Authority has a right of consultation in respect of the letting policy for the dwellings and the right of consultation in respect of the determination of the rents of the dwellings in accordance with the conditions of the Capital Loan and Subsidy Scheme and the Borrower continues to keep the said mortgaged property properly maintained and furnishes all documents or records in its control to satisfy the Authority that the conditions in this clause and the terms of the Capital Loan and Subsidy Scheme are being met, the Authority shall arrange to pay and credit a Subsidy from the funds allocated and recouped by the Department of the Environment and Local Government to meet the full annual loan repayments and interest charges to the loan account of the Borrower and the Authority shall also arrange to pay a management and maintenance allowance to the Borrower annually within the terms and conditions of the said Capital Loan and Subsidy Scheme.

5.3 Should the Borrower fail to comply with the terms and conditions set down in Clause 5.2 at any time during the term of the mortgage, or any of the events stipulated in clause 10 hereof shall occur the Borrower shall from that date be liable for all monies payable under Clause 5.1 during the term of the mortgage provided always that if at any time any monies which shall be payable by the Borrower to the Authority under Clause 5.1 shall be in arrears and unpaid for 14 days after the same shall have become due in breach of the hereinbefore recited covenants then and in such case the whole of the loan or so much thereof as shall for the time being remain unpaid together with interest thereon at the interest rate or so much of such interest as shall for the time being remain unpaid shall at the expiration of the said period of 14 days become due and payable by the Borrower to the Authority and shall be recoverable by the Authority with interest at the interest rate by action against the Borrower or by the exercise and enforcement of any of the powers or remedies of the Authority under these presents.

5.4 **AND** it is hereby declared that the power of sale and other powers conferred on Mortgages by the Conveyancing and Law of Property Acts, 1881 to 1911 shall be deemed to be continuing in these presents.

5.5 **AND** it is hereby agreed that all monies hereby secured shall bear interest at the interest rate as well after as before any demand or judgement or the liquidation or the Borrower.

6. **EARLY REDEMPTION AND SPECIAL REPAYMENTS**

The Borrower on one months written notice to the Authority may repay on any date the entire amount of the loan and interest then outstanding or £50 or any multiple of £50 of the loan and interest then outstanding.

7. **BORROWER'S FURTHER COVENANTS**

The Borrower hereby **FURTHER COVENANTS** with the Authority as follows:

7.1.1 To insure and keep insured the mortgaged property against loss or damage by fire and such other risks as the Authority may from time to time specify and to such an amount as the Authority may require (but in any event for not less than the full replacement value) and to have and to keep the Authority's interest and the interest of any such further parties as may be appropriate noted to the said policy or policies and duly and punctually to pay all premiums necessary for keeping on foot the said policy or policies and forthwith on demand to produce to the Authority the policy of such insurance and the receipt for every premium and to apply all monies which may be received by virtue of any such policy either in making good the loss or damage in respect of which the same has been received or in or towards the discharge or redemption of the monies hereby secured, as shall be required by the Authority.

PROVIDED ALWAYS that if the Borrower shall make default in paying the premium referred to in Clause 7.1.1, the Authority may pay the same on his behalf and all such monies so paid together with interest thereon at the interest rate shall on demand be repaid to the Authority by the Borrower and until such repayment shall be a Charge upon the mortgaged property and may be recovered by all the several means available including proceedings by way of ejectment as the said instalments of principal and interest may be recovered.

7.1.2 To keep the mortgaged property in good structural order repair and condition and not to permit or suffer the mortgaged property to depreciate by neglect or mismanagement.

7.1.3 To permit any authorised officer, servant or agent of the Authority after receipt of reasonable notice with or without workmen and others in the daytime to enter upon and view the mortgaged property and examine the conditions thereof and forthwith to repair and make good all defects and want of repair of which notice in writing shall be given to the borrower by the Authority and in case of default to permit any such authorised officer, servant or agent (without rendering the Authority liable as a mortgagee in possession) to enter on the mortgaged property and at the cost of the Borrower to effect such repairs at the Authority may consider necessary or appropriate, the said cost to be repaid on demand with interest

thereon at the interest rate and until such repayment shall be a Charge upon the mortgaged property and may be recovered in the manner described in the proviso to Clause 7.1.1.

- 7.1.4 Not to exercise any statutory power of leasing or agreeing to lease the mortgaged property without the prior consent in writing of the Authority, save that the Borrower shall be entitled in its sole discretion to let the dwellings in the mortgaged property at the appropriate rents to persons coming within the provisions of Clause 5.2. fixed in accordance with the terms and conditions of the Capital Assistance Scheme and/or the Capital Loan and Subsidy Scheme as applicable.
- 7.1.5 Not without the prior written consent of the Authority as mortgagee and having first obtained the necessary permissions and approvals under the Planning Acts, Building Regulations, Bye-laws (if any) or other relevant enactments to make any structural alterations or additions to the mortgaged property nor to carry out any development nor make any change of use thereto within the meaning of the Planning Acts.
- 7.1.6 To comply in full with the Planning Acts, the Bye-Laws (if any) or Building Regulations and all other enactments and regulations relating to Planning and Development which may from time to time affect the mortgaged property and within 14 days of the receipt by the Borrower of any permission, consent, licence or other document affecting the mortgaged property (notwithstanding that the same may have issued or emanated from the Authority in a capacity other than as mortgagee on foot of the mortgage) to deliver the same to the Authority to be kept with the deeds and documents of title affecting the mortgaged property.
- 7.1.7 Not to do anything on the mortgaged property, which may prejudicially affect any insurance thereon, or which may increase the premium payable for any such insurance.
- 7.1.8 Not to use the mortgaged property in such manner as to be a nuisance to the owners or occupiers of adjacent houses or premises.
- 7.1.9 To comply with the terms and conditions set out in the Scheme/s for the time being made by the Department of the Environmental and Local Government and subject to which the loan is being made.
- 7.1.10 To comply and observe the restrictive covenants (if any) affecting the mortgaged property and any covenants and conditions binding upon the Borrower in relation to its tenure of the property or site(s) on which the dwellings are provided and to pay all rates, taxes, duties, charges and other outgoings in respect of the mortgaged property for which the Borrower is liable and the Borrower hereby indemnifies the Authority in respect of the cost of same.

8. **RECEIVER**

- 8.1 The statutory power of appointing a Receiver may be exercised at any time if the Borrower has made default in payment of any monies under the provisions hereof.

Any Receiver appointed by the Authority under a statutory power (as hereby extended) in respect of the whole or any part of the mortgaged property shall be deemed to be the Agent of the Authority as regards his possession or occupation of the property and for all other purposes in connection with his powers and duties hereunder the Receiver shall be deemed to be the Agent of the Borrower save in so far as he shall be specifically authorised to engage the responsibility of the Authority or he shall expressly undertake personal liability which he shall not be deemed to do by entering into a Contract as or in which he is described as Receiver. The Borrower shall be solely responsible for all Acts and defaults of the Receiver as Agent of the Borrower and for his remuneration. Without prejudice to the generality of the statutory powers of the Receiver which powers shall apply to any receiver appointed hereunder the Receiver shall have full power: -

- 8.1.1 With the consent of the Authority to manage, sell, let, insure, repair, decorate or to improve or add to the mortgaged property in any manner whatsoever and with all the powers of an absolute beneficial owner.
- 8.1.2 To erect or cause to be erected or complete or cause to be completed any buildings structures or erections on the property.
- 8.1.3 To raise or borrow money from the Authority or from any Bank or any other person or any of the foregoing purposes.
- 8.1.4 To make any arrangements or compromise or to do all such other acts and things as may in the opinion of the Receiver be conducive to any of the foregoing powers.
- 8.1.5 The Borrower hereby irrevocably appoints the Receiver as aforesaid to be the Attorney of the Borrower and for the Borrower and in its name and on its behalf and as its act and deed execute, seal or otherwise perfect any Deed or Assurance Agreement, Instrument or Act which may be required or which may be deemed proper for any of the purposes aforesaid.

PROVIDED ALWAYS that nothing in this Clause shall prejudice the right or power of the Authority itself as mortgagee to enter into possession of the mortgaged property or any part thereof, or to exercise the power of sale applicable thereto and any other mortgagees power hereby or by statute conferred.

- 8.2 The provisions of Section 24 of the Conveyancing and Law of Property Act 1881 with the exceptions of sub-section 1 and 8 thereof shall apply to this Deed and to any receiver appointed by the Authority hereunder.
- 8.3 All monies received by a receiver appointed hereunder shall be applied as follows:-
 - (a) In payment of all sums necessary or proper in or for the purposes of the exercise of the powers and duties of such receiver hereunder.
 - (b) In discharge of all outgoings affecting or payable in respect of the mortgaged property.

- (c) In payment of his remuneration.
- (d) In payment of premiums on fire and other insurances and the cost of executing necessary or proper repairs to the mortgaged property.
- (e) In payment of the interest on the mortgage debt and other monies (if any) other than the mortgage debt due or payable under this Deed and in such order as the Authority may direct.
- (f) In or towards the discharge of the mortgage debt.
- (g) In payment to the Borrower of the residue of the monies received by the receiver.

9. **POWERS OF SALE**

If the statutory powers of sale shall become exercisable or (if applicable) if the Borrower shall fail to complete the buildings to be erected, the Authority may at any time thereafter but not so as to render it liable as mortgagee in possession enter upon and take possession of the mortgaged property and of all buildings erections fixtures tools and materials thereon and may complete or erect such buildings and premises as have not been completed or erected according to any building contract or agreement then in force with liberty to agree with the builder or any other person interested in such contract or agreement to any modification thereof. For the purpose of this clause the Authority may employ and pay an Architect, Surveyor Contractor, Builders, workmen and others and may make any payments necessary to secure the use of any plans and documents relating to the completion of the said buildings and premises and may purchase all such property, materials and purchase or hire such equipment as the Authority in its absolute discretion deems fit and may use any materials and plant belonging to the Borrower which may be upon the property. All moneys expended by the Authority and all expenses incurred by the Authority in the exercise of the power conferred by this clause shall be paid by the Borrower on demand and if not so paid the Borrower shall pay interest on the balance thereof from time to time outstanding up to the date of payment at the interest rate and all such sums and interest shall be charged on the mortgaged property.

EVENTS OF DEFAULT

10. All monies, obligations and liabilities hereby secured shall immediately become due and payable and the Authority shall cease to be under any further commitment to the Borrower on the occurrence of any of the following events of default: -
- 10.1 If any of the monies hereby secured whether principal interest or otherwise remain unpaid for 14 days after the date they become due for payment.
 - 10.2 If any Order is made or an effective resolution is passed for the winding up of the Borrower or any of the permitted assignees of the Borrower or if any permitted assignee of the Borrower being an individual shall become bankrupt or enter into any arrangement or compensation for the benefit or creditors.

- 10.3 If a receiver or an examiner or other official or creditor's representative is appointed for the mortgaged property or any part thereof.
- 10.4 If a distress or execution is levied upon or sued out against any of the property of the Borrower.
- 10.5 If the Borrower shall cease or intimate its intention to cease to carry on its business or shall dispose of the whole or any substantial part of the undertaking or of its assets except in the ordinary course of its business.
- 10.6 If the Borrower is unable to meet its debts within the meaning of the Companies Act 1963 or any statutory modification or re-enactment thereof.
- 10.7 If the Borrower refuses, neglects or omits to perform or observe any of the covenants terms conditions or provisions binding on the Borrower under this Deed (save the covenants for payment of money) for more than 21 days after receipt of notice in writing from the Authority requiring the Borrower to remedy such default.
- 10.8 If any event or events shall happen or occur which, in the reasonable opinion of the Authority, is detrimental to the interest of the Authority pursuant to the provisions of the Act as amended or extended, and the terms and conditions of the Department of the Environment and Local Government's Capital Assistance Scheme and/or Capital Loan and Subsidy Scheme as applicable to the Loan.
- 10.9 If a petition is presented to appoint an Examiner pursuant to the Companies (Amendment) Act 1990.
- 10.10 If the Registrar of Companies issues a Notice to the Borrower pursuant to either Section 11 or Section 12 of the Companies (Amendment) Act 1982.
- 10.11 If an inspector or other official or person is appointed pursuant to, or if the Borrower has contravened a provision of, the Industrial and Provident Societies Acts 1893 to 1978, in circumstances which in the reasonable opinion of the Authority has placed or is likely to place this security in jeopardy.
- 10.12 **PROVIDED HOWEVER** that strictly without prejudice to the rights remedies and powers conferred on the Authority by the foregoing provisions including without prejudice to the generality of the foregoing the right to appoint a receiver and/or to exercise its power of sale, the Authority agrees with the Borrower that it will not exercise its power of sale or of appointing a receiver unless.
 - (a) Any monies whether principal interest or otherwise remain unpaid by the Borrower for more than 14 days after they become due and payable or
 - (b) The Borrower has been in default of any of the covenants other than for the payment of money for more than 21 days after receipt of notice in writing from the Authority requiring it to remedy any default.

11. **CONSOLIDATION OF MORTGAGES**

It is hereby agreed and declared that the statutory restriction on the consolidation of mortgages contained in Section 17 of the Conveyancing Act, 1881 shall not apply to the Mortgage.

12. **TRANSFER OF MORTGAGE BY THE AUTHORITY**

12.1 The Authority may at any time transfer the benefit of the mortgage to any Housing Authority (within the meaning of the Act).

12.2 Upon such transfer the whole of the monies then owing to the Authority in respect of the Mortgage shall thereupon become principal money payable to the Transferee and shall thenceforth bear interest until payment at the interest rate, such interest being payable from the date of the transfer by equal half yearly payments, the first of such payments to be made on the repayment date next following the date of such transfer.

12.3 The Transferee and the persons deriving title under it shall have all the powers conferred on mortgages by the conveyancing Acts, 1881 to 1911, and the Act.

13. **TRANSFER OF MORTGAGE BY THE BORROWER**

13.1 Should the Borrower at any time wish to transfer all the mortgaged property to a person body corporate or third party who is willing to assume all the liabilities of the Borrower under the mortgage, the Borrower must apply for and obtain the prior consent in writing of the Authority to such alienation and the Authority may in its absolute discretion refuse to release the Borrower from its obligations under the Mortgage. In the event of the Authority consenting to release the Borrower from its obligation under the mortgage, it shall be a condition precedent to such consent that the transferee shall covenant with the Authority to perform and observe all the covenants by the Borrower in and by the mortgage contained and implied (except the covenants in title and further assurance of the mortgaged property).

13.2 Without prejudice to the discretion of the Authority to refuse consent requested under Clause 13.1 herein, no such consent shall be granted if the Borrower is in arrears with the amounts referred to in Clause 5 herein nor if it is in breach of any of the provisions of the mortgage.

14. **SERVICE OF NOTICES**

Any notice required or authorised by these presents to be served by the Authority on the Borrower shall be sufficiently served if sent by ordinary pre-paid post or delivered by hand in a letter addressed to the Borrower at its registered office and such notice shall be deemed to have been duly served in the case of delivery by post at the time in which a letter sent in the ordinary course of post would be delivered at the registered office and in the case of delivery by hand on the date of actual delivery.

15. **REGISTERED OWNER**

It is hereby certified that the Borrower is the body, or person entitled to be registered as full owner of so much of the mortgaged property set out in Part One of the Schedule hereto as is registered or deemed to be registered within the meaning of the Registration of Title Act 1964.

16. **LAND ACT 1965**

The Authority being the body or person which becomes entitled to the entire beneficial interest in the interest in the land which purports to become vested in it by this instrument hereby **CERTIFIES** that it is a qualified person within the meaning of Section 45(1) of the Land Act 1965 being “a Local Authority for the purposes of the Local Government Act, 1941” as specified in Section 45(1), (IV).

17. **NO MERGER**

These presents shall not operate as a merger or defeasance of any prior charge or estate legal or equitable, lien, guarantee or security of the Authority on or in the security hereby created or any part thereof.

18. **EXERCISE OR POWER**

No Purchaser or other person shall be bound or concerned to see or enquire whether the right of the Authority or any Receiver or Manager appointed by it to exercise any of the powers hereby conferred has arisen or not or be concerned with notice to the contrary or with the propriety of the exercise or purported exercise of such powers.

19. **NO WAIVER**

No failure or delay by the Authority in exercising any right or remedy shall operate as a waiver thereof nor shall any single or partial exercise or waiver of any right or remedy preclude its further exercise or the exercise of any other right or remedy.

20. **CLAUSE HEADINGS**

The Clause headings shall not affect in any way the construction of the Mortgage.

SCHEDULE

PART TWO

(Tenure of Mortgaged Property)

DETAILS OF THE TENURE HELD BY THE APPROVED HOUSING BODY (the Borrower) OF THE MORTGAGED PROPERTY:

SCHEDULE

PART THREE

A. CAPITAL ASSISTANCE SCHEME

LOAN AMOUNT
PAID / PAYABLE BY THE AUTHORITY or € _____

The first instalment
Received by the Borrower or € _____
(Where appropriate)

Interest Rate _____ % per annum

Period of the Mortgage _____ years

B. CAPITAL LOAN AND SUBSIDY SCHEME

LOAN AMOUNT
PAID / PAYABLE BY THE AUTHORITY or € _____

The first instalment
Received by the Borrower or € _____
(Where appropriate)

Interest Rate _____ % per annum

Period of the Mortgage _____ years

TOTAL OF LOAN AMOUNT/S
Which is/are the subject of or € _____
This Mortgage Charge

IN WITNESS

whereof the parties hereto have hereunder executed the presents in the manner following -

Appendix 3

Form of Letter of Guarantee

To _____

Name of local authority

Letter of Guarantee

On behalf of the _____

Name of approved housing body

We hereby undertake to _____

Name of local authority

In connection with the acquisition, construction and related work for the provision or erection of dwellings at

Location of Site/Project

Any funds advanced by the above named Local Authority to the above named approved body, pursuant to the Capital Loan and Subsidy Scheme and/or the Capital Assistance Scheme or any other Capital funding scheme of the Department of the Environment and Local Government, in respect of the housing project sanctioned for the above named location, will be utilised solely for the purpose of completing the project in accordance with the terms of the Approval of the funding and the requirements of the Scheme/s and that the above named approved body will not dispose of the dwellings or property at the above location without the prior approval of the Local Authority except by way of letting of the dwelling units so funded to individuals qualified within the terms of the scheme/s.

We further undertake to execute the required Mortgage Deed in the standard terms already approved or agreed between ourselves and the local authority in connection with such schemes.

We further undertake that in the event of the project not being completed that any unexpended money advanced by the above named Local Authority will be returned and that the proceeds of any approved disposal of uncompleted works will also be returned to

Name of Local Authority

Yours faithfully

Secretary

Chairperson

Date

Appendix 4

Schedule of designated off-shore islands

Designated Offshore Island for the purposes of the Capital Funding Schemes (the Capital Assistance Scheme and the Capital Loan and Subsidy Scheme).

<u>County</u>	<u>Islands</u>	<u>County</u>	<u>Islands</u>	
Clare	Canon	Kerry	Beginish	
	Coney		Dinish	
	Inishloe		Inishvickillane	
	Inishmacowney		The Great Basket	
	Inishmore			
Cork	Saint's	Limerick	Foynes	
	Bear	Mayo	Annagh	
	Clear		Clare	
	Dursey		Clynish	
	Hare		Illanataggart	
	Long		Inishbiggle	
	Sherkin		Inishcottle	
	Whiddy		Inishgort	
	Inishlyre			
Donegal	Aran	Sligo	Inishnakillew	
	Gola		Inishturk	
	Inishbofin		Dernish	
	Inishfree Upper		Inishmulclohy	
	Inishirrer			
	Inishmaan			
	Owey			
	Tory			
	Galway		Dinish	Inisherik
			Inchamackinna	Inishmaan
Inishbarra		Inishmore		
Inishbofin		Inishtravin		
Inisheer				