



To: Chief Executive, City and County Councils
Directors of each Regional Assembly
An Bord Pleanála

CC: Directors of Planning Services, City and County Councils
Directors of Economic Development, City and County Councils
Senior Planners, City and County Councils and Regional Assemblies

**Planning Programme Management
Circular URDF 01/2020**

13 January 2020

Urban Regeneration and Development Fund – Call for Proposals

Dear Sir/Madam,

I am directed by Eoghan Murphy, TD, Minister for Housing, Planning and Local Government, to inform you of a second call for proposals under the Urban Regeneration and Development Fund (URDF), announced as part of *Project Ireland 2040*, to support the compact growth and sustainable development of Ireland's five cities and other large urban centres.

Background to Project Ireland 2040

Project Ireland 2040, which was launched by the Government on the 16th February 2018, is the overarching policy and planning framework for the social, economic and cultural development of Ireland. It includes a detailed capital investment plan for the period 2018 to 2027, the National Development Plan (NDP) 2018-2027, and the 20-year National Planning Framework (NPF).

The NPF outlines the broader policy principles and priorities to plan, in a more strategic, sustainable and coordinated manner, for future population and economic growth over the next 20 years. The principles of the NPF are underpinned by the NDP, a ten-year, €116 billion capital investment programme. Both documents are available to view at <https://www.gov.ie/en/campaigns/09022006-project-ireland-2040/>

The National Development Plan 2018-2027 established four new funds, with a combined allocation of €4 billion to 2027. The Urban Regeneration and Development Fund (URDF) has an allocation of €2 billion to 2027, primarily to support the NPF's growth enablers for the five cities and other large urban centres. The Department of Housing, Planning and Local Government (DHPLG) has responsibility for implementation of the URDF.

Urban Regeneration and Development Fund (URDF)

The URDF is a flagship element of Project Ireland 2040. Under the stewardship of the Department of Housing, Planning and Local Government, the Fund was established to support more compact and sustainable development, through the regeneration and rejuvenation of Ireland's five cities and other large towns, in line with the objectives of the NPF and NDP. This will enable a greater proportion of residential and mixed-use development to be delivered within the existing built-up

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footprints of our cities and towns and to ensure that more parts of our urban areas can become attractive and vibrant places in which people choose to live and work, as well as to invest and to visit.

Over its planned lifespan up to 2027, URDF support will be targeted in a dynamic and responsive way to deal with both existing and emerging issues, to promote the regeneration and rejuvenation of our towns and cities.

In keeping with the aims of the NPF and Project Ireland 2040, the URDF is a new and more tailored approach to the provision of Government support. Through the Fund, successful applicants are being offered direct support for innovative and integrated solutions that will assist in the regeneration and rejuvenation of cities and towns. There is an Exchequer commitment of €550 million for the Fund to support these, and other similar projects, up to the end of 2022. The URDF has an allocation of €2 billion in the NDP to 2027.

Call 1

Under Call 1 in July 2018, bids were invited from all public bodies for funding support from the URDF. A total of 189 applications were received. The application process was competitive. All proposals went through a rigorous assessment including consideration by a Project Advisory Board (PAB), which consisted of representatives from this Department, other relevant Government departments, agency representation and independent national and international expert representatives. On 26 November 2018, Minister Murphy announced URDF support for a total of 88 projects throughout the country.

The 88 projects approved under Call 1 offer a good regional spread, and span a number of themes. The diversity of this first tranche of projects demonstrates the broad focus and responsive nature of the Fund. Call 1 was intended to quickly establish a programme of URDF supported projects, and a significant pipeline of transformational projects is now in place.

Call 2

There will be some refinements to the second call in order to more effectively target particular NPF priority actions and locations, and the following conditions will apply: -

- Applications may be made by local authorities only. As before, collaborations with other public bodies and with the private sector will be encouraged however, in all cases the lead applicant must be a local authority.
- Applicants will be required to demonstrate a clear and direct linkage between the proposal and the applicable Regional Spatial and Economic Strategy (RSES) and in the case of Metropolitan areas, the relevant Metropolitan Area Strategic Plan (MASP).
- If a local authority is submitting more than **three** proposals for consideration, the proposals must be ranked in order of importance and by reference to the relevant RSES and MASP, where applicable
- Proposed URDF-supported projects must be capable of full completion by the end of 2027 - in the case of projects for which the URDF-supported elements are a component of a larger overall project – the URDF-supported elements must be capable of full completion by the end of 2027
- Call 2 will target URDF support towards proposals that align with particular NPF priority actions and priority locations. The primary focus of the second call will be on integrated urban developments, strategic development areas combining a number of elements and schemes that support wider climate action objectives and liveability factors within our Cities and Towns;

- The matched funding requirement from applicants will remain as before at a minimum of 25%.
- Proposals will be considered only where there is clear 'additionality' likely to accrue from URDF support, i.e. URDF support must be a catalyst for development that would not otherwise occur in a timely fashion. URDF support is not intended to supplant funding that would usually come from other central government sources.
- Applicants must confirm that the proposal will comply with State Aid Rules.
- With the exception of projects that are progressing from approved Category B status, all new proposals under Call 2 will be judged in terms of their concept. This approach will simplify the application process, and will also align the advancement of URDF supported projects with the capital project management process and in particular the initial project appraisal stage set out in the new Public Spending Code.

Eligibility

Call 2 will again be based on competitive bids. All proposals for funding will go through a rigorous assessment process, including, where appropriate, assessment by a Project Advisory Board (PAB), who will report to a management committee that will make recommendations to the Minister for Housing, Planning and Local Government.

Call 2 is open to local authorities only, who, being the planning authority, are best placed to prioritise and integrate proposals in their operational areas. Collaborations with non-local authority partners continue to be encouraged but in all cases, the lead applicant must be a local authority.

The number of proposals from each local authority is not limited, however if a local authority is submitting more than three proposals for consideration, those proposals must be ranked in order of importance.

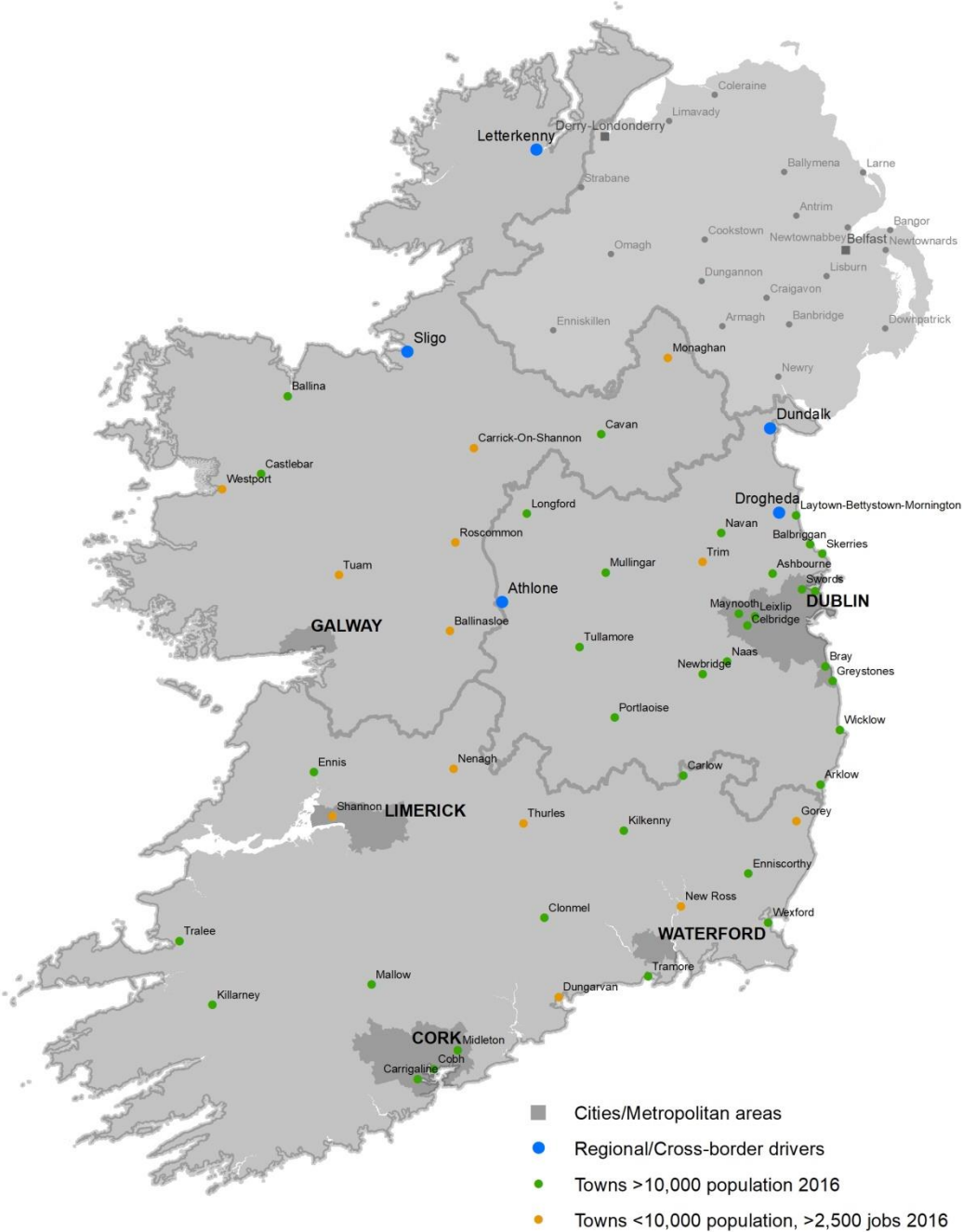
As set out in the table on the following page, the URDF applies to:

- the five cities and their metropolitan areas (defined in the NPF and as set out in DHPLG Circular FPS 04/2018),
- larger towns with a population of more than 10,000 persons, and
- to a number of smaller towns with fewer than 10,000 people but with more than 2,500 jobs and which function as significant centres of employment (all figures as per 2016 Census).

The parallel €1bn Rural Regeneration and Development Fund applies to all settlements and rural areas with fewer than 10,000 people located outside the five city metropolitan areas. While a small number of towns are eligible under both the urban and rural fund schemes, under no circumstance should a proposal be submitted under both schemes.

1 Cities			
i	Dublin City and Metropolitan Area		
ii	Cork City and Metropolitan Area		
iii	Limerick City and Metropolitan Area		
iv	Galway City and Metropolitan Area		
v	Waterford City and Metropolitan Area		
2 Regional/Cross-border drivers			
i	Drogheda	iv	Letterkenny
ii	Dundalk	v	Sligo
iii	Athlone		
3 Towns >10,000 population - Census 2016			
i	Swords	xix	Leixlip
ii	Bray	xx	Tullamore
iii	Navan	xxi	Maynooth
iv	Kilkenny	xxii	Killarney
v	Ennis	xxiii	Arklow
vi	Carlow	xxiv	Cobh
vii	Tralee	xxv	Ashbourne
viii	Newbridge	xxvi	Midleton
ix	Portlaoise	xxvii	Mallow
x	Balbriggan	xxviii	Castlebar
xi	Naas	xxix	Laytown-Bettystown-Mornington
xii	Mullingar	xxx	Enniscorthy
xii	Celbridge	xxxi	Cavan
xiii	Wexford	xxxii	Wicklow
xiv	Greystones	xxxiii	Tramore
xvi	Clonmel	xxxiv	Ballina
xvii	Malahide	xxxv	Skerries
xviii	Carrigaline	xxxvi	Longford
4 Towns <10,000 population, >2,500 jobs - Census 2016 (eligible under both urban and rural fund schemes but may only apply for funding under one scheme only)			
i	Gorey	viii	Thurles
ii	Shannon	ix	Dungarvan
iii	Nenagh	x	New Ross
iv	Westport	xi	Ballinasloe.
v	Roscommon	xii	Carrick-on-Shannon
vi	Monaghan	xiii	Trim
vii	Tuam		

Cities and Towns Eligible to Apply for Urban Regeneration and Development Fund



Project Scale

Under Call 2, the focus of URDF support will be on strategic transformative projects which are expected to be of significant scale. Where proposals are submitted for the towns listed (i.e. categories 2, 3 and 4 on the table above), the minimum overall value of the proposal should be of the order of €2m.

Where proposals are submitted for the five metropolitan areas, the minimum overall value of the proposal should be of the order of €10m.

Enabling Sustainable and Compact Urban Development

The URDF was established to support more compact and sustainable development, through the regeneration and rejuvenation of Ireland's five cities and other large towns, in line with the objectives of the National Planning Framework (10 National Strategic Outcomes) and National Development Plan.

Carefully managing the sustainable growth of compact cities, towns and villages will add value and create more attractive places in which people can live and work while achieving a transition to a competitive, low carbon, climate-resilient and environmentally sustainable economy by 2050. All our urban settlements contain many potential development areas that are suitable for re-use to provide housing, jobs, amenities and services, but which need a coordinated approach to their development, with investment in enabling infrastructure and supporting amenities, to realise their potential.

In this context, bid proposals that establish more affordable and viable urban areas while also supporting an enhanced "liveability" factor for Cities and Towns will be prioritised. The following strategic factors will be essential for proposals to be supported via this second call:

- Bids that promote both **effective regional development** while developing strategic urban areas of critical mass based on qualitative place-making, compact urban growth, climate resilient investment and targeted urban renewal/regeneration projects which support employment, housing and the long term viability of places;
- Proposals which have a more acute focus on brownfield regeneration, adaptive re-use, reversal of vacancy and dereliction, which will be prioritised in the larger urban areas, and the promotion of mixed use capital intensive **Integrated Urban Development** proposals will be a priority, particularly in the five Cities and Regional Driver Towns;
- Where projects have been variable in terms of scale from the first round (many smaller sized/costed projects supported), this second call will focus on **Strategic Integrated Urban Renewal** schemes which will act as a catalyst at a wider regional level and more closely linked to NPF as regards strategic development areas or defined areas for development (e.g. former docklands sites and/or SDZs).
- A strategic approach to **enabling towns** will be encouraged which may involve a series of related measures to address urban regeneration, vacancy, housing supply, employment and improving vibrancy based on an approach which has a number of different projects linked together under a single clear strategy that accords with the relevant RSES/MASP..

Applicants are advised to take a strategic and holistic approach in the formation of proposals that will be required to not only target specific areas but also achieve a positive transformational impact over the wider area.

Therefore, the primary focus of Call 2 will be on integrated urban developments that involve a combination of a number of elements of the following type: -

- Strategic active land management, including the acquisition, planning, design, enabling through servicing, decontamination or otherwise, of strategic areas, sites and buildings;
- Infrastructure related to housing, economic or skills development (including enterprise and tourism), transport and services infrastructure;
- The development of strategic areas, sites and buildings which support mixed use Integrated Urban Development in both a new and existing context; including the strategic relocation of uses or activities;
- Proposals that promote the transition to a low carbon and climate resilient society, in an urban context such as brownfield adaptive reuse proposals fo scale;
- Strategic Public amenity enhancement, such as streetscape/public realm, parks, recreational facilities, safety, security and/or crime prevention works that are part of a wider regeneration strategy for the City/Town;
- Measures to address building vacancy;
- Building refurbishment, redevelopment and/or demolition;
- Measures to improve housing affordability, area viability and long term employment;
- Community, Cultural and educational facilities, which form a critical part of a larger regenerative proposal for an area (but not a routine capital project funded in its own right by another capital programme) including measures to tackle social disadvantage;
- Infrastructure that enables improved accessibility, in particular sustainable modes such as walking and cycling, public transport and multi-modal interchange, but also including roads, bridges and car parking;

Types of areas eligible for funding may include those consisting of a concentration of low-intensity uses, such as storage depots or warehousing, underutilised 'backlands' behind streets and buildings, or institutional sites that are suitable for re-development, as part of an overall regeneration proposal.

Regional Spatial and Economic Strategies

Under Call 2 applicants will be required to demonstrate a clear and direct linkage between the proposal and the applicable Regional Spatial and Economic Strategy. In respect of Metropolitan areas there will also be a focus on the relevant Metropolitan Area Strategic Plan (MASP).

In respect of Metropolitan areas and Strategic Development Zones (SDZs), specific consideration will be given to URDF support for the advancement of a series of carefully sequenced projects as part of a wider/strategic urban regeneration proposal of scale (on a multi-annual programme basis). This is intended to provide greater certainty around the achievement of the desired broader long-term outcomes for the areas in question. This greater certainty around the long-term outcomes is preferable to the less certain results that might be achieved through the piecemeal advancement of individual projects approved through a number of calls over the lifetime of the URDF programme. Through engagement with the applicant the Department will explore the potential for achieving optimum impact from URDF supported programmes of projects in these key locations as part of a wider urban enabling approach to the five Cities and regional drivers.

Matched Funding

As was the case under Call 1, URDF support will be considered up to a maximum of 75% of the project costs considered eligible for URDF support; applicants will be required to provide or source matched funding of at least 25% (public and/or private).

The capacity of an applicant to provide the correct combination of funding supports required to ensure successful advancement and completion of the proposal will be a critical factor when considering its feasibility. Under Call 2, the applicant will be required to set out their plans for funding their proposals including details of the proposed source/s of matched funding, including borrowings, where applicable.

Additionality

'Additionality' is an important and fundamental consideration in terms of the URDFs intended purpose and potential impact. In order for support from the Fund to have real impact it must not supplant other Exchequer funded capital programmes or support development that would likely come about in the normal course, e.g. through private sector investment.

Therefore, under Call 2 proposals will be considered only where there is clear 'additionality', i.e. the extent and nature of the funding is envisaged to enable investment in urban development that might not otherwise occur and which would act as a catalyst for further investment in the area directly or indirectly or that would not otherwise occur in a timely fashion.

In this regard applicants should be particularly circumspect about seeking URDF support for projects that would usually attract funding from another Department/source. For example, where a proposal for an integrated urban development includes such a component project, e.g. a library, the applicant will be required to demonstrate that the component in question is integral to the achievement of the desired overall outcome of the broader proposal. Where feasible applicants should use the prospect of URDF support to leverage full or part-funding from the usual source. Before sole URDF support is considered the applicant will be required to demonstrate that it has explored the possibility of funding or part-funding from the usual source, and that it would not materialise in time to allow for the timely delivery of the broader proposal.

Under Call 2 applicants will also be required to identify any related LIHAF, Serviced Sites Fund (SSF), Regeneration Programme or URDF projects already considered by this Department. Applicants will also be required to identify any support already committed from other NDP funds, for example the Climate Action Fund or Regional Enterprise Development Fund, or any EU Operational Programme Funding, such as, for example, the European Regional Development Fund (ERDF). Applicants will also be required to identify any relevant LDA obligations and NTMA land holdings/interests where the potential for beneficial synergies might be explored.

Private sector involvement and State Aid Rules

As with Call 1, applicants are again encouraged to consider collaborations with the private sector and with other public bodies. The intention is to promote beneficial project collaborations between public bodies and private entities who could play a part in in the advancement of the proposal and/or contribute to matched funding for the URDF supported project.

However, local authorities, as the lead applicants, are reminded of their responsibility, as sponsoring agencies, to ensure that projects proposed for URDF support can be delivered in full compliance with State Aid Rules and the Public Spending Code (PSC) and related Capital Works Management Framework (CWMF). In this regard it should be noted that the project appraisal process set out in the PSC requires sponsoring agencies to consider the various constraints that might prevent them from advancing a project: 'State Aid Rules' is amongst the constraints identified for consideration.

Therefore, applicants will be required to declare that any collaborations with, financial support from, or involvement by private entities in URDF proposals will not result in a contravention of State Aid Rules.

Proposal Concepts

Under Call 1, bids were invited to be submitted as either ‘ready-to-go’, Category A proposals or as Category B proposals that required further development before being considered for Category A status. This approach was adopted in order to create early momentum so that a pipeline of URDF supported projects could be quickly developed and that funding available in the early years of the programme would be utilised.

Under Call 2, there will be a return to capital proposal progression from project concept stage, aligned with the requirements of the new Public Spending Code. Under Call 2 proposals will be advanced and appraised from concept to completion, through a series of approval gateways. In line with the PSC this process will provide for greater certainty around project progression, costs and related URDF support for both the applicant as Sponsoring Agency and the Department as the Approving Authority.

Thus for Call 2, with the exception of projects that are progressing from approved Category B status, proposals will first be assessed in terms of their concept. Proposal concepts will be considered on a pass/fail basis using the URDF programme criteria. Only where the concept of the proposal is considered suitable for URDF support will the applicant be requested to advance the project to the next stage of development. Following Call 1, those existing Category B projects which have already been supported in principle, may have already advanced past this initial stage and can be assessed, if and where applicable, at the next applicable stage once deemed viable.

In making this change, the Department is responding to applicant experience and to some of the matters arising from Call 1. As well as ensuring alignment with the new PSC this revised arrangement will simplify the application process. As the initial assessment will be based on the strategic concept of the proposal, the preparation of proposals should be less onerous for applicants and will reduce the likelihood of applicant’s investing of resources and time in the development of a fully developed proposal that may or may not be approved for URDF support. Furthermore, consideration of complex proposals at this stage will afford the opportunity for modification of proposals at an early stage (pre-Part 8 planning) so that they can be more effectively aligned with the intended purpose of the URDF in terms of targeted NPF outcomes and true additionality.

Application Details

For Call 2, the window for applications to be submitted will open on 1 February 2020. Two months will be allowed for preparation of bids. Applications will be accepted until **12.00 noon on Tuesday 31st March 2020** and must be submitted by email on the URDF application form to urdf@housing.gov.ie¹.

The application form and additional information will be available to download from the following website before the end of January:

- <https://www.gov.ie/en/campaigns/urban-regeneration-and-development-fund/>

The application form should be completed in a succinct but thorough manner and should address each question clearly and cohesively.

¹ The total file size allowable in a single email is 18MB

The Department also intends to host specific URDF/Compact Urban Growth workshops to support the application process within the broader context of Project Ireland 2040 and the implementation of the National Planning Framework. These workshops will take place in February.

Accompanying Documentation

Each application form must be accompanied by the following:

- A map that clearly identifies the location of the proposal and, if available, aerial or 3D image that visualises the proposal;
- A cover letter from the Chief Executive, confirming commitment to the proposal and briefly outlining the nature of the proposal;
- A copy of the applicable Regional Spatial and Economic Strategy (RSES) and in the case of Metropolitan areas, the relevant Metropolitan Area Strategic Plan (MASP).
- Verification letter(s) from any other identified partner(s), signed by the authorised person (Chief Executive, Director, etc.) setting out their consent to partake in the application and their commitment to the proposal;
- Verification letter(s) from the source(s) of match-funding, confirming knowledge of the application and commitment to provide matched funding. This letter must be signed off by the competent person sufficiently authorised to issue the match-funding commitment e.g. Chief Financial Officer.

Assessment Process

Applications will be assessed by a Project Advisory Board using the URDF programme criteria. The panel will make submissions to a separate Management Committee, prior to Ministerial sign-off. The role of the Management Committee will be to report and make recommendations to the Minister on the proposals to be funded.

In considering the nature of proposals and the associated details, applicant(s) may be required to provide further information which may be in the form of a presentation to assist the Project Advisory Board in its deliberations. Notice will be issued to any such applicant(s) advising of the need to prepare and present further information to the panel in this regard.

Further Information

As previously set out, a series of workshops will be held in February to support the application process and Departmental staff will also be available to assist with queries in the period up to the **closing date of 12.00 noon on Tuesday, 31st March 2020.**

Any further queries can be directed to the Planning Programme Management section at urdf@housing.gov.ie or (01) 888 2000.

Periodic updates will be posted on <https://www.gov.ie/en/campaigns/urban-regeneration-and-development-fund/>

Yours sincerely,

Lisa Clifford

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Principal Officer
Planning Programme Management Section