

## Galway City Council Affordable Housing Delivery Update February 2023:

The Galway City HNDA has assessed that there will be a significant need for affordable housing over the plan period. The HNDA categorises 20.4% of households as 'affordability constrained' and unable to sustainably afford private market housing but are however above the eligibility ceiling for social housing.

The Affordable Housing Act 2021 places two forms of affordable housing tenures for this cohort on a legislative basis:

1. affordable purchase
2. cost rental housing.

For local authorities such as Galway City, with a higher level of affordability constrained housing demand, the immediate priority is to:

1. Determine and outline the annual requirement for affordable housing and in parallel to accelerate affordable housing delivery with the support of the Affordable Housing Fund, especially through already approved Serviced Site Fund projects.

2. Galway City Council has sought to bring forward immediate proposals for Affordable Advance Purchase type projects, especially projects where planning is in place for potential turnkey developments.

These two delivery channels will form the basis for the majority of affordable housing delivery by Galway City Council.

This delivery will however be augmented by Cost Rental homes delivered by Approved Housing Bodies and Affordable Purchase and Cost Rental homes delivered by the Land Development Agency.

It is intended that by a process of setting multi-annual targets and planning matching delivery will see Galway City Council linking with Approved Housing Bodies and the Land Development Agency to put in place a local authority wide plan for the delivery of affordable homes under the following delivery pathways:

- Local authority arranged via affordable purchase and cost rental (including partnership arrangements with the LDA, AHB's and Part V)
- LDA Affordable Purchase/Cost Rental delivery on LA and non-LA lands
- AHB delivery of Cost Rental.

The combination of units expected from each of these delivery channels, at a scale necessary to address the additional affordable demand arising along with some addition for pent up demand, forms the basis of the Housing Delivery Action Plan.

**Table 4 from GCC Housing Delivery Action Plan: Projected HNDA Need and Proposed Delivery (Affordable Housing)**

Year	Projected HNDA Need with Affordability Constraint (Number of Households)	Affordable Housing Targets (LA Build though Affordable Housing Fund / Advance Purchase)	Proposed Total Affordable Delivery (Number of Units)
2022	-	10	0
2023	119	29	85
2024	135	40	430
2025	140	36	390
2026	157	36	100
<b>Total</b>	<b>551</b>	<b>151</b>	<b>1,005</b>

The HNDA for the Galway City Development Plan 2023-2029 forecasts that housing need in the Galway City administrative area will comprise 4,433 households over the plan period. The HNDA calculates that 55.4% of households requiring homes during the plan period fall into the social (35%) and affordable (20.4%) categories.

This includes:

- 1,575 social rented households (of which 188 comprises of unmet need)
- 906 households in the owner-occupied sector
- 1,047 in the private rented sector
- 903 'affordability constrained' households who are ineligible for social housing but face affordability challenges in the private market.

This represents a relatively high need for social and affordable housing over the plan period. This is driven by several factors; it in part reflects high existing property prices and rents in Galway City, as measured by 2019 baseline data.

Although household incomes in Galway City are relatively high by national standards, high housing costs result in relatively high numbers of households facing affordability challenges. As forecast rents in this HNDA are estimated to grow at a slightly faster pace than incomes, and as household incomes in lower deciles rise above the eligibility limits for social housing, the 'affordability constraint sector' is as a result, forecast to grow over the plan period.

**Table 5: Future Programme by Year (Affordable Housing)**

Year	LA Build Affordable Purchase	LA Turnkey Affordable Purchase	LA Cost Rental Build (Affordable Housing Fund)	AHB Cost Rental (Cost Rental Equity Loan)	LDA Affordable Purchase	LDA Cost Rental	Total Dwellings to be Delivered
2022	0	0	0	0	0	0	0
2023	0	50	0	35	0	0	85
2024	127	104	0	199	0	0	430
2025	250	50	0	90	0	0	390
2026	100	0	0	0	0	0	100
<b>Total</b>	<b>477</b>	<b>204</b>	<b>0</b>	<b>324</b>	<b>0</b>	<b>0</b>	<b>1,005</b>

Galway City Council propose to build 477 homes for Affordable Purchase with a potential additional 204 homes under LA Turnkey Affordable Purchase to be acquired. Expressions of Interest were sought from the owners of sites and developers for Affordable Purchase in November 2021. The total Affordable Build and Purchase delivery anticipated over the period to 2026 is 681 homes.

#### **Cost Rental:**

It was expected that the balance will be met by the AHB sector who would play a leading role in delivering and managing cost rental homes.

There is potential for the delivery of 324 Cost Rental homes by AHB's under the Cost Rental Equity Loan Scheme with the majority of Cost Rental homes coming on steam from 2024.

However to date there has been difficulties with establishing a successful model by AHBs for delivering cost rental properties which may impact on our delivery. All other possible routes for delivery of our affordable targets will be investigated.

#### **Land Development Agency:**

The Land Development Agency (LDA) will play an increasingly important role in delivering social and affordable homes on major publicly owned land in Galway City. The most advanced LDA project in Galway City at present is a major site Sandy Road, currently at design stage. This site will involve the creation of a new neighbourhood and will be one of the largest urban regeneration projects to take place in the city. It is currently expected that affordable housing will form an important part of this and similar LDA projects, to accelerate the development of the affordable housing sector and demonstrate its role in meeting housing demand.

Two significant housing schemes to provide for Affordable Purchase and Cost Rental homes are proposed for sites at Dyke Road (150-200 mixed tenure units), and Sandy Road (700 – 850 mixed tenure units). Both sites will deliver a significant number of new homes in the city but it is not anticipated that homes will be completed with the timeframe of this Action Plan.

As per our Housing Delivery Action Plan 2022 – 2026, Galway City Council intend to build 1005 affordable homes over the lifecycle of the plan commencing in 2023. This consists of 477 direct build by GCC as well as 204 turnkey acquisitions and 324 cost rental homes delivered through our AHB partners.

**The following projects are in the Current Pipeline:**

**Merlin Woods (East Side):**

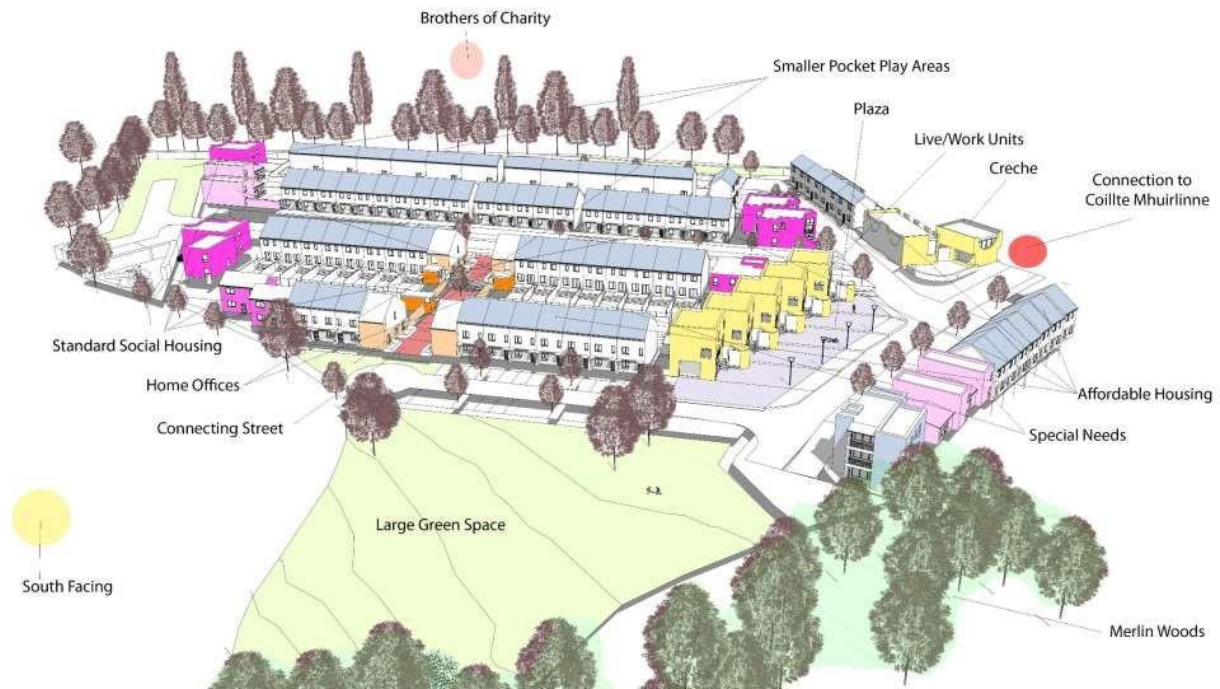
85 affordable housing units which has Part 8 approval.

Site Area: 2.94H

Units: 79 Houses 24 apartments (85 Affordable/18 Social with Part VIII). The Social Housing element received Stage 2 DHLGH Approval in May 2021 with a recommended budget of €4,651,117.

An AHF Funding application was submitted to the Housing Agency in December 2022 seeking funding in the amount of € 6,375,000.00. The Housing Agency will assess the application against the eligibility selection criteria and if it meets the selection criteria the application will be marked against award criteria. If the minimum threshold is reached the application will then be assessed by the DHLGH team to ensure alignment with National Policy and planning objectives. Confirmation of Approval In Principle for the AHF support together with indicative provisional allocation can then be issued to Galway City Council. Following confirmation of all statutory consents and certification a Final Cost Review and decision will be made and the scheme can progress to the next stage. This will involve an Expression of Interest to the market to procure a supplier for the Design, Build, Finance and Sell option for delivering the scheme. The successful tenderer finances, builds and sells directly to eligible purchasers nominated by GCC. This delivery option minimises the risk to the Local Authority and avoids large funding outlays for the LA and should bring about early affordable delivery. A breakdown of the works is as per table below:

<b>Specific Project/Works and total homes being provided.</b>	<p>Affordable Housing and Social Housing Development including live/work units and a Crèche, complete with provision of access roads, on site development works, and Utilities to service the site.</p> <ol style="list-style-type: none"> <li>1) 85 No. Affordable residential units             <ol style="list-style-type: none"> <li>a) 65 No. two-bedroom</li> <li>b) 10 No. three-bedroom</li> <li>c) 5 No. live/work units</li> <li>d) 2 No. two-bedroom with separate home office</li> <li>e) 3 No. three-bedroom apartments</li> </ol> </li> <li>2) 18 No. Social residential units             <ol style="list-style-type: none"> <li>a) 4 No. four-bedroom special needs</li> <li>b) 4 No. one-bedroom apartments</li> <li>c) 10 No. two-bedroom apartments</li> </ol> </li> <li>3) Crèche Facility</li> </ol>
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## Clybaun Road (West Side):

29 affordable housing units.

Site Area: 1.4ha

Units: 34 Houses 23 apartments

The proposal is for a 57-unit housing project comprising of 28 Social and 29 Affordable units. The Social Housing element received Stage 1 DHLGH Approval in January 2022 with a recommended budget of €9,200,248. The site is currently being designed and assessed in order to lodge a Stage 2 application in Q1 2023 with a Part 8 planning publication when the Stage 2 approval is received.

It is anticipated to submit an AHF Funding application to the Housing Agency in Q1 2023, coinciding with the Stage 2 application. A breakdown of the proposed works is as per table below:

<p><b>Specific Project/Works and total homes being provided.</b></p>	<p>Affordable Housing and Social Housing Development complete with provision of access roads, on site development works, and utilities to service the site.</p> <p>4) 29 No. Affordable residential units</p> <p style="margin-left: 20px;">a) 17 No. 2 Bed / 4 Person / 2 Storey House</p> <p style="margin-left: 20px;">b) 12 No. 3 Bed / 5 Person / 3 Storey House</p> <p>5) 27 No. Social residential units</p> <p style="margin-left: 20px;">a) 03 No. 2 Bed / 4 Person / 2 Storey House</p> <p style="margin-left: 20px;">b) 02 No. 1 Bed / 2 Person / 1 Storey House</p> <p style="margin-left: 20px;">c) 07 No. 2 Bed / 3 Person Apartment</p> <p style="margin-left: 20px;">d) 14 No. 2 Bed / 4 Person Apartment</p> <p style="margin-left: 20px;">e) 02 No. 1 Bed / 2 Person Apartment</p>
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### **Call For Turnkeys:**

Galway City Council will be seeking expressions of interest from private developers and building contractors for housing proposals in Galway City Council's administrative area as well as proposals for the acquisition of sites for development within areas of demand.

All completed developments must be fully compliant with the Department of Housing, Local Government & Heritage guidelines and will be assessed on the following criteria:

- Social Housing need/suitability at that location.
- Value for money.
- Quality of design and construction.

All sites for development will be assessed on the following criteria:

- Location and Suitability of the Site for Social Housing
- Land Zoning Status (if applicable). Zoning must be compatible.
- with residential development
- All necessary utilities available e.g. Water, Sewerage, Electricity,
- Communications etc