

Housing **O**ur **P**eople in our **E**nvironment



Strategy Committee Progress Report **May 2008**

Background

Adopted by Council in June 2005, the HOPE Strategy is the blueprint for 32 Council and community actions related to increasing the supply of affordable and community housing. The June 2005 report is now referred to as **Volume 1**, and was updated in September 2007 concurrently with the notification of Plan Change 24 **with an amended goal 1**.

Progress on Plan Change 24: Affordable and Community Housing meant that the Strategy needed amending to incorporate a set of **Guidelines** (which now form **Volume 2** of the HOPE Strategy). **The guidelines consist of the following:**

- Part A: Applicant Eligibility Criteria
- Part B: Guidelines for Development
- Part C: Retention Mechanisms
- Part D: Affordable and Community Housing- Demand, Allocation and Implementation Report
- Part E: Methodology for Affordable Housing Impact and Mitigation Statement
- Part F: Definitions

Through the above additions, the HOPE Strategy (September 2007) continues to function as the primary guidance for the public, those developing housing, and planners reviewing developments with regard to Affordable and Community Housing. Unless specifically modified, all provisions of the original HOPE Strategy (June 2005) remain valid.

Purpose of the Guidelines

The purpose of the Guideline documents is to provide guidance on how the Council will expect and/or encourage affordable housing to be built. It explains some of the key concepts of affordable housing and elaborates on the information in the proposed Appendix 11 of the District Plan, so as to further explain what is intended in order for housing to qualify as affordable and community housing.

This guidance document is to serve as reference when implementing the District-wide Objectives and Policies relating to affordable housing in the District Plan (as proposed in Plan Change 24). This means they have weight in the planning process and that they will be used for:

- determining provisions for Plan Changes
- assessing Resource Consent applications
- indicating the matters that may be included in conditions of consent and covenants on Affordable Housing and Community Housing units

HOPE Strategy Progress

Two sections of the Strategy, “3- Goals” and “4-Actions” are repeated here to provide context for this report. All text original to the HOPE Strategy is shown in the standard type face. Changes or comments are shown in **bold underline**.

3. GOALS OF THE AFFORDABLE HOUSING STRATEGY

3.1 The Overall Goal

1. *To increase access to quality, affordable housing that is integrated into the community so as to support the community's outcomes related to the sustainable economic, social and environmental development of the QLDC area.*

"to increase access" means to enact measures that

- **prevent the demand for Affordable and Community Housing from increasing beyond the levels measured in 2006; and**
- **enable 70% of the District workforce which is in need of and eligible for Affordable and Community Housing to live within the QLDC area by 2016.**

This goal reflects three main 'pillars' of a long-term sustainable affordable housing strategy. At a high level, the Strategy needs to signal that it is not just a matter of increasing the supply of affordable housing. Affordable housing also needs to be of good quality and integrated into the community.

Quality therefore refers to:

- the suitability of the dwelling to meet the specific needs of the household, in terms of size and layout; and;
- the quality of the design and construction of the dwelling and its facilities and services, including reasonable physical condition, energy efficiency and privacy.

Integration therefore refers to:

- the suitability of the location enabling the household to access employment, shops, schools and community facilities without long trips by car; and
- all suburbs and settlements having some affordable housing, avoiding an over-concentration of affordable housing in some areas.

3.2 Three Additional Specific Goals

2. To facilitate initiatives to increase the supply of affordable quality housing for rent to seasonal workers, as an end in itself, as well as the flow-on benefits it will bring to the long term rental market.
3. To significantly increase the supply of quality, affordable, and secure rental property to meet the needs of committed local residents, employed in key industries that are important to the economic and social wellbeing of the community.
4. To support development of the owner occupier housing market for committed local residents employed in key industries that are important to the economic and social wellbeing of the community, and to ensure the retention of this housing as affordable housing.

Long Term targets were estimated to deliver a range of affordable housing, using a mix of rental and ownership tools, to meet the needs of approximately 2320 households (1790 households in Queenstown and 530 in Wanaka).

Perhaps more importantly for the District will be the development of expertise and institutional capacity, to address housing affordability over the longer term.

4. ACTIONS

4.1 Overview of Actions

This strategy concentrates on actions that the QLDC community can take in the next 3 to 5 years (interpreted as from 2005 to 2008-2010) to help address housing affordability issues. The main part of the strategy deals with council-initiated actions aimed at specific groups within the community. A key proposal is the development of a locally initiated pilot project, undertaken under the umbrella of a Community Housing Trust.

Affordable housing initiatives recommended for the Affordable Housing Strategy can be grouped under the following broad categories;

- Policy development, advocacy, research and education.
Advocate for improved access to affordable, adequate and good quality housing, supported by research and monitoring and community education programmes.
- Planning mechanisms.
Use planning mechanisms to facilitate the provision of high quality affordable housing by the market place.
- Financial initiatives.
Use Council's resources (and the resources of collaborative partners) to facilitate the provision of affordable housing, now and into the future.
- Delivery
Establish a Community Housing Trust and develop projects to deliver a range of rental and owner-occupied housing units aimed at specific segments of the housing market that will not benefit from the above actions. Use council land, private sector funding and central government funding to assist this project.

The following table lists proposed actions, and indicates which Goal the action is associated with, who is responsible, and the suggested timeframe.

S (Short) = within 1 to 2 years

M (Medium) = 2 to 4 years

L (Long) = 5+ years

To be addressed – 2008 action items (3 out of 32 – 9%), that had not yet commenced in 2007.

<i>Goal</i>	<i>Item</i>	<i>2008 Actions</i>	<i>Current Status</i>	<i>Original Timeframe</i>
Goal 1,2	11.	Develop and implement a communications plan for the business sector about the positive aspects of contributing to the provision of affordable housing for their employees, and the tax situation that supports this type of contribution.	To be initiated in partnership with the Housing Trust. Action Plan to be developed by December 2008, in concert with items 6 and 7 below.	Medium
Goal 2,3 &4	12.	Monitor and evaluate pilot projects developed during under this strategy and ensure that the findings are made widely available to the community, including business and development interests. Ensure that any lessons learned in the pilot projects are used to support future collaborative efforts.	To be initiated in partnership with the Housing Trust. Action Plan to be developed by December 2008	Medium
Goal 2	26.	Support the implementation of other Council policies involving collaboration with the private businesses to help increase wages and salaries in the local economy, in such initiatives as promoting quality tourism.	Action Plan to be developed by December 2008	Medium

Ongoing actions: 13 out of 32 (41%) Suggested 2008 Priority items in *italics*

<i>Goal</i>	<i>Item</i>	<i>ONGOING Actions</i>	<i>Current Status</i>	<i>Original Timeframe</i>
		<i>Policy, Advocacy, Research and Monitoring</i>		Status
Goal 1	3.	Develop and implement a monitoring programme, including undertaking a housing needs assessment every two years and a programme for reviewing this Strategy	This report is the second monitoring effort. Housing needs assessment to progress in second half of 2007 in consultation with Queenstown Lakes Community Housing Trust (Trust).	Short; Ongoing
Goal 2, 3	6.	<i>In collaboration with local employers develop a framework for maximizing opportunities for employers to contribute to the provision of affordable rental housing that will benefit their employees.</i>	<i>Deferred pending readiness of the Trust to further develop such a framework; awaiting action by Central Government on reducing/removing the Fringe Benefit Tax (FBT). Submissions to the AH:ETA made to this effect.</i>	Short; Ongoing
Goal 1	7.	<i>Develop and promote employer housing funding schemes for employees.</i>	<i>Deferred pending readiness of the Trust to further develop such a framework.</i>	Short; Ongoing

Goal	Item	ONGOING Actions	Current Status	Original Timeframe
Goal 3	10.	Lobby for the expansion of HNZC's housing stock, in recognition of the high levels of housing stress in the area.	Advocacy continues. HNZC investment in Shared Ownership addresses intermediate households, but lower income households still facing need.	Medium; Ongoing
		<i>Planning</i>		
Goal 3,4	14.	<i>Investigate the potential for the adoption of incentives such as density bonuses for affordable housing, in any proposals for up-zoning and particularly when zoning new urban areas and, if appropriate, include in the District Plan. Tie the provision of affordable housing to a suitable retention mechanism, and introduce location criteria to ensure affordable housing is located close to activities and transport.</i>	<i>Depending on outcome of the Affordable Housing: Enabling Territorial Authorities Bill, a brief for an incentives programme scheduled to progress in 2008.</i> <i>Proposed Plan Change 24: Community Housing notified October 2007.</i>	Short; Ongoing
Goal 3,4	15.	Support increases in opportunities for affordable housing in lower density residential areas through the provisions for residential flats (for long term rental) in the District Plan.	See Proposed Plan Change 24: Affordable and Community Housing. See revised "Definition of Residential Flat" as adopted August 2006.	Short; Ongoing
Goal 3,4	16.	<i>Extend the current assessment criteria for Comprehensive Residential Development in lower density residential areas to include the provision of affordable housing as consideration in whether to grant consent to the development. Improve the implementation of the assessment criteria, to ensure all criteria are assessed. Tie the provision of affordable housing to a suitable retention mechanism.</i>	<i>See Proposed Plan Change 24: Affordable and Community Housing.</i> <i>Further research specifically on CRD provisions continues.</i>	Short; Ongoing
Goal 2	17.	Identify any unnecessary constraints in the District Plan on non-traditional housing forms in locations that are otherwise appropriate for seasonal workers' housing, and, if so identified, work towards their removal.	Market developments in Arthur's Point rural visitor zone may have addressed this need – evaluate over coming years. See Proposed Plan Change 24: Affordable and Community Housing.	Short; Ongoing
Goal 3, 4	19.	Introduce affordable housing into the policies of the District Plan so that it can become a relevant matter when Plan Changes/ Variations are proposed, as well as when resource consent applications are considered, for example in relation to	See Proposed Plan Change 24: Affordable and Community Housing.	Medium; Ongoing

<i>Goal</i>	<i>Item</i>	<i>ONGOING Actions</i>	<i>Current Status</i>	<i>Original Timeframe</i>
		discretionary activities. This is so the impacts of planning changes on affordability, both positive and negative, are addressed.		
Goal 3,4	20.	Investigate how to implement a distinction in the District Plan between higher density visitor accommodation areas and higher density residential areas to provide a stock of housing for permanent residents and ensure that the clear separation is ensured in any new urban zoning. Undertake the implementation.	See Proposed Plan Change 23: Visitor Accommodation and Residential Amenity.	Medium; Ongoing
		<i>Financial</i>		
Goal 1	22.	<i>Advocate so that the particular needs of the District are taken into account in Government proposals to amend the RMA or LGA to allow for contributions from developers to be levied for affordable housing.</i>	<i>QLDC is actively working with Local Government New Zealand and Government on revisions to the Affordable Housing: Enabling Territorial Authorities Bill.</i>	Short; Ongoing
Goal 3,4	29.	<i>Establish appropriate retention mechanisms to be used for the pilot project(s), to ensure that affordability is retained into the future. Ensure that full details of the chosen retention mechanisms are made known to the community (see The Nature and Scale of Housing Affordability Issues in the District – June 2004, for a discussion of retention mechanisms).</i>	<i>Establishment of the Trust is the first retention mechanism. Retention Mechanisms included in PC 24. Further work on specific covenants underway.</i>	Medium; Ongoing
Goal 1	32.	Building on the experience of the initial pilot project and other actions under this Strategy, and from the ongoing monitoring of housing needs, identify the most appropriate form of affordable housing development for long-term / committed local residents, and actively facilitate the development of further projects.	Review annually, amend action as needed.	Long; Ongoing

Completed: 16 out of 32 Actions (50%)

<i>Goal</i>	<i>Item</i>	<i>COMPLETED Actions</i>	<i>Current Status</i>	<i>Original Timeframe</i>
		<i>Policy, Advocacy, Research and Monitoring</i>		Status
Goal 1, 2,3,4	1.	Council to appoint a Community Housing Officer to co-ordinate development and implementation of the Strategy.	Senior Policy Analyst-Housing commenced work 1 October 2005.	Short; Complete
Goal 1, 2, 3, 4	2.	Develop a Memorandum of Understanding with central government to work towards the goals outlined in this Strategy.	MOU between QLDC and Housing New Zealand Corporation (HNZC) signed 14 September 2006.	Short; Complete
Goal 1	4.	Develop and implement a communication plan for the community <ul style="list-style-type: none"> - Why the need for the strategy: - What type of housing is likely to be provided by the strategy - What it will cost and who will pay for it. 	Ongoing communications led by Council's communications officer. Consultation with the Trust has clarified Trust and Council initiatives.	Short; Complete
Goal 2, 3, 4	5.	In partnership with the business community, undertake a study of the current costs incurred by businesses due to the lack of affordable housing and distribute the findings back to the business community.	Queenstown Labour Market Analysis, November 2007 included relevant housing questions. Report now led by MSD with Dept of Labour & QLDC.	Short; Complete
Goal 1	8.	Facilitate access to energy efficiency advice for residential construction, and particularly for any pilot projects developed under this strategy. Facilitate partnerships to implement energy efficient retrofitting projects, targeted to lower income households.	Council's Strategy Committee committed to the <u>Eco Design Advisor Programme</u> on 21 February 2007; the programme commenced in October 2007 & is funded for 3 yrs. The Document B: Guidance for Developers draft dated April 2007 includes further advice, proposing a standard of quality and energy efficiency.	Short; Complete
Goal 3,4	9.	Advocate for the provision of increased levels of capital and operations funding from Central Government (HNZC and EECA) to recognise the particular housing needs of the QLDC area.	HNZC committed \$100,000 in September, 2006 towards establishing the Trust; another \$2M was committed for the Shared Ownership Scheme; BRANZ & EECA have committed to share of cost on the Eco Design Advisor. Advocacy continues for central government support of wider initiatives.	Medium; Complete & Ongoing
		<i>Planning</i>		
Goal 3,4	13.	Encourage developers to enter into voluntary agreements to provide affordable housing as part of larger scale subdivision and housing developments, and ensure that the affordability of any such housing is retained into the future.	5 Stakeholder deeds have been executed to date delivering approximately 72 sections to the Trust; another 3 likely to progress.	Short; Complete & Ongoing

<i>Goal</i>	<i>Item</i>	<i>COMPLETED Actions</i>	<i>Current Status</i>	<i>Original Timeframe</i>
Goal 3,4	18.	Continue to improve the design standards of intensive housing developments so that they are attractive to permanent residents.	See Proposed Plan Change 24: Community Housing. See: Guidance for Developers draft dated April 2007 for further information	Short; Complete/Ongoing
		<i>Financial</i>		
Goal 1	21.	Council to contribute a small grant (funded from the rates) towards the initial running costs of the Community Housing Trust.	Initial start-up grant of \$50,000 committed in the current LTCCP. Scheduled for disbursement to the Trust 1 July 2007.	Short; Complete
Goal 1	23.	Identify the most effective way of maximizing the contributions from the Council's limited resources to achieve the goals of the strategy, and in particular, where the provision of land is likely to be more effective than the provision of finance. Identify sites suitable for future affordable housing development and purchase if necessary.	Council has identified land at Scurr Heights, Wanaka; Jopp Street, Arrowtown and included Affordable Housing in the design brief for the Lakeview site, Queenstown.	Short; Complete
Goal 1	24.	Develop criteria to be applied whenever Council decides to sell council-owned land, to assess whether the proceeds should go towards the provision of affordable housing, and implement.	Process developed & adopted by Finance Committee in September 2007 that outlines method for identified sites to be utilised by the Housing Trust.	Short; Complete
Goal 2,3,4	25.	Undertake an analysis of all council-owned (freehold) land to determine suitability for an affordable housing contribution, based on clear criteria. Select a suitable small site for a pilot project.	Very limited lands available; usable sites have been identified and progressed. Any of the sites listed in item 23 above may progress as the pilot.	Short; Complete
		<i>Delivery</i>		
Goal 1, 2, 3,4	27.	Establish a Community Housing Trust with Trustees drawn from the District Council, the private sector (representing employees and developers in the District), community organisation (with experience relevant to housing affordability) and from the community at large.	Trust launched March 2007.	Short; Complete
Goal 3,4	28.	Establish criteria and mechanisms for determining the eligibility of households for any affordable rental housing developed by the Trust. Ensure that these criteria are made known to the	Document A: Applicant Eligibility Criteria adopted by Council 5 May 2006; updated October 2007 with PC24 notification; designed to be updated annually.	Medium; Complete/

<i>Goal</i>	<i>Item</i>	<i>COMPLETED Actions</i>	<i>Current Status</i>	<i>Original Timeframe</i>
		community in advance of implementation of the first pilot programme.		Ongoing
Goal 3,4	30.	Seek funding from HNZN's Housing Innovation Fund, from the Council, and from the private sector to implement the pilot project.	Shared Ownership scheme launched February 2008 by the Housing Trust utilising a 50% match of \$2M from HNZN.	Medium; Complete
Goal 2, 3, 4	31.	Actively facilitate the development of pilot projects, with employers and / or developers and / or Housing New Zealand, by identifying interested partners, seeking funding, brokering deals, developing retention mechanisms etc. Ensure that the development is small in scale, of high quality design and construction and is energy efficient.	Indication to date is that this action is best accomplished through leadership by the Housing Trust with the support of the Council. The Trust to provide further detail at a future time.	Medium and Long Complete