

# **H**ousing **O**ur **P**eople in our **E**nvironment

Hope Strategy Update – October 2007



## **Volume 2 - Guidelines**

Part A - Eligibility Criteria

**Part B - Guidelines for Development**

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## **Part B – Guidelines for Development**

## How is Community Housing Defined?

### District Plan Definitions

The District Plan provides a framework for in what situations and how Affordable Housing requirements will be assessed in new development and what requirements will meet this need. Appendix 11 explains how an Affordable Housing Impact Assessment and Mitigation Plan will need to be undertaken. As part of the Mitigation Plan, the provision of two types of product will be necessary: Affordable Housing and Community Housing. These are defined in the District Plan as follows:

**Affordable Housing:** Affordable housing means a Residential Activity whose cost to rent or own generally does not exceed 30% of the income of low to moderate income households and which reflects the design criteria established in Appendix 11. It includes Community housing.

**Community Housing:** Means Affordable Housing that maintains long term affordability for existing and future generations through the use of a Retention Mechanism.

This document also establishes seven criteria that will usually be expected to be met in order for the Council to accept housing as Affordable Housing. These are:

**Criterion 1: Minimum Unit Sizes (as shown in Figure 1) shall be met or exceeded in all Affordable Housing units.**

**Criterion 2: Developments should provide a mix of housing types (in terms of numbers of bedrooms) for Affordable Housing that addresses the needs of Resident Households. Unless information is provided to justify an alternative mix of housing provision, the mix shall be in accordance with Figure 2.**

**Criterion 3: Affordable Housing should be designed and constructed in accordance with the urban design principles of the wider development.**

**Criterion 4: Affordable Housing should be provided on-site unless exceptional circumstances can be demonstrated.**

**Criterion 5: Affordable Housing sites should be spread throughout the development.**

**Criterion 6: Buildings that contain Affordable Housing shall meet or exceed the insulation and glazing standards established in Figure 6.**

**Criterion 7: Community Housing designs should have regard to adaptability to the needs of the elderly, very young and disabled.**

These criteria are explained in detail in the section What Qualifies and Affordable Housing?

## **How and When will the Amount of Affordable Housing to be provided be Determined?**

The District Plan (as proposed in Plan Change 24) establishes District Wide Objectives and Policies that require the consideration of housing affordability as a resource management issue, and actions to avoid, remedy and mitigate such impacts when they are identified.

The District Plan (as proposed) requires an Affordable Housing Impact and Mitigation Assessment (AHIMS) to be undertaken to establish what the impacts are of a development. This may be very brief – if no site or zone standards are breached there would not be expected to be housing affordability impacts that need to be addressed. If any breach of site or zone standards is negligible it is also unlikely that action will need to be undertaken to address housing affordability impacts. However, if there is a substantial increase proposed in a Resource Consent application beyond the development allowed as a permitted or controlled activity in the Plan, or if new zoning is proposed (i.e. a Plan Change) the applicant will need to follow the steps set out in Appendix 11 of the Plan (and Part E of this document) to determine the extent of impact on housing affordability of the increased amount of development proposed. The AHIMS also establishes what actions to avoid, remedy or mitigate this impact should be considered.

With Plan Changes, the applicant may choose to address their requirements for Affordable Housing through non-RMA methods. This would involve agreements with the Council to supply Affordable Housing without involving provisions to be written into the Plan. Provisions could include determining the amount and

location of Affordable and Community Housing in the Structure Plan and having rules to ensure its delivery at Resource Consent stage. In other instances provisions will be made to ensure the amount and location of the Affordable and Community Housing is determined at another stage (such as through the Resource Consent or Outline Development Plan process if applicable).

## **The Queenstown Lakes Community Housing Trust**

The Queenstown Lakes Community Housing Trust (The Trust) has been established to promote the provision of affordable Community Housing for the benefit of the community in the District. The Trust is responsible for delivering schemes of affordable rental and ownership housing, and thus manages the portfolio of property delivered to it from development in order to satisfy Community Housing requirements.

## What Qualifies as Affordable Housing?

The following criteria have been established in order to describe what will be expected in Affordable Housing developments. Some Criteria replicate requirements from the District Plan (as proposed) while others expand on matters raised in the Plan. It is anticipated that Affordable Housing will meet all of the criteria (although it is notable that one criterion applies only to Community Housing):

### i. Minimum Unit Sizes

There is a need to ensure adequate living space within Affordable Housing units. The following minimum space standards will thus be applied:

**Criterion 1: Minimum Unit Sizes (as shown in Figure 1) shall be met or exceeded in all Affordable Housing units.**

Figure 1:

| Unit Type / Number of bedrooms | Minimum space Standard (Area sqm) |
|--------------------------------|-----------------------------------|
| Studio                         | 35                                |
| 1                              | 45                                |
| 2                              | 70                                |
| 3                              | 90                                |
| 4+                             | 115                               |

The above figures exclude balconies, garages (if included) and outdoor amenity areas.

### ii. Mix of unit types

In accordance with the Council's Community Outcome:

'A safe and healthy community that is strong, diverse and inclusive for all people of all age groups and incomes'

and the HOPE Strategy's provisions that seek 'integration' it is desirable to have a mix of household types in a neighbourhood. Accordingly, the following criterion has been established:

**Criterion 2: Developments should provide a mix of housing types (in terms of numbers of bedrooms) for Affordable Housing that addresses the needs of Resident Households. Unless information is provided to justify an alternative mix of housing provision, the following mix shall be provided (as shown in Figure 2):**

**Figure 2:**

| Tenure Mix-<br>Resident<br>Households | Low Income |           | Moderate Income |            | Total       |
|---------------------------------------|------------|-----------|-----------------|------------|-------------|
|                                       | Rental     | Ownership | Rental          | Ownership  |             |
| Shared living /<br>Dormitory          | 0%         | 0%        | 0%              | 0%         | <b>0%</b>   |
| Studio                                | 2%         | 0%        | 3%              | 0%         | <b>5%</b>   |
| 1 BR                                  | 12%        | 0%        | 2%              | 11%        | <b>25%</b>  |
| 2 BR                                  | 20%        | 0%        | 2%              | 18%        | <b>40%</b>  |
| 3 BR                                  | 7%         | 0%        | 2%              | 6%         | <b>15%</b>  |
| 4 BR                                  | 7%         | 0%        | 2%              | 6%         | <b>15%</b>  |
| <b>TOTALS</b>                         | <b>48%</b> | <b>0%</b> | <b>11%</b>      | <b>41%</b> | <b>100%</b> |

For an alternative mix of provision to be acceptable, it will need to be demonstrated that that mix reflects the housing need profile of the proposed development as established in an Affordable Housing Impact and Mitigation Statement (for information on this process refer to Appendix 11 of the District Plan). The Council would need to be satisfied with the methodology used to justify an alternative mix of provision

It can be observed that there is a presumption that shared living/dormitory is not considered to be an appropriate product for Resident housing. However, as Figure 2 applies only to Resident housing, it is recognised that shared living/dormitory housing may be an appropriate product to address the needs of Temporary Worker Households.

It is acknowledged that the Affordable Housing contribution of a development will rarely be of a size that the percentage targets can be applied exactly. The exact numbers of units will therefore usually be a matter for negotiation. Appendix 11 of the District Plan explains how the amount of Affordable Housing to be provided can be recalibrated if different sizes of units (in terms of numbers of bedrooms) are to be provided.

With respect to the Community Housing portion that will be transferred to the Trust, the Trust and developer may negotiate an alternative mix of housing in accordance with the identified need of those who have expressed interest in applying for Community Housing.

It is notable that, with respect to apartment developments, particularly in central Queenstown, many developments in recent times have tended to replicate similar sized and designed units thereby keeping construction costs lower. It is also of note, however, that the Council has recently undertaken a Plan Change to discourage the undesirable urban design effects of the repetitive facades associated with such development. Nonetheless it is acknowledged that the cost implications of seeking a range of housing types in apartments and terraced housing need to be considered. In consideration of this, the Council has opted for minimum space standards in Criterion 3 that are in fact divisible from each other – that is to say that two studios at 35m<sup>2</sup> is the same area as one 2 bedroom unit at 70 m<sup>2</sup>, while two 1 bedroom units (at 45 m<sup>2</sup>) are the same as one 3 bedroom unit. This provides for modules which can be flexible within the same structural grid if minimum space standards are used (clearly, if larger units are opted for, a similar design approach can be taken).

### iii. Urban Design Principles

**Criterion 3: Affordable Housing should be designed and constructed in accordance with the urban design principles of the wider development.**

Consider the following pictures of housing from Whistler, Canada (overleaf):

Affordable Housing will usually be constructed as part of a wider development that includes other uses, including market housing. It is important that the Affordable Housing be consistent with the urban design principles of that development. This essentially means that Affordable Housing should not be externally distinguishable from other housing in a development. This is for two reasons:

1. All new developments should contribute to an environment of quality urban design, regardless of the type and tenure of housing.
2. The Community desires an inclusive community – if Affordable Housing were of poorer design and distinguishable from market housing there is a risk that occupants could feel labelled and separated from the wider neighbourhood.

Many new zones in the District have urban design provisions that all development must adhere to – this will usually give an indication of what is expected of Affordable Housing in design terms. In some zones there is a requirement for an Outline Development Plan to be submitted prior to granting Resource Consent. A matter of consideration in such instances will be the appropriateness of the design, including consideration of the design of affordable housing, and conditions may be applied accordingly.



**Figure 3:** A, C and D and F are examples of Community Housing while B and E are market housing. A passer-by would not distinguish which tenures apply to which houses. These examples also show different types and densities of housing as described in the section What Types of Housing are Appropriate?



It is expected that in some instances (when acceptable in planning terms) developments that contain Affordable Housing will be developed at higher densities (as this is one way in which the costs of land and housing can be reduced). However, it is also acknowledged that higher density developments need to be well designed to achieve appropriate urban design outcomes. It is recommended that in addition to the urban design provisions of the District Plan, the following guidance, produced by North Shore City Council, be considered in the design stage of medium or high density developments.

[http://www.nsc.govt.nz/your\\_neighbourhood/Urban-design/Design-guidelines/apartments.htm](http://www.nsc.govt.nz/your_neighbourhood/Urban-design/Design-guidelines/apartments.htm)

The Council's Urban Design Panel can advise on the appropriateness of designs in the pre-application stage. Contact the Council for further information on how to present a proposal to the Panel.

#### iv. Location of Affordable Housing

**Criterion 4: Affordable Housing should be provided on-site unless exceptional circumstances can be demonstrated.**

Affordable Housing (including Community Housing) will usually be expected to be provided on-site as an integral part of the larger development. It is however accepted there will be exceptional instances where either money in lieu of provision or provision of housing on an alternative site will be acceptable for Community Housing. These situations may include:

1. Where the contribution would not be sufficient to provide for the land and/or construction of one housing unit.
2. Where it would not be appropriate to locate housing within the development site (for example a commercial-only development)
3. Where the Trust indicates a preference for money rather than provision of land or housing for the construction of housing on land already available to it, and it is agreed with the developer that this is a preferred approach.
4. Where there is concern that the on-site provision of Community Housing within the development could lead to an over-concentration of Community Housing within the neighbourhood. This would be the case if more than 30% of housing in a neighbourhood were Community Housing. The Council would need to be satisfied that this is in fact the case in order to consider an alternative form of provision.

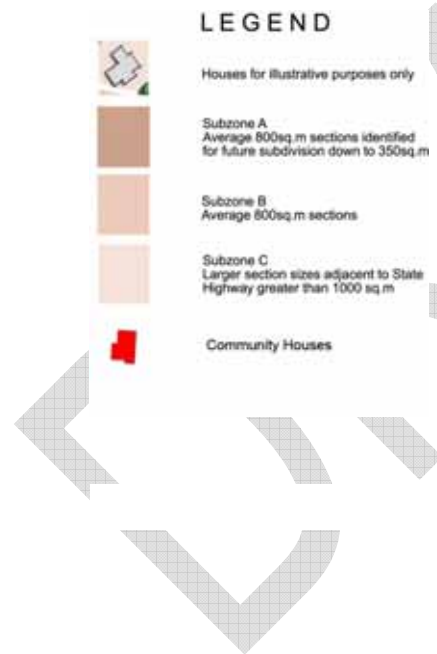
**Criterion 5: Affordable Housing sites should be spread throughout the development.**

This reflects the Council's policy that affordable housing should become an integral part of our communities and to avoid the potential creation of areas of social exclusion. As outlined above, a diverse and inclusive community is supported by the community in its Community Outcomes.

Consider the following example of a development (right). This example demonstrates two elements of best practice:

1. The Community Housing units are not clustered in any one location but spread as much as practicable
2. Higher densities by way of duplexes and residential flats in locations adjacent to parks, reserves and open spaces.

The same concept can be applied to apartments and terraced housing. The affordable housing units should be dispersed throughout such development.



**Figure 4:** Diagram showing the spread of Community Housing throughout a development.

## vi. Energy Efficient Housing

Affordable Housing must be produced to standards that ensure that households can live in adequately heated housing for Queenstown Lakes District's climate without spending excessive amounts on energy. There are social, economic and environmental advantages in having energy efficient housing. The Council has commissioned work to consider what the optimal insulation and glazing standards should be to achieve healthy homes at a reasonable construction cost (for details on this work see Appendix 2 of the Section 32 report for Plan Change 24 – Affordable Housing).

**Criterion 6: Buildings that contain Affordable Housing shall meet or exceed the following insulation and glazing standards (in R values):**

**Figure 6:**

| Construction   | Non solid | Solid (two options) |       |
|----------------|-----------|---------------------|-------|
| Roof           | 3.5       | 3.9                 | 4.0   |
| External walls | 2.5       | 1.9                 | 1.4   |
| Floor          | 3.1       | 1.9                 | 1.9   |
| Glazing        | 0.26      | 0.26                | 0.33* |

\*double glazing with lowE coating and argon gas fill and solid aluminium frames

**Additionally, an adequate heating appliance shall be installed and it shall be demonstrable that heating will be reasonably**



**Figure 7: Pellet burners are an efficient heating source.**  
Source:  
[www.ecoheating.co.nz/pelletfires](http://www.ecoheating.co.nz/pelletfires)

**achievable in all habitable rooms to 18 degrees Celsius year round.**

To meet the requirements for an adequate heating in all habitable rooms, the instalment of a heat transfer system or central heating in houses of more than two habitable rooms will usually be required.

Information on how to construct energy efficient housing can be found in the following guidance document:

[Sustainable Building in the Queenstown Lakes District.](#)

The Council also funds an Eco Design

Advisor (co-funded by the Ministry for the Environment and BRANZ) who can assist in advising how energy efficient housing can be achieved with respect to development schemes and individual

houses (see the Contacts section, below).

## v. Flexible Housing Designs

**Criterion 7: Community Housing designs should have regard to adaptability to the needs of the elderly, very young and disabled.**

Affordable Housing needs to be suitable for people throughout their lives. This means being easily adaptable to the needs of elderly people, young families and people with disabilities. Ensuring that Community Housing designs meet the needs of these groups (or can easily be adapted to these meet these needs) will avoid the considerable costs associated with adapting homes that have not considered these needs from the outset.

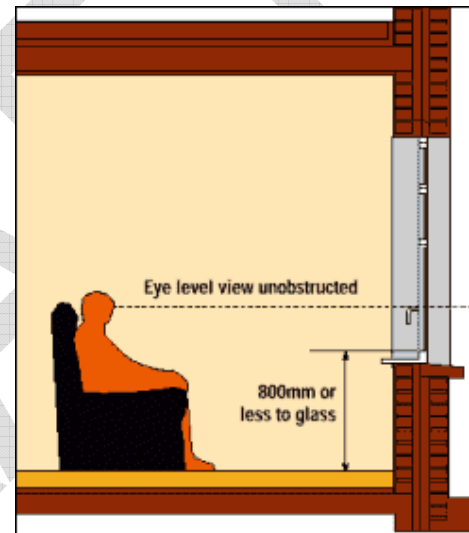
It is expected that Community Housing should be produced with consideration to the adaptability of such needs. This may include designs that provide entranceways sufficiently wide for wheelchair use, walls in bathrooms for which rails can be added or consideration where an elevator could be placed, if future need presents itself, between floors.

The concept of Lifetime Homes is used in the UK to describe housing that provides for adaptability to disabled needs. The 16 design principles indicate the type of principles that should be considered. The guidance document produced by the Joseph Rowntree: Achieving Part M<sup>1</sup> and Lifetimes Homes Standards is advocated:

<sup>1</sup> Part M refers to the part of the Building Regulations in the UK. Clearly these do not apply to New Zealand; however the Council considers that the principles represent good practice that should be maximised in achieving a quality

<http://www.jrf.org.uk/housingandcare/lifetimehomes/partMandLTH.asp>

It is expected that development by the Trust will taking a leading role in providing for adaptability to such needs.



**Figure 6:** An example of the guidance given in the linked document demonstrating Lifetime Homes Standards.

Community Housing stock and the guidance should be interpreted as applicable to the New Zealand system.

## What Types of Housing are Appropriate?

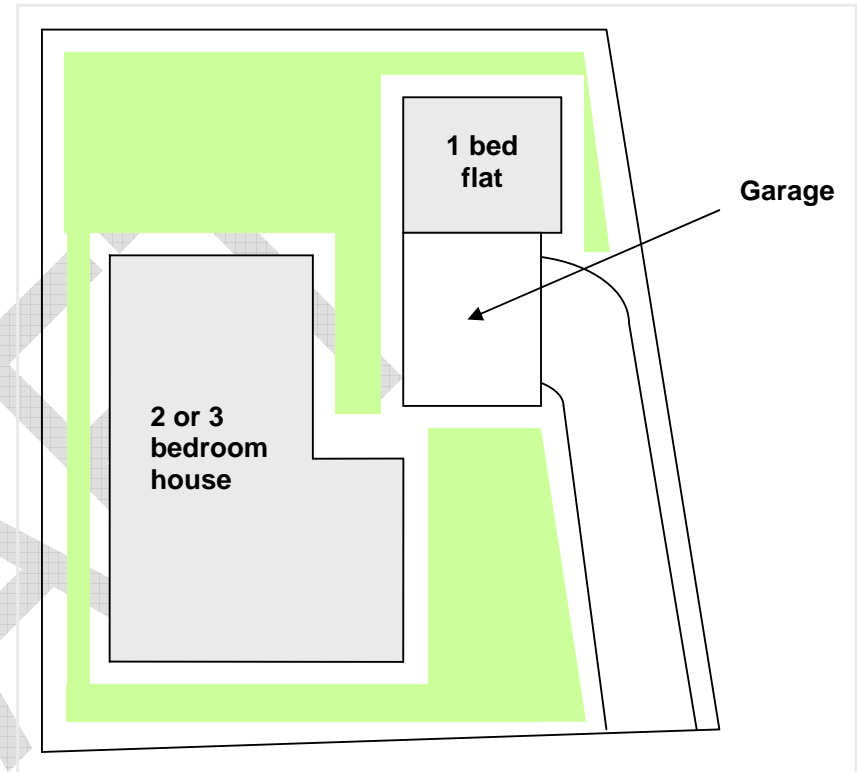
The following are examples of housing types that can be utilised to meet the requirements of Affordable Housing. It is notable that some of these products can be utilised to minimise the costs to the developer of providing Affordable Housing, particularly in instances where higher densities are accepted in principle. It should also be noted that in many developments Community Housing will be best provided by a mix of types of housing (as there will often be a need for a proportion of larger family homes). In all instances District Plan rules will need to be complied with as they apply.

### Residential Flats

In many instances a studio, or one-bedroom residential flat can be built on part of a section that has another house (be it for market or Affordable Housing). This may or may not be adjoined, but they are considered to be the same unit. Consider the example to the right.

It is important to note that the requirements of the District Plan with regard to residential flats. Notably, in this example the flat is less than 50% of the size of the detached accessory building (i.e. the garage). Also, the flat is no more than 35% of the total Gross Floor Area of the buildings containing the house and the flat (but excluding accessory buildings).

It is conceivable that there may be instances where a flat could subsidise the rent of a property on the same section, helping to make one or both sufficiently affordable in Affordable Housing terms. The house and flat need to be under the same ownership (part of the same title). They can be (but are not required to be) occupied by the same extended family. The opportunity would exist for the owner of the house to let or sub-let the Residential Flat



**Figure 7:** Diagram showing possible site layout of a residential flat

### Duplexes

Duplexes are in many instances an appropriate means in which to achieve higher densities with lower housing and land costs. They can also have advantages in energy efficiency terms. Duplexes can be appropriate for both market and Affordable Housing.



**Figure 8:** A duplex house which successfully provides for privacy and amenity space

### Apartments and Terraced Housing

Apartments and terraced housing are, when located in accordance with planning policy, appropriate means of housing. They can be suitable for both market and Affordable Housing. They can have advantages in terms of minimising land costs, increasing energy efficiency and reducing construction costs per unit. Particular attention needs to be paid to issues such as privacy and amenity space as well as urban design in these building types. Section 9 - Urban Design Principles (above) refers to guidance accordingly.



**Figure 9:** Terraced housing with an attractive varied façade

It is notable that, in accordance with Criterion 5, within multiple unit buildings, The Council will seek the inter-dispersal of Community Housing with other housing types. That is to say, the principle of concentrations of Affordable Housing, particularly Community Housing in one or more multiple-unit building, while not providing this product in other parts of the development, would not be supported.

#### Detached Family houses

In many instances some contribution of detached houses on individual sections will be the most appropriate form of Affordable Housing, particularly in order to meet the need for larger family houses (i.e. three or more bedrooms).

## **Accommodation with Shared Living Space**

This section addresses units that have at least some shared facilities (such as hostel or dormitory-type accommodation). For example, these may include shared laundry facilities or some shared living room or kitchen facilities with accompanying studio (or other sized) units. This is often the type of accommodation that is associated with the demand for Temporary Worker accommodation (often on a seasonal basis). Dormitory-type accommodation and Studios will often be the type of units provided in such arrangements although other types of units can also be appropriate.

It is recognised that there is a role that this type of accommodation can play for meeting some of the housing demands of the District (particularly that related to industry with demands for temporary employment). This product however is considered not to be directed at the needs of the long-term resident community. The effect of this is that, while accommodation with shared facilities will often be accepted as contributing to meeting the requirements of Affordable Housing in a development, it will not usually be acceptable as Community Housing contribution.

In order to ensure sufficient privacy and security for residents Studios will be expected to provide the following within the units (i.e. not shared):

- Cooking facilities (at least a hot plate and microwave)
- Refrigerator
- Kitchen sink, bench space and storage
- Toilet, shower, and bathroom sink in a separate room.

Conditions on the number of people occupying the units will be applied.

## **Contacts**

Planning advice and pre-application discussions should be undertaken with Lakes Environmental. Call 03 450 0300 (Queenstown) or 03 443 0006 (Wanaka). Email [enquiries@lakesenv.co.nz](mailto:enquiries@lakesenv.co.nz)

Contact the Council for referrals to the Eco Design Advisor, who can advise on how to achieve high sustainable building standards in housing. Or visit the website: [www.ecodesignadvisor.org.nz](http://www.ecodesignadvisor.org.nz)

Lakes Environmental Staff may advise speaking with the Council's Strategy and Planning Department (particularly if the proposal may require a plan change). Call 03 441 0499. Email [services@qldc.govt.nz](mailto:services@qldc.govt.nz)

The Queenstown lakes Community Housing Trust is contactable at [www.housingtrust.co.nz](http://www.housingtrust.co.nz)



## Monitoring

The following indicators will be monitored by the Council in order to ensure that Affordable and Community Housing delivery continues to address housing need:

District Plan provisions:

1. Proportion of low and moderate income households living within the District
2. The extent of turnover of employees, and the changes to the make up of the community, relative to national level trends
3. Range of Affordable Housing unit types (in terms of number of bedrooms) provided by developments
4. Housing costs (rental / mortgage) relative to household incomes

Other provisions:

5. The number of Affordable Housing sites being delivered (and as a % of overall housing).
6. The number of Community Housing sites being delivered (and as a % of overall housing).
7. The sale prices or rents Community Housing managed by the Trust is delivered at.
8. The sale prices or rents Community Housing not managed by the Trust is delivered at.
9. The sale prices or rents Affordable Housing is delivered at.
10. Size of Affordable Houses.
11. Percentage of Community Housing provided on site/off site/ via cash in lieu payment.
12. Number and percentage rental units and number and percentage ownership units delivered with respect to Affordable Housing.
13. Number and percentage rental units and number and percentage ownership units delivered with respect to Community Housing.
14. Number of Affordable Houses still in ownership of eligible households.
15. Change in median and lower quartile house sale prices in the District relative to national changes.

## Appendix: Rationale behind the Target Mix for Affordable Housing by Bedroom Number

Appendix 11 of the District Plan (as proposed) and Part E of the HOPE Strategy establishes the following target of mix of units for Resident housing by bedroom number:

| Number of bedrooms | %  |
|--------------------|----|
| Studio             | 5  |
| 1                  | 25 |
| 2                  | 40 |
| 3                  | 15 |
| 4                  | 15 |

This is derived from the household composition data from the 2006 census. That data was used to provide the target mix using the following approach:

At the time of the census there were 8580 usually resident households in the district (short term workers do not fall into this category so this target does not address Temporary Worker accommodation).

There are 831 multiperson households in the district. Assuming that there would be on average one person from the multi person household that would intend to live long-term in the district the total number is added to the one person household figure. The following is the breakdown of family sizes in the district:

### Family sizes in the Queenstown Lake District

|                                      | One person household<br>(adjusted to include one person from each multiperson household) | Couple with no child | One Child | Two Child | Three child | Four or more child | Total |
|--------------------------------------|--|----------------------|-----------|-----------|-------------|--------------------|-------|
| Number of households                 | 2526   | 3276                 | 1191      | 1065      | 336         | 69                 | 8463  |
| %                                    | 30   | 39                   | 14        | 12        | 4           | 1                  |       |
| Current corresponding household need | 1 bed  | 1 bed                | 2 bed     | 3 bed     | 4 bed       | 4 bed              |       |

The assumption is then made that on average, households, if they remain in the district (bearing in mind that one of the intended roles of Affordable Housing is to provide for people to remain in the district) will have an average need for one more bedroom over forthcoming years to meet their household needs (some will grow more while others will remain the same or desire smaller housing). The figures for future need by house are thus calculated. Given the large extent to which assumptions have been made the figures have been rounded to the nearest 5%

### Future % household composition

|                 | 1 bed or studio | 2 bed | 3 bed | 4 bed + |
|-----------------|-----------------|-------|-------|---------|
| %               | 30              | 39    | 14    | 17      |
| Adjusted target | 30              | 40    | 15    | 15      |

The 'one bed or studio' group is further broken down with the majority product sought being one bed houses due to their desirability and suitability, particularly for couples.

It is recognised that it is unlikely that the projected need outlined above would occur exactly as assumed, however it is considered that the target figures are appropriate reflecting a balance of factors in housing need:

1. there is a large and increasing number of households who seek one or two bed houses
2. smaller households are more likely to be newer households and are less likely to have existing capital to purchase housing
3. while the cost of housing (and other living costs) grows substantially as family sizes increase this is not matched by substantial increases in mean or median income. This means they are more likely to have housing affordability problems. Consider the following statistics from the 2006 Census:

**Median and mean incomes by family size in the Queenstown Lakes District (2006)**

|                       | Median<br>Income | Mean<br>Income |
|-----------------------|------------------|----------------|
| No Children           | 67,000           | 63,900         |
| One Child             | 63,300           | 71,300         |
| Two Children          | 76,700           | 72,200         |
| Three Children        | 76,400           | 74,000         |
| Four or More Children | 89,300           | 66,500         |

It is intended that the target mix will be altered as the demand for Community Housing becomes more apparent (i.e. people register their interest in obtaining Community Housing and household information with the Trust) and further work on housing need in the future.