

Council Lead Policy

POLICY TITLE: HOUSING ACCORDS AND SPECIAL HOUSING AREAS ACT 2013 IMPLEMENTATION GUIDELINES

Date of Adoption: 30 April 2015¹

1. POLICY OBJECTIVES

To provide guidance on:

1. Criteria for the consideration by Council of land / sites as potential Special housing areas for recommendation to the Minister for Building and Housing under the Housing Accords and Special Housing Areas Act 2013 (The Act) and;
2. Minimum density, planning rules and other matters that may apply to qualifying developments within a declared Special Housing Area.
3. Council's approach to community engagement with regard to the identification and potential progression of areas of land or sites as Special Housing Areas.
4. Council's expectations with regard to the quality of residential development.
5. Inclusion of Community Housing to promote long term community benefit from SHAs.

2. PRINCIPLES

- 1 The Council will engage with the community on the identification of potential areas in the Wakatipu Basin for consideration as Special Housing Areas.
- 2 The Council will work collaboratively with the private sector and the Government to increase housing supply and opportunities for affordable housing in the Wakatipu Basin.
- 3 Land within special housing areas should to be used to deliver a range of housing types to the market at different price points.
- 4 The Council will expect innovative approaches to ensure the delivery of houses for Community Housing purposes (freehold or rental).
- 5 Land within any special housing area and a qualifying development should be appropriately serviced to urban standards and not have an

¹ Supersedes Lead Policy of 30 October 2014, as per resolution of Council 30 April 2015.

unforeseen or adverse financial effect on the Council or other infrastructure providers.

- 6 Identification of Special Housing Areas and the development facilitated within them should be generally consistent with the direction of the residential policy in the District Plan Review.
- 7 Priority will be given to establishing Special Housing Areas within existing urban areas, or areas that are anticipated to fall within urban growth boundaries in the District Plan review.
- 8 Consideration may be given to a limited number of greenfield locations for Special Housing Areas, where they are located adjacent to existing urban areas and services.
- 9 The Council will require development quality to be consistent with the expectations set out in Appendix B.

3. DEFINITIONS

- **Community Housing** means residential activity that maintains long term affordability for existing and future generations through the use of a Retention Mechanism, and whose cost to rent or own is within the reasonable means of low and moderate income households.
- **District Plan** means the operative Queenstown Lakes District Plan.
- **District Plan review** means the process Council formally commenced in April 2014 to review the operative District Plan.
- **Housing Accord** means an agreement between the Minister of Housing and the Queenstown Lakes District Council made under section 10 of the Act.
- **Maximum calculated height** has the same meaning as set out in section 6 of the Act.
- **Qualifying Development** has the same meaning as set out in section 14 of the Act.
- **Retention Mechanism** means those binding agreements which ensure the long term affordability of Community Housing for existing and future generations, such as Stakeholder Deeds, or the use of covenants, encumbrances or similar legal instruments.
- **Special Housing Area** means an area declared under section 16 of the Act.
- **The Act** means the Housing Accords and Special Housing Areas Act 2013.

4. BACKGROUND

The Act has the purpose of enhancing housing affordability by facilitating an increase in land and housing supply in certain regions or districts, listed in Schedule 1, that have been identified as having housing supply and affordability issues.

Queenstown-Lakes District is one of the areas listed in Schedule 1. The housing affordability issues in the district are well documented.

The Council and the Minister for Building and Housing have entered into a Housing Accord under the Act to assist housing supply and affordability in the District, with a specific focus on the Wakatipu Basin. This Policy should be read in conjunction with the Queenstown-Lakes Housing Accord.

The Queenstown-Lakes Housing Accord is intended to increase housing supply and improve housing affordability in the Queenstown-Lakes District by facilitating development of quality housing that meets the needs of the growing local population.

The Accord seeks to support the Council to address immediate housing issues by increasing the supply of housing and, in doing so, improve housing affordability.

It includes agreed aims and targets related to land supply and dwelling consents. The Accord also acknowledges a number of other actions to improve housing affordability and sufficient land supply.

The Act provides an alternative process to resource consenting for low-rise residential developments in special housing areas than that which would normally be allowed for by the Resource Management Act 1991. Critically, qualifying developments cannot be publicly notified – although there is provision for limited notification of adjoining property owners and occupiers – and there are no appeal rights (with the exception of development proposals over four storeys). In addition, while the Purpose and Principles of the Resource Management Act 1991, and District Plan provisions are relevant assessment considerations for applications for qualifying developments, their status is slightly relegated relative to normal resource consent assessment process under the Resource Management Act 1991.

Appendix A illustrates the consenting process under the Act.

5. POLICY STATEMENT

5.1 Process for considering a Special Housing Area

Council will embark on an engagement process with the community (including land and property developers) in November 2014.

Council will request Expressions of Interest from landowners and developers for land that might be suitable for consideration as Special Housing Areas. The engagement process will also allow members of the general public to contribute their ideas on housing, with a specific focus on where new housing should be focused and what type of housing is required.

This process will not preclude Council from identifying and considering areas as Special Housing Areas which have not been nominated via the Expression of Interest process. For example, there might be broader urban areas in multiple ownership that are not nominated that Council considers might be suitable for Special Housing Area status.

Council will negotiate directly with landowners or developers seeking to use the provisions of the Act to ensure the agreed aims and targets in the Queenstown-Lakes Housing Accord are supported.

Each proposed Special Housing Area will be considered on its own merits. Consistency with this Policy and the Queenstown Housing Accord does not in itself compel the Council to recommend that a Special Housing Area is established as other factors may also be relevant.

5.2 Criteria for recommending a Special Housing Area to Government

The Council will assess an Expression of Interest against the following criteria in 5.2.1 to 5.2.9. These criteria will also be utilised if Council considers other areas of land which have not been the subject of an Expression of Interest.

It should be noted that criterion 5.2.1 Location is not a statutory consideration under the Act. However, in the interests of sound resource management planning practice, environmental and economic impact, and consistency with the draft Strategic Directions chapter of the District Plan review – location is considered to be a vitally important consideration for Council.

5.2.1 Location

The proposed area shall be located within or adjacent to existing urban areas. Areas located in rural areas remote from existing urban areas and services will generally not be viewed favourably.

5.2.2 Adequate Infrastructure

For Council-related services of water supply, wastewater, transport, stormwater and reserves the Council is satisfied:

- a) That infrastructure exists and has additional capacity to accommodate the likely cumulative demand from a qualifying development/s in the special housing area or infrastructure is planned or programmed in the Council's Long Term Plan and Development Contributions Policy, and/or
- b) That infrastructure would be provided and funded by the private sector ahead of the Long Term Plan programmed time at no additional cost to Council, and/or
- c) Where not planned or programmed in the Council's Long Term Plan and Development Contributions Policy, infrastructure would be fully provided and funded by the private sector at no cost to Council and can connect to existing infrastructure that has additional capacity to accommodate the likely cumulative demand from a qualifying development/s in the special housing area, and
- d) For stormwater, mitigation will meet the conditions of any relevant consent held by the Council or such other relevant engineering standards that are applicable, and
- e) That infrastructure will be designed and constructed in accordance with the relevant requirements of the Council's Infrastructure Development Code, and any other specific design, specifications and plans for infrastructure works arising from any consent or infrastructure agreement between the Council and any other party.

For other (non-Council) infrastructure of state highways, government facilities such as education, or network utilities (electricity, gas and telecommunications) the Council is satisfied that infrastructure exists or is planned by the relevant service provider with additional capacity to accommodate the likely cumulative demand generated from a qualifying development/s in the special housing area.

5.2.3 Demand for a Qualifying Development

The Council is satisfied that there is evidence that the qualifying development/s in the Special Housing Area will deliver new residential housing that supports the aims and targets of the Queenstown Lakes Housing Accord in a timely manner.

5.2.4 Demand for Residential Housing

The Council is satisfied that there is evidence of demand for a range of housing types that could be developed within a Special Housing Area. Furthermore Council shall be satisfied that a variety of dwelling sizes and dwelling ownership or tenure arrangements are not ruled out by any proposed terms and conditions or covenants that would apply within the Special Housing Area.

5.2.5 Affordability

In order to achieve the targets in the Housing Accord to deliver more dwellings at affordable price points, the Council will negotiate housing outcomes for each Special Housing Area and/or qualifying development on an individual basis.

The delivery of more affordable housing options within qualifying developments will be appropriately balanced against:

- The need for development to remain profitable and commercially viable.
- Other strategic outcomes important to the Council such as integrated urban growth management.

The approach to affordability will be *not* to mandate the delivery of housing at specified price points, but to focus on requiring a certain proportion of qualifying developments to comprise smaller subdivision allotments or dwellings. Whilst this is the primary means of addressing housing affordability, Council is also keen to promote Community Housing in SHA developments.

The negotiation of these housing outcomes will therefore cover:

- a) The type and size of dwellings to be built; it is anticipated that in most if not all Special Housing Area at least 20% of dwellings will comprise two bedroom dwellings.
- b) The size of sections; for typical low density housing subdivisions where the typical allotment size may be in the order of 500-700 square metres, land developers will be required to provide a certain proportion (typically at least 30%) of the allotments at smaller sizes ie. 250-400 square metres.
- c) The nature of any covenants (or similar restrictions) imposed on sections;
- d) The potential for a development to target specific housing need e.g. first home buyers, the rental market or social housing;
- e) A requirement that the developer engages with the Queenstown Lakes Community Housing Trust to explore options to provide Community Housing or otherwise provides an acceptable mechanism for dwellings to be retained as Community Housing (freehold or rental).
- f) A prohibition on sites within SHAs being used for short term rental / visitor accommodation and an appropriate mechanism for securing this in perpetuity.

- g) The potential to spread or mix the type and size of sections and dwellings to be developed throughout the proposed special housing area.
- h) Other relevant matters that are identified.

5.2.6 Predominantly Residential

A qualifying development within a Special Housing Area will have the primary purpose of supplying residential dwellings to the market. Any non-residential activities should be ancillary to the residential development and negotiated with the Council before the recommendation for a Special Housing Area is made to the Minister of Housing, including reserves and open space areas, commercial or community activities.

5.2.7 Building Height

The maximum calculated building height for a qualifying development in a special housing area will be determined as part of the declaration of that special housing area. It will be determined by the Council in discussion with the landowner/ developer with reference to:

- a) The characteristics of the land in the special housing area and land directly adjoining;
- b) The maximum height provided for in the zone of the operative District Plan that currently applies to the land in question, and any changing and evolving direction regarding building height apparent through the development of the Proposed District Plan;
- c) The maximum height provided for in the Act.

5.2.8 Minimum Number of Dwellings

The minimum number of dwellings required in any special housing area to constitute a qualifying development will vary from area to area. In existing developed areas, the minimum number is likely to be set low eg. two dwellings. In greenfield developments the figure will be higher, but is likely to vary depending on circumstances.

5.2.9 Residential Development Quality

Council's development quality expectations are set out in Appendix B.

Council will seek SHA land owners / developers to agree in principle with these requirements.

5.3 Operative District Plan

5.3.1 Application of Operative District Plan

For the purpose of clarifying the effect of sections 15(8) and 34(1) (d) of the Housing Accords and Special Housing Areas Act 2013, any reference to the Operative District Plan will be a reference to the objectives, rules and policies for the appropriate residential zone or in some cases other provisions including overlay Policy Areas that apply to the area.

The appropriate residential zone may not be the zone that the development is actually located in, particularly in instances where a special housing area is located on land that does not have a residential zoning – for example land with an industrial or rural zoning.

5.3.2 Determination of Appropriate Residential Zone Provisions

The matters that will be considered when determining the appropriate residential zone provisions to be applied in the special housing area in regard to the Operative District Plan include:

- a) The characteristics of the land in the Special Housing Area and land directly adjoining;
- b) The individual development proposal;
- c) The appropriateness of the operative zoning for the delivery of a qualifying development/s;
- d) Whether another zone or other zone provisions in the operative District Plan might be more appropriate for the delivery of a qualifying development/s;
- e) The evolving direction of the residential provisions of the District Plan Review;
- f) The purpose of the Act;
- g) Delivery of the targets in the Queenstown Housing Accord.

5.4 Agreements with Land Owners / Developers

The Council expects that the agreed outcomes of negotiations will be legally secured by an appropriate method to ensure their delivery in an appropriate and timely manner.

5.5 Recommendation of a Special Housing Area to Minister for Building and Housing

Council will only recommend to the Minister of Housing to declare a Special Housing Area when the Council is satisfied that:

- a) The criteria in 5.2 of the Policy have been appropriately met; and
- b) Outcomes of negotiations have been appropriately secured with the land owner /developer; and
- c) Public feedback has been sought on any proposed SHAs, and
- d) The matter has been formally reported to Council and the Council has resolved to recommend the Special Housing Area to the Minister.

6. OTHER MATTERS

- 6.1** The Council's operative Development Contributions Policy is the default approach to all qualifying developments. However, alternative approaches may be considered and potentially applied during the life of the Housing Accord.

6.2 The Council is interested in the delivery of dwellings that minimise on-going operating costs and delivers higher environmental performance. Whilst Council cannot mandate higher performance, it will seek to encourage or incentivise such outcomes where possible.

6.3 Whilst Council cannot demand a minimum standard of development quality under the Act, it can set non-statutory expectations. In addition, expectations around development quality will be set in the Proposed District Plan, which is anticipated to be notified in May 2015, and which is a relevant assessment consideration under the Act. Appendix B comprises a document that will guide Council's expectations in terms of development quality.

7. RELEVANT DELEGATIONS

7.1 The General Manager Planning and Infrastructure is delegated to enter into negotiations with landowners/developers interested in promoting a special housing area in accordance with this policy. Such negotiated agreements are to be signed only after Council has resolved per 5.5 (d).

7.2 Hearings Commissioners are invested with the delegation to consider qualifying developments within a Special Housing Area.

8. REFERENCES AND RELEVANT LEGISLATION

- Housing Accord and Special Housing Areas Act 2013
- Queenstown Housing Accord dated 23 October 2014.
- Resource Management Act 1991
- Local Government Act 2002
- Operative District Plan
- Operative Development Contributions Policy
- Operative Annual Plan and Long Term Plan
- Regional Policy Statement
- Regional Land Transport Plan
- Iwi/hapu management plans

Appendix A – Consenting Process for Special Housing Areas

Appendix B – Residential Development Quality Expectations

Appendix A – Consenting Process for Special Housing Areas



**MINISTRY OF BUSINESS,
INNOVATION & EMPLOYMENT**
HIKINA WHAKATUTUKI

Housing Accords and Special Housing Areas Act 2013

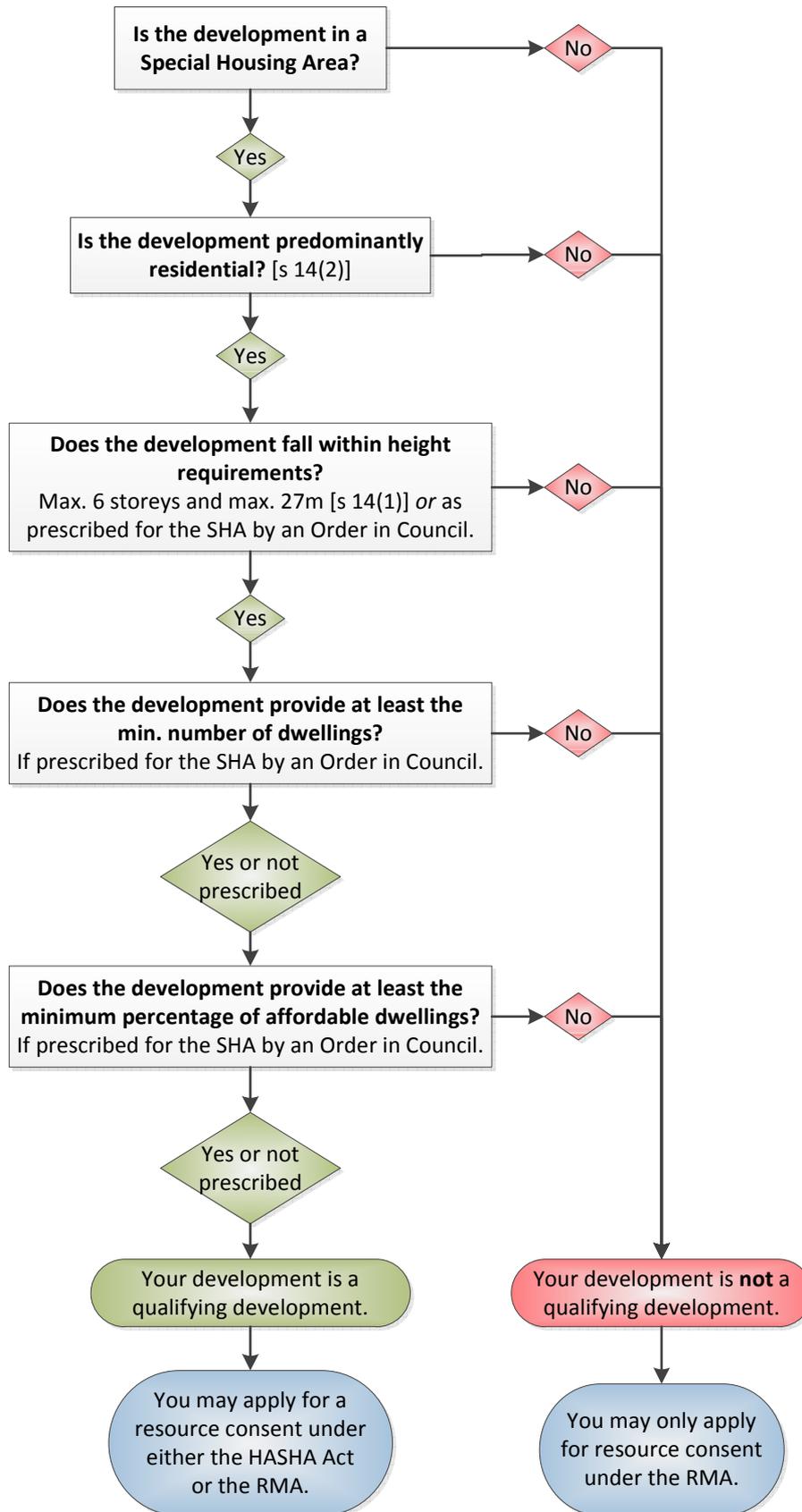
Resource Consenting Process Diagrams

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Criteria for Qualifying Developments

Does your development qualify to apply for resource consent under the HASHA Act?



Development Activity Classification

How will your development activity be treated under the HASHA Act?

This table shows:

- Under which section of the HASHA Act you may apply for a resource consent.
- How the authorised agency must treat your application.

1. How does the current plan classify your development activity?

		Current plan		
		Prohibited	Non-complying / Discretionary / Restricted discretionary / Controlled / Permitted	
2. Is there a proposed plan?* How does it classify your development activity? * A proposed plan is a plan proposal that has been publicly notified under RMA sch 1 cl 5.	Proposed plan	Prohibited	Section 25(2)(c) - treated as Discretionary (within 10 working days of the application a request for variation to the proposed plan may be required in conjunction with the application)	Section 25(2)(d) - treated as Discretionary (within 10 working days of the application a request for variation to the proposed plan may be required in conjunction with the application)
		Non-complying	Section 25(2)(a)(v) - treated as if the proposed plan applied.	Section 25(1) - treated as stated by the current plan.
		Discretionary	Section 25(2)(a)(iv) - treated as if the proposed plan applied.	
		Restricted discretionary	Section 25(2)(a)(iii) - treated as if the proposed plan applied.	
		Controlled	Section 25(2)(a)(ii) - treated as if the proposed plan applied.	
		Permitted	Section 25(2)(a)(i) - treated as if the proposed plan described the activity as Controlled .	
	No proposed plan	Section 25(2)(b) - treated as Discretionary (within 10 working days of the application a request for plan change may be required in conjunction with the application)		

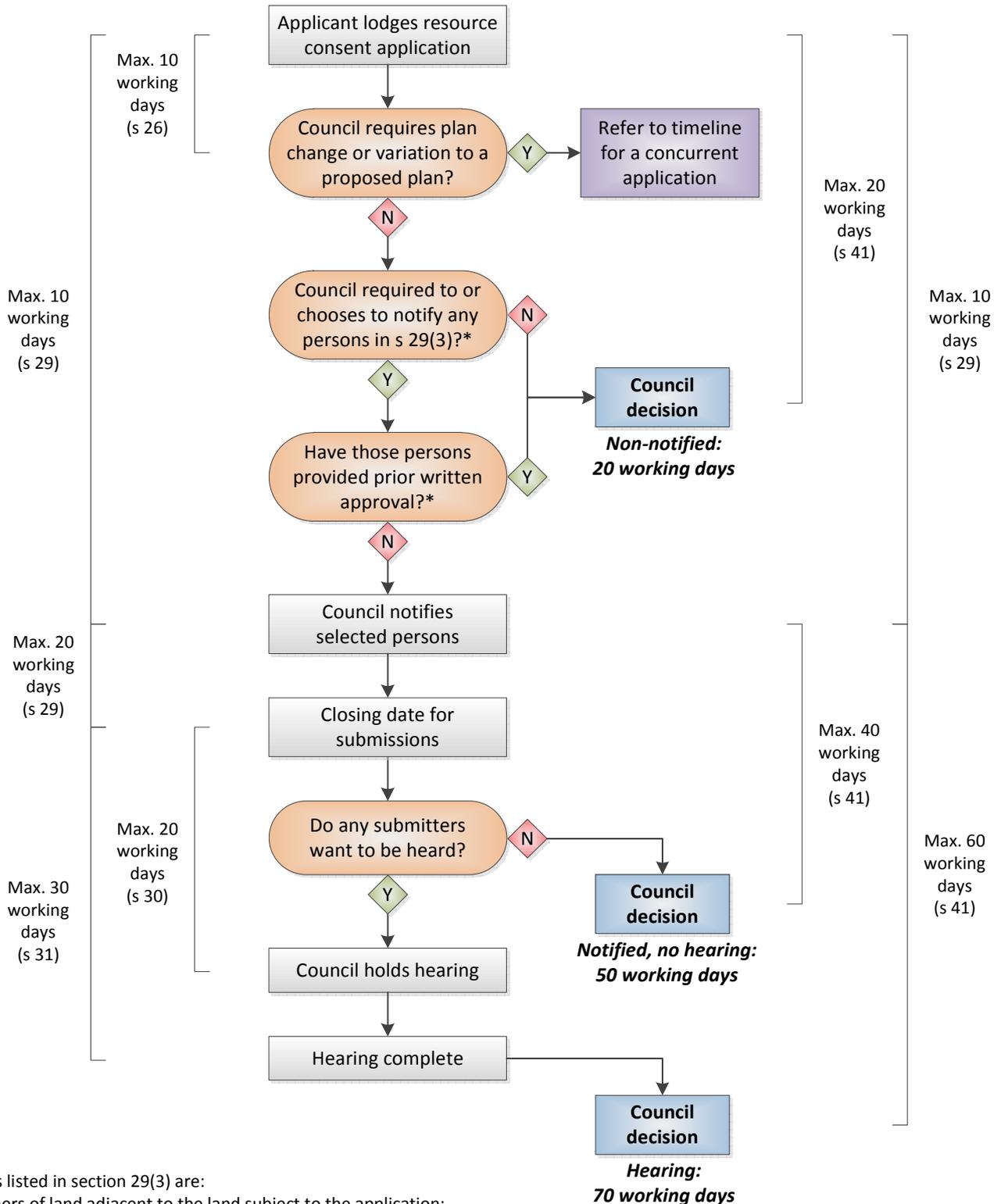
3. What if your activity doesn't fit the table?

If there is no relevant plan or proposed plan, or no relevant rule or proposed rule, but Part 3 of the RMA requires a resource consent, you may apply under section 25(2)(e). The authorised agency must treat the activity as Discretionary.

If the relevant plan or proposed plan requires a resource consent, but does not classify the activity as controlled, restricted discretionary, discretionary, or non-complying, you may apply under section 25(2)(f). The authorised agency must treat the activity as Discretionary.

Timeline for a Resource Consent

How long will your resource consent take under the HASHA Act?

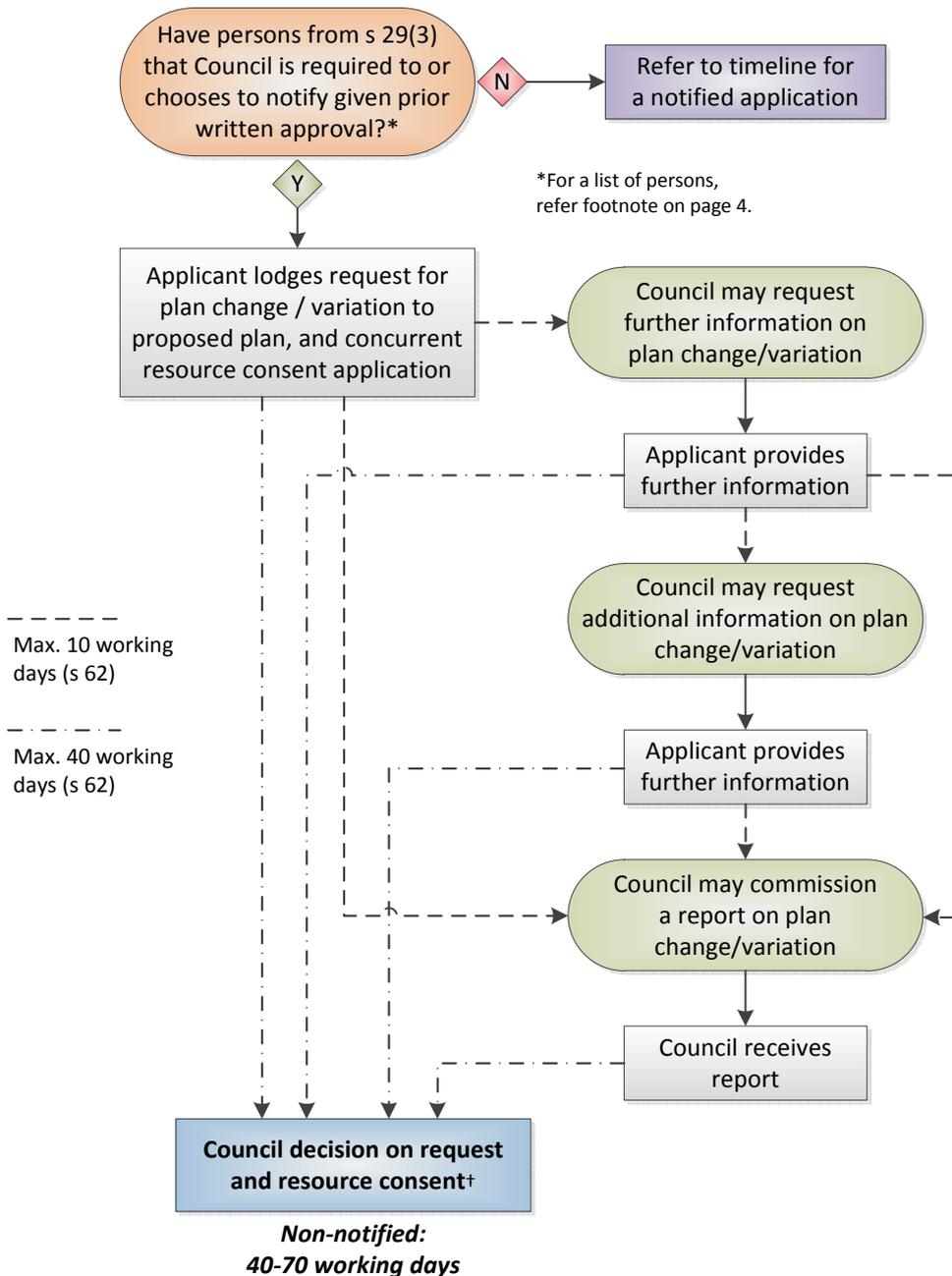


* Persons listed in section 29(3) are:
 - the owners of land adjacent to the land subject to the application;
 - local authorities in whose district or region the land subject to the application falls;
 any infrastructure providers who have assets on, under, or over the land subject to the application or the land adjacent to that land; and
 - if the land subject to the application or land adjacent to that land is subject to a designation, the requiring authority that required the designation.

Timeline for a Non-notified Concurrent Application

How long will your resource consent take under the HASHA Act when the Council requires a plan change or variation to a proposed plan?

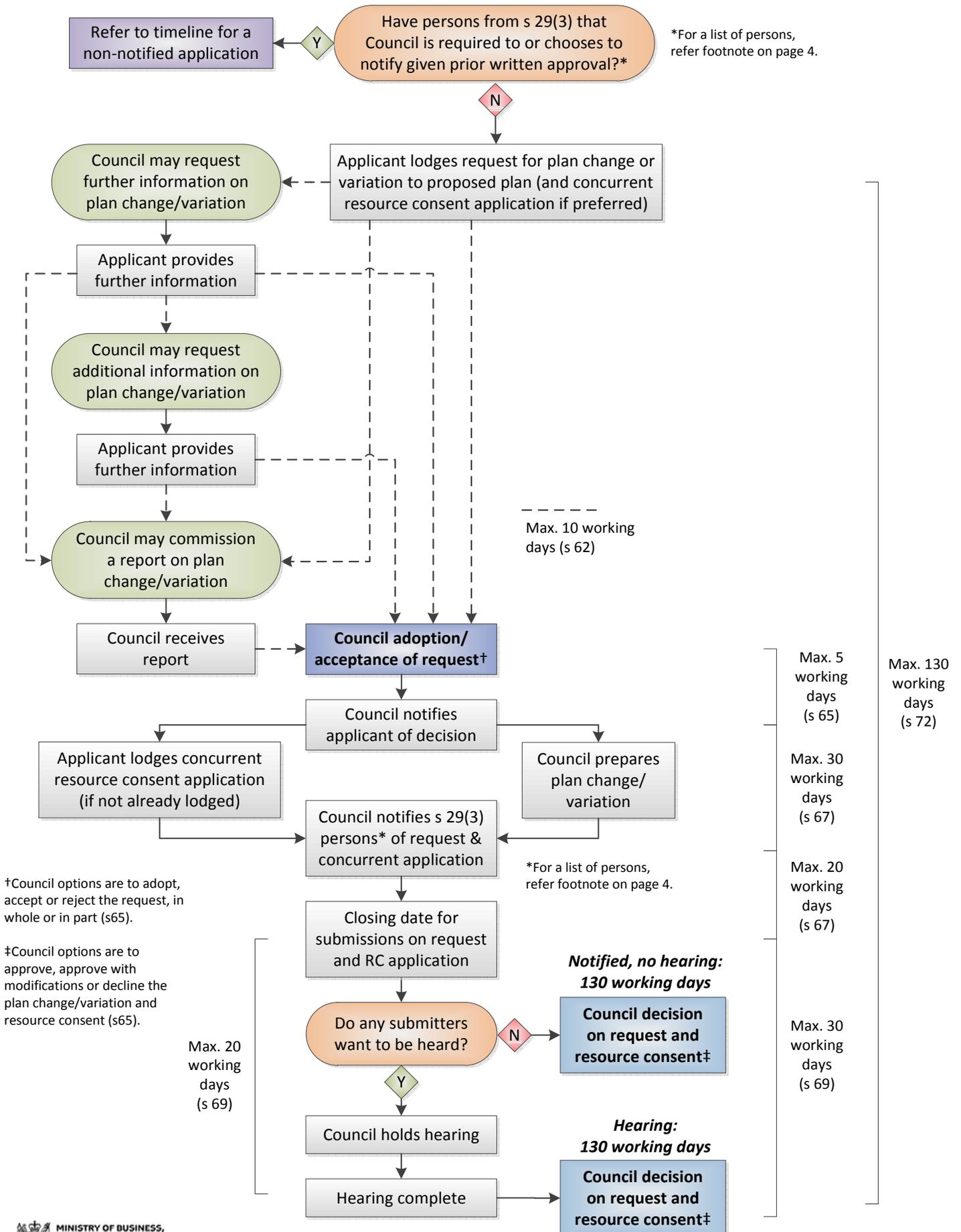
The request must seek to make the activity to which the resource consent application relates a **controlled, restricted discretionary, discretionary, or non-complying** activity. The resource consent application must be consistent with the request for plan change or variation to proposed plan (s 26).



†Council options are to approve, approve with modifications, or decline the plan change/variation and the resource consent (s62).

Timeline for a Notified Concurrent Application

How long will your resource consent take under the HASHA Act when the Council requires a plan change or variation to a proposed plan?

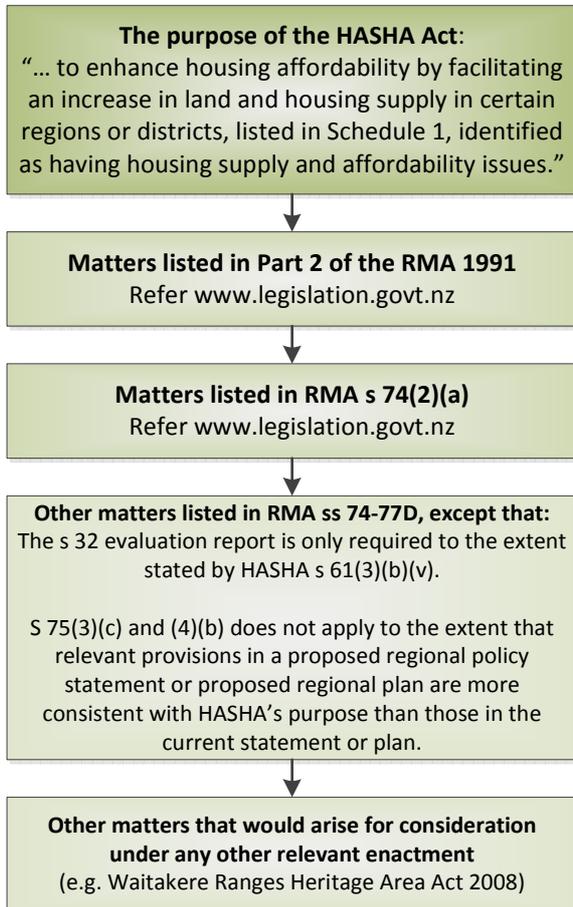


Authorised Agency Decision-making Criteria

How will your plan change/variation and resource consent be considered under the HASHA Act?

PLAN CHANGE/VARIATION

1. The authorised agency must have regard to the following matters, giving them weight (greater to lesser) in the order listed:



Section 61(4)

Note:

A request for plan change can only be made under the HASHA Act if the development activity is Prohibited in the current plan.

A request for variation to a proposed plan can only be made under the HASHA Act if the development activity is Prohibited in the proposed plan.

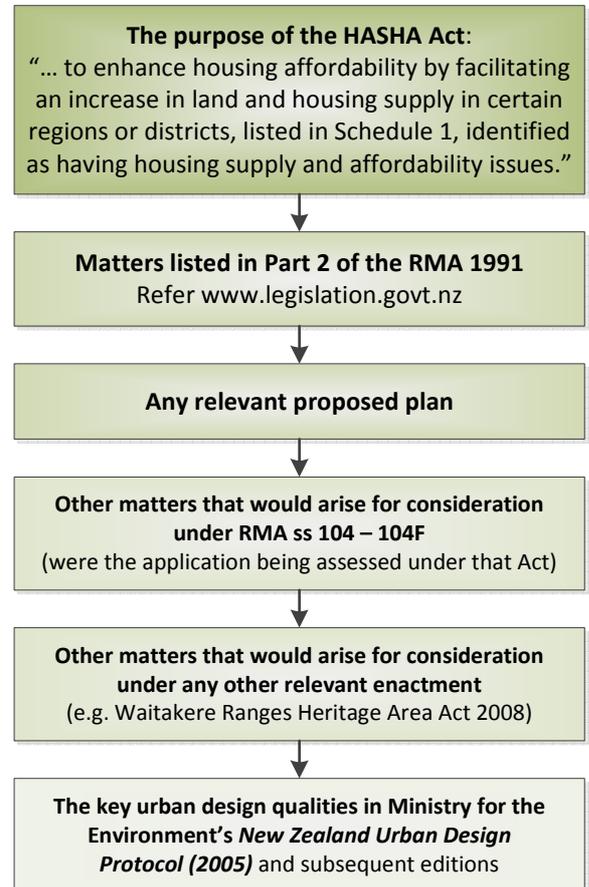
2. If the request is being considered with a concurrent resource consent application:

The authorising agency must first determine matters in relation to the request, and then determine matters in relation to the concurrent resource consent application, based on its determination of matters in relation to the request.

Section 71

RESOURCE CONSENT

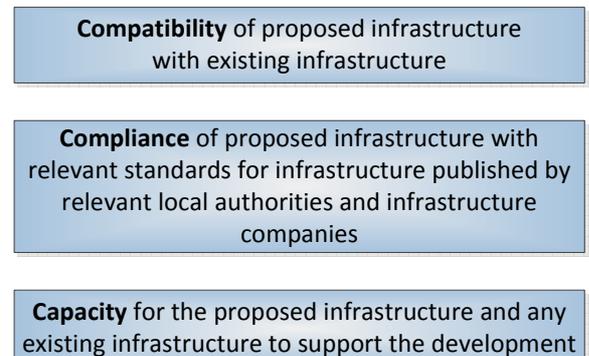
1. The authorising agency must have regard to the following matters, giving them weight (greater to lesser) in the order listed:



Section 34(1)

2. The authorised agency must be satisfied that sufficient and appropriate infrastructure will be provided to support the qualifying development.

This must take into account the following matters without limitation and in no particular order :



Section 34(2-3)

NB. This section requires more detailed infrastructure analysis than at the establishment of a special housing area.

The Housing Accords and Special Housing Areas Act 2013 is designed to reduce resource consenting timeframes in certain situations.

The timelines contained in this booklet show the streamlined process under the HASHA Act. They presume that all information has been provided to the authorised agency on time, modifications are not made to the application, and decisions are not appealed. Periods excluded from the time limits are detailed in Schedule 2 of the HASHA Act (refer www.legislation.govt.nz). These are not included in the timelines.

For any questions relating to the flowcharts in this document, contact the Housing Policy Development team at the Ministry for Business, Innovation and Employment.

For information on standard processing times under the Resource Management Act, refer to the Ministry for the Environment's website:

- Applying for a resource consent: <https://www.mfe.govt.nz/publications/rma/everyday/>
- Council plan preparation and plan change process: <https://www.mfe.govt.nz/publications/rma/everyday/plan-submission/>

Appendix B – Residential Development Quality Expectations

‘High Quality Residential Development’

What does it mean for QLDC?

Defined as:

Residential development that integrates well into neighbourhoods (acknowledging it may be of significantly higher density), contributes to place making and interacts with the public realm. It comprises well designed, comfortable homes with good amenity and storage, exceeding Building Code requirements wherever possible in terms of environmental performance to minimise ongoing living costs.

It is emphasised that this definition of High Quality Residential Development emphasises good to very good performance across the four facets outlined below. The definition does not tolerate an “Average” performance on any single facet. Similarly, it does not demand a “High “performance on any one facet (recognising that setting the bar too high can impact negatively on housing affordability, and that there can be other site-specific barriers to achieving high performance in one single facet eg. the location may be zoned for urban purposes but located relatively remote from some community services).

It should be noted that ‘High Quality Residential Development’ does not demand high quality materials and finishes. Therefore, the term ‘High Quality Residential Development’ encapsulates affordable housing developments where, for example, less expensive materials are utilised, but where the design quality is good and the development addresses all facets outlined above and below.

Four facets are highlighted:

1. Integrating into the Neighbourhood

a. Connections

Does the scheme integrate into its surroundings by reinforcing existing vehicular, pedestrian and cycling connections and creating new ones; while also respecting existing buildings and land uses along the boundaries of the development site?

b. Facilities and services

Does the development provide (or is it close to) community facilities, such as shops, schools, parks, workplaces, play areas?

c. Public transport

Does the scheme have good access to public transport?

d. Meeting Local Housing Requirements

Does the development have a mix of housing types and tenures that suit local requirements, including the need for lower cost housing options?

2. Creating a Place

a. Articulation and Design

Does the scheme provide for a good degree of visual interest and variation, as opposed to blandness and homogeneity?

b. Working with the site and its context

Does the scheme take advantage of existing topography, landscape features, habitats, existing buildings, site orientation and microclimates?

c. Creating well defined streets and places

Are buildings designed and positioned with landscaping to define and enhance streets and public spaces?

d. Easy to find your way around

Is the scheme designed to make it easy to find your way around?

3. Street & Home

a. Carparking and Access

Is sufficient – but not excessive – parking and access provided in an integrated manner, in a way that the street and internal site environment is not dominated by it?

b. Public and private spaces

Are public and private spaces clearly defined and designed to be attractive, functional, well managed and safe?

c. Good Quality homes

Are the homes well designed, comfortable, well insulated and practical, optimise solar gain, and provide good storage?

4. Environmental Responsibility

a. Reducing environmental footprint

Does the scheme demonstrate methods for minimising its environmental footprint?

And in particular does the development achieve at least four of the following:

- Buildings are healthy and comfortable, where it is easy to keep the warmth in and the moisture out
- Minimise energy consumption through energy efficient devices, reducing appliance numbers and onsite energy generation
- Water efficiency of taps, showers and toilets. Reusing, collecting and treating water onsite.
- Systems for reducing waste and increasing recycling
- Site and building aspect to maximise passive solar gain
- Select sustainable building materials

Does the scheme provide compact housing in locations near centres or on / near public transport routes and pedestrian and cycle routes, and access to food growing areas?