

Housing Accords and Special Housing Areas Act 2013 Implementation Policy



24 November 2016

1. Background

The purpose of the Housing Accords and Special Housing Areas Act 2013 (**HASHAA**) is to enhance housing affordability by facilitating an increase in land and housing supply in certain regions or districts, including Queenstown-Lakes District.

In October 2014 the Council and Government entered into the Queenstown-Lakes District Housing Accord (**Housing Accord**). The Housing Accord is intended to increase the housing supply and improve housing affordability in the district by facilitating development of quality housing that meets the needs of the growing local population.

The Housing Accord included agreed targets related to housing supply for Years 1-3 of the Accord. Targets for years 4-6 are to be agreed between the Queenstown Lakes District Council (**Council**) and Minister of Housing. The Housing Accord includes priority actions aiming to increase the supply of housing in the district and to guide the Council's exercise of powers provided by HASHAA. It also addresses governance, processes, monitoring and review.

Under HASHAA the Council may at any time recommend to the Minister of Building and Housing (**Minister**) that one or more areas within the district be established as special housing areas.

If the Minister agrees with the Council, he or she may recommend that the Governor-General make an Order in Council declaring an area within the district to be a special housing area for the purpose of HASHAA.

HASHAA then provides an alternative, streamlined approach for applications for resource consent for qualifying developments in special housing areas to the usual process under the Resource Management Act 1991. Under that alternative approach, applications for resource consent for qualifying developments must not be publicly notified, although there is provision for limited notification of adjoining property owners and occupiers. There are no appeal rights in relation to decisions on such applications, except where development over four storeys is proposed. In addition, while Part 2 (the purpose and principles) of the Resource Management Act 1991 (**RMA**) and District Plan provisions (both Operative and Proposed) are relevant assessment matters when considering applications for resource consent for qualifying developments, these matters are given a lower weighting than the purpose of HASHAA.

The purpose of this policy is to assist the Council in deciding whether to recommend the establishment of special housing areas to the Minister and in considering applications for resource consent for qualifying developments within special housing areas.

The contents of the policy are not intended to be exhaustive and do not limit the Council's discretion whether to make a recommendation or whether to grant resource consent. The Council may take into account additional factors and changed circumstances where relevant.

In September 2016 HASHAA was amended to extend the deadline for establishing special housing areas to 16 September 2019 and to extend the date of its repeal (for the purpose of consenting qualifying developments) to 16 September 2021.

Before HASHAA was amended the Council recommended a number of special housing areas to the Minister in accordance with its previous Lead Policy: Housing Accords and Special Housing Areas Act 2013 Implementation Guidelines, adopted on 30 October 2014 and updated on 30 April 2015. From the date of its adoption, this policy applies to the recommendation of all further special housing areas by Council to the Minister and the consideration of all further applications for resource consent for qualifying developments.

2. Objectives

The Council's objectives in recommending the establishment of special housing areas to the Minister and considering applications for resource consent for qualifying developments are that:

1. Recommendation of special housing areas facilitates an increase in land for housing supply.
2. Special housing areas are established in appropriate locations, where there is evidence of demand for residential housing.
3. The establishment of special housing areas accords with the Council's overall strategic direction for urban development in the District.
4. Adequate infrastructure exists or is likely to exist to service qualifying developments in special housing areas.
5. Qualifying developments within special housing areas take a proactive approach to improving housing affordability issues by providing an appropriate mix of housing options including housing for owner occupiers, first home buyers, accommodation for workers, and facilitating the provision of community housing.
6. There is community feedback as part of the establishment of proposed special housing areas.
7. The development of special housing areas will achieve high quality and good urban design outcomes.
8. Development of housing in special housing areas occurs as quickly as practicable.

3. Criteria and Process for considering Special Housing Areas and qualifying developments

Special housing areas may originate from:

- The Council identifying, considering and recommending areas to the Minister on its own initiative; and

- Expressions of interest (**EOIs**) from landowners and developers for special housing areas that the Council considers meet the criteria listed below.

The Council will consider each proposed special housing area on its merits. In addition to the degree of consistency with this policy, other factors, such as planning and Resource Management Act 1991 matters, may be relevant to the Council's exercise of discretion to make a recommendation to the Minister.¹

The below process will generally be followed on receipt of an EOI:

1. An initial consideration of an EOI to ensure it is consistent with the Council's intent, and there is sufficient information provided to be able to assess it;
2. Seek public feedback including statutory agencies and iwi;
3. Seek comments from internal Council departments and others as necessary;
4. Report to Full Council or a Council Committee according to delegations;
5. Should the EOI be accepted in principle, negotiate an appropriate legal mechanism which may or may not need to be reported back to Full Council or a Council Committee according to delegations; and
6. Once the legal mechanism is agreed and signed, the EOI will be recommended to the Minister.

Note: Pre-application discussions are encouraged. Legal mechanisms may not be required for Council-led proposals.

The deadline for establishing special housing areas has been extended by HASHAA to the 16 September 2019. The Council may, in its discretion, decide not to assess any EOI received after 16 April 2019.

In deciding whether to recommend a special housing area to the Minister the Council will consider the statutory criteria, including the following matters:

1. Location

The Council will group areas of land in the District into three categories:

- a. **Category 1** includes areas that are considered suitable for establishment as special housing areas. These areas have been identified or zoned in the Proposed District Plan for residential development or intensification and/or are located within the proposed urban growth boundary. Category 1 areas are listed in **Attachment A**.
- b. **Category 2** includes areas that may be suitable for establishment as special housing areas, subject to further assessment against this policy.

This schedule can only be updated following resolution by a full Council. The Council will not accept proposals or EOIs from landowners or developers to include areas on this schedule. Category 2 areas are listed in **Attachment A**.

¹ *Ayrburn Farm Developments Limited v Queenstown Lakes District Council* [2016] NZHC 693.

- c. **Category 3** includes areas that are not considered suitable for establishment as special housing areas. Category 3 areas are listed in **Attachment A**.

The Council is not precluded from considering EOs outside of these categories for the establishment of special housing areas. However, Criterion 2 – Strategic direction (below) will be stringently applied to the effect that successful EOs will be exceptional cases.

2. Strategic direction

The Council will consider proposed special housing areas in light of its overall strategic direction for development in the District. This includes ensuring that urban development occurs in a logical manner:

- to promote a compact, well designed and integrated urban form;
- to manage the cost of Council infrastructure; and
- to protect the District's rural landscapes from sporadic and sprawling development.

This includes establishing special housing areas within existing urban areas, or proposed urban areas in the Proposed District Plan, including those that are anticipated to fall within urban growth boundaries.

The Council may also consider the findings of other relevant investigations, such as the Wakatipu Basin Land Use Study and the Ladies Mile Masterplan, which is investigating the future capacity of this area to absorb change.

3. Infrastructure

The Council must be satisfied that either:

- a. Adequate infrastructure exists to service qualifying development in the area; or
- b. Infrastructure can and will be provided and funded by the landowner or developer at no cost to, and without unforeseen or adverse financial costs on, the Council or other relevant infrastructure providers.

The Council will assess the infrastructure requirements of a proposed special housing area against the matters listed in **Attachment B**.

4. Affordability

The Council expects landowners and developers to identify appropriate mechanisms to ensure that housing developed in a special housing area addresses the district's housing affordability issues. The Council considers that an appropriate mix of housing is necessary in the district, including housing for owner-occupiers, first home buyers, and accommodation for workers.

Examples of mechanisms to achieve affordability may include:

- a range of appropriately sized sections (including smaller sized sections of 240-400m²);
- a mixture of housing typologies and sizes is also desirable;

- methods to reduce property speculation of vacant sections; and
- methods to retain affordability in the medium to long term.

Housing developed in special housing areas will be expected not to be used solely for visitor accommodation and landowners and developers should identify an appropriate legal mechanism for securing this outcome.

5. Community housing

The Council will require engagement with the Queenstown-Lakes Community Housing Trust (**QLCHT**) to explore options to either:

- Provide a proportion of a qualifying development in a special housing area as community housing (freehold or rental) to the QLCHT; or
- Make a financial contribution to the QLCHT in relative proportion to a qualifying development in a special housing area.

The Council is open to the provision of an alternative mechanism for dwellings to be retained as community housing (freehold or rental), although engagement with the QLCHT is preferred.

6. Community feedback

The Council will seek community feedback on all proposed special housing areas.

This will include the Council seeking advice from the New Zealand Transport Agency, Ministry of Education, Otago Regional Council, Local Iwi and any other parties considered to be relevant to the consideration of a special housing area.

7. Quality and design outcomes

The Council will expect all qualifying developments in special housing areas to achieve high quality and good urban design outcomes.

The Council's development quality expectations are set out in **Attachment C**.

8. Timely development

The Council wishes to see evidence that the special housing area proponent is motivated to obtain resource consent before the repeal of HASHAA and to implement the resource consent in a timely manner, such that the development assists in addressing the District's housing supply and affordability issues.

4. **Agreements with Land Owners / Developers**

For every expression of interest approved by Council, the Council will secure the agreed outcomes of negotiations with landowners and developers through a suitably binding legal method to ensure their delivery in an appropriate and timely manner. This shall occur before the EOI is recommended to the Minister.

These agreements will cover matters including, but not limited to, the provision of

infrastructure, securing housing affordability outcomes, securing design outcomes, and the timely resource consenting and development of special housing areas.

5. Recommendations to the Minister

The Council will only recommend the establishment of a special housing area to the Minister following a formal report to the Council, and the Council resolving to recommend the proposed special housing area to the Minister, only if satisfied that:

1. The criteria in section 3 of this policy have been met to the Council's satisfaction; and
2. The outcomes of negotiations with the landowner or developer resulting from sections 3 and 4 have been appropriately secured via a suitably binding legal method.

6. Applications for resource consent for qualifying developments

Should the Minister of Building & Housing approve the special housing area, then prior to the making of any application for resource consent for a qualifying development, the land owner or developer and the Council shall enter into pre-application discussions. These discussions will involve input from various Council departments.

The Council will consider any application for resource consent for a qualifying development in a special housing area in accordance with this policy. This is subject to the matters listed for consideration in s 34(1) of HASHAA.

Where a special housing areas was established prior to the adoption of this policy, the Council may consider any application for resource consent for a qualifying development under the previous policy or this policy, or both, as appropriate.

All Council staff time and other costs of processing and considering any resource consent application will be on-charged to the landowner or developer in accordance with the Resource Consent and Engineering Fees and Other Charges Schedule adopted by Council on the 1 July 2016.

The final date an application for resource consent for a qualifying development in a special housing area can be lodged is 16 September 2019.

Attachment A – Categories 1, 2 and 3

Category 1: Areas suitable for the establishment of special housing areas

Queenstown

The following zoned areas within the Queenstown Urban Growth Boundaries of the Proposed District Plan:

- Low Density Residential Zone;
- Medium Density Residential Zone;
- High Density Residential Zone; and
- Business Mixed Use Zone.

This excludes any land that is located in the Queenstown Airport Air Noise Boundary and Outer Control Boundary.

Category 2: May be suitable for the establishment of special housing areas

To be completed following further consideration by Council.

Category 3: Not suitable for the establishment of Special Housing Areas

To be completed following further consideration by Council.

Attachment B – Infrastructure Requirements

The relevant infrastructure **includes**:

- Stormwater
- Wastewater
- Water
- Transport (including impact on state highways, impact on local roads, public transport, provision of public transport facilities, under passes, trails and tracks etc)
- Parks and Reserves
- Social and Community Infrastructure
- Education
- Network utilities (electricity, gas and telecommunications)

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

1. 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
2. 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
3. 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
4. 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
5. 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, public transport, 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

Attachment C –Quality and Design Outcomes

‘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?