

Plan Change 24- Affordable and Community Housing:

An Interpretive Guide v 1.2 October 2007

What is the purpose of Plan Change 24?

To progress actions 13-19 of the HOPE Strategy, in particular action 19:

"to 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 discretionary activities. This is so the impacts of planning changes on affordability, both positive and negative, are addressed"

What is proposed by Plan Change 24?

Changes to the following sections of the Queenstown-Lakes Partially Operative District Plan (the Plan) are proposed:

Section 3: Sustainable Management

Section 4: District Wide Issues

Definitions

Appendix 11: Affordable and Community Housing (new appendix)

In particular, Section 4: District Wide Issues sets forth two objectives:

- Objective 1: To provide a range of opportunities for low and moderate income resident households and temporary worker households to live in the district in accommodation appropriate for their needs;
- Objective 2: To ensure the provision of high quality affordable housing in proximity to places of work, transport and community services

The plan change includes several policies that further specify the parameters for achievement of these objectives. A key implementation method proposed is the preparation of an **Affordable Housing Impact and Mitigation Statement (AHIMS)** for new developments that exceed what is anticipated under the District Plan (meaning Permitted, Controlled and Restricted Discretionary activities). The AHIMS determines the extent of affordable housing demands generated by the development or subdivision beyond what is already anticipated under the Plan, and the range of actions to be taken to mitigate the identified demand.

Appendix 11 sets forth the method for preparing the Impact and Mitigation Statement.

What is meant by Affordable and Community Housing?

Affordable Housing means a residential activity whose cost to rent or own generally does not exceed 30% of the income of low and moderate income households. The HOPE Strategy further clarifies low and moderate income households, which at this time are usually below \$90,000 gross per annum.

Community Housing means Affordable Housing that maintains long term affordability for existing and future generations through the use of a Retention Mechanism, such as a long-term covenant, ownership by the Community Housing Trust, or other legally enforceable method that retains a portion of the property value on behalf of the wider community thus reducing the cost for the occupant.

What will the Plan Change 24 deliver?

- Provides an opportunity for a mix of market solutions and community ownership to meet the future affordable housing demands as the district grows
- A regulatory framework that is designed to be responsive to changes in the housing market
- A range of housing types and tenures, affordable both to current residents and future generations
- A resource management framework for consideration of the housing needs of the district's workforce when considering development proposals that seek significant increases in development density over what is currently anticipated by the District Plan
- Quality and energy efficiency standards for affordable housing

What Plan Change 24 won't do:

- Does not create any requirement to contribute toward affordable housing when giving effect to what is already anticipated by the District Plan
- Does not create a tax or levy
- Does not automatically guarantee that a development would be granted consent just because it has proposed affordable housing
- Does not require a contribution if the impact of the development is small (see Figure 1)

Will PC 24 solve all of our housing affordability problems?

No. Central government is progressing a Housing Affordability Bill which may, if adopted, provide additional tools and resources to local government to further assist in the delivery of affordable housing. Those measures, if enacted, would likely be complementary to, but not replace, the purpose of Plan Change 24.

What about incentives and other initiatives?

The Council has underway further work to create incentives. Some of this work may be enabled by the central government Bill. Areas we are looking at include density provisions in our high density zones, comprehensive residential development rules, and development contributions policy to name a few.

How does the HOPE Strategy relate to Plan Change 24?

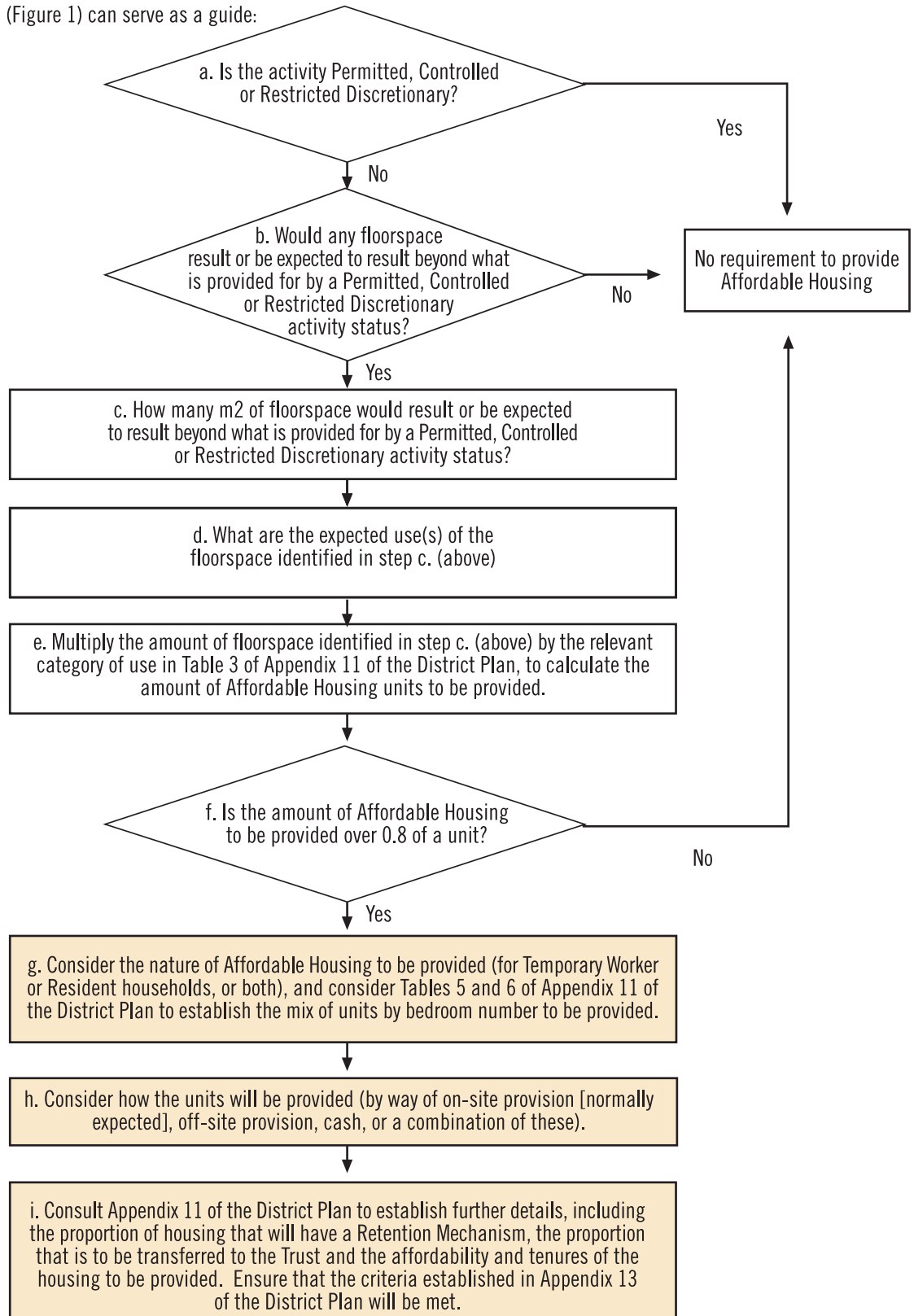
The Housing Our People in Our Environment (HOPE) Strategy is a wider housing strategy adopted June 2005. It identified the need for District Plan policies as a response to several of the 32 actions needed to address housing affordability in the District. Council has prepared an update to the Housing Our People in Our Environment (HOPE) Strategy, which further clarifies what criteria will need to be met in order to rent or purchase affordable or community housing. It also provides further information on developing an AHIMS, the quality expectations of such housing and describes tools for ensuring the long term availability of Community Housing. As the HOPE Strategy Update does not form part of the District Plan, it will remain in draft form and open for comment throughout the plan change process.


What is the threshold before the Plan Change requirement is relevant?

Development by Type	Threshold for PC 24 (above the level anticipated by the District Plan)	The minimum Housing Contribution
Residential	More than 15 sections	1 studio unit
Visitor Accommodation	More than 18 units	1 studio unit
Commercial Intensive (office/retail)	More than 183 square metres	1 studio unit
Commercial Large (bulk retail/yard based)	More than 283 square metres	1 studio unit

What is the process I use to know if my development will have to contribute towards the provision of Affordable Housing?

The following flowchart (Figure 1) can serve as a guide:



 Denotes stages where discussions with the Council will be necessary.

Do all development proposals have to mitigate housing affordability impacts?

No. The intent is that the development proposal would have to generate enough demand to require an affordable studio unit (which the Plan Change equates to 0.8 units of demand) before any action is required.

How large might a development be before it will generate 0.8 units of demand for affordable housing?

Figure 2

Expected land or Building Use	AH 'Units of Demand' per 1000m ² (see table 3-Appendix 11)	m ² beyond permitted, controlled or restricted discretionary activity that can be built before AH required:	example
Visitor Accommodation	1.26	635	If all VA units in a development are 35m ² , then 18 additional units could be built before one studio unit is required as affordable housing.
Commerical - intensive (includes retail, office, cafe)	4.36	183	A retail space of 183 m ² would have to be added to a development above what is anticipated in the Plan before one studio unit is required as affordable housing
Commerical - large format (includes bulk retail, wholesale, yard based)	3.36	238	A bulk retail space of 238 m ² would have to be added to a development above what is anticipated in the Plan before one studio unit is required as affordable housing
Residential	0.37	2162	A residential subdivision (with average residential units of 140m ² excl garage) would need to propose 15 sections above what is anticipated in the Plan before one studio unit (e.g. a residential flat) would be required as affordable housing.

What happens next?

The Plan Change is open for Submissions by anyone until 19 December 2007. At this time, we anticipate calling for Further Submissions in mid- January, through to the end of February, 2008. A Hearings Panel will debate the matters presented in the submissions, and at this time it is anticipated that the hearing may be able to be held between May and July 2008. A decision of the Hearings Panel could possibly be ready for Council review and, if acceptable, adoption between September and December 2008. There are many situations that may occur along the process that could delay these timeframes. The process is open to appeal after the Council makes its decision on the hearings panel recommendation.

Where can I get further information?

Council has scheduled two public workshops:

Tuesday 6 November 2007: Queenstown Council Chambers from 4pm - 6pm
 Wednesday 7 November 2007: Lake Wanaka Centre from 4pm - 6pm

Check out www.qldc.govt.nz or phone us on 03 441 0499 for further information.