

First adopted:	XX XXXX 2017
Revision dates/version:	Version 7
Next review date:	May 2018
Engagement required:	Yes
Document Number	D-2377479 [v87]
Associated documents:	Hamilton Housing Accord
Sponsor/Group:	General Manager City Growth

DRAFT - Hamilton Special Housing Areas Policy

Background and Legislative Intent

1. The New Zealand government recognises housing affordability as a significant social and economic issue which impacts community well-being and productivity, particular in areas experiencing high population growth.
2. Housing affordability is affected by the rate and extent of land and housing supply.
3. In response to this issue the Housing Accords and Special Housing Areas Act 2013 ("HASHAA") came into force on 16 September 2013. The purpose of the HASHAA is to enhance housing affordability by facilitating an increase in land and housing supply in certain regions or districts, listed in Schedule 1 of that Act, identified as having housing supply and affordability issues.
4. Hamilton City is one of the areas listed in Schedule 1 of the HASHAA.
5. HASHAA achieves its purpose by providing an alternative and "fast track" means of creating zoned residential land, known as Special Housing Areas ('SHAs'), as compared to the standard track process under the Resource Management Act 1991 ("RMA").
6. HASHAA also requires any new development enabled under it to have adequate infrastructure provision and to ensure design quality (as articulated in the New Zealand Urban Design Protocol) is delivered. For HCC, this is achieved in the Policy by using the existing relevant urban design provisions in the Partly Operative District Plan as a policy consideration. The Partly Operative District Plan is also relied on to assist in appropriate residential zone selection for SHA sites not currently zoned for residential purposes.
7. The legislative intent of HASHAA is to speed up the process of bringing to market additional residential land beyond that currently zoned in the Partly Operative District Plan. Through this additional land supply, and in combination with other economic factors, the overall supply of affordable housing within Hamilton City will be enhanced.
8. The Ministry of Business Innovation and Employment (MBIE) calculates that the median house price for Hamilton is 6.8 times the value of median income and therefore deemed unaffordable. While this policy does not set a target price point for SHAs, it seeks to achieve comparative affordability outcomes by encouraging smaller section sizes and gross floor area standards.
9. The first step towards establishing an SHA is for Council to enter into a 'Housing Accord' with the Minister for Building and Construction ('Minister'). On 22nd December 2016 Council entered into the Hamilton Housing Accord with the Minister ('Accord').
10. The Accord 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.
11. With the Accord in place, the next step is for Council to consider the options for proposed SHAs. Once Council has decided to support a proposed SHA, it must make a recommendation to the Minister for consideration and if appropriate, approval.
12. If the Minister accepts the Council recommendation the SHA will be established by way of order in Council.

Purpose

13. The purpose of this Policy is to establish the process and evaluation criteria that will guide Council in making decisions on whether to accept a proposal for an SHA and recommend to the Minister that a proposed SHA be established. For the avoidance of doubt the policy shall inform HCC's application of the Act. In the event of any conflict between the policy, the PODP and the Act, the Act shall prevail.

Principles

14. The principles that will be promoted by Council implementing this policy are:
 - a. Council will openly engage with the community on the identification of the ~~identification of~~ potential areas in the City for consideration as SHAs.
 - b. Council will work with Waikato-Tainui to give effect to the co-management arrangements under the Joint Management Agreement in the context of SHAs and will consider effects on the unique tangata whenua relationships, values, aspirations, roles and responsibilities with respect to areas identified for consideration as an SHA.
 - c. Council will work collaboratively with private housing providers ('PHPs'), social housing providers ('SHPs') and the Government to increase housing supply and opportunities for affordable housing
 - d. Council will enable SHAs that achieve the purpose of HASHAA provided they do not compromise or undermine Council's existing or planned infrastructure, and is generally consistent with Council's strategic land use planning.
 - e. Council will enable land within SHAs to be used to deliver a range of housing types to the market at different price points in order to achieve the purpose of HASHAA.
 - f. SHAs must be serviced by and integrated with Council's strategic infrastructure networks.
 - g. Where Council's strategic infrastructure networks are unavailable to an SHA for any reason, including but not limited to lack of network capacity or connectivity, all necessary infrastructure will be provided and funded by the developer at no cost to Council.
 - h. Development within SHAs will be consistent with the evaluation criteria and objectives set out in the schedules to this Policy. Priority will be given to establishing SHAs that are consistent with the strategic direction set within the Partly Operative District Plan ('PODP').
 - i. Development within SHAs will occur as quickly as practicable.
 - j. Development of SHAs will achieve high quality urban design outcomes.

Intended Policy Outcomes

15. The intended outcomes from Council implementing the Policy are:
 - a. Create certainty in respect of Councils approach to SHAs which assists the development community in making investment decisions;
 - b. In collaboration with the development community, give effect to the Hamilton Housing Accord and its targets for land supply and housing.
 - c. The creation of SHAs that achieve the purpose and principles of this Policy.
 - d. Ensure SHAs are generally consistent with and have regard to the relevant provisions of the PODP.

Policy implementation criteria

16. Council will, from time to time at its discretion, call for proposals from land owners and developers seeking to become a SHA. Proposals can be made by any party, including Council.

17. Council will process and assess all proposals for SHAs in the manner set out in this Policy.
18. The evaluation criteria which council will apply to its assessment of a proposal are set out in the Schedules to this Policy. Proposals will need to demonstrate how they satisfy all of the mandatory and discretionary criteria attached to this Policy.
19. In its assessment of a proposal Council staff will apply the evaluation criteria set out in the Schedules of this Policy, and have regard to the purpose and principles set out in sections 13 and 14 of this Policy.
20. While the evaluation criteria set out in the schedules of this Policy will guide Council's decision making, Council reserves itself the discretion to accept or reject a proposal for recommendation to the Minister.
21. Upon receipt of a proposal, Council staff will undertake an initial evaluation of the proposal to determine its level of consistency with this Policy. At this stage, full Council will determine, at its sole discretion, whether to continue with the evaluation or to reject the proposal.
22. If the evaluation proceeds to detailed stage beyond this point, Council will:
 - 22.1. Seek public feedback including from statutory agencies and relevant Iwi;
 - 22.2. Seek comment and evaluative input from relevant council departments;
 - 22.3. Fully assess the proposal in accordance with this Policy, and in particular the purpose and principles and Schedules of this Policy ;
 - 22.4. Receive staff recommendations; and
 - 22.5. Decide whether to reject the proposal, or accept the proposal in principle.
23. If a proposal is accepted in principle, Council will then enter into negotiations with the proponent to secure, through a development agreement, the delivery of the outcomes set out in the proposal and any other outcomes required by Council, including the provision of any necessary infrastructure required to service the proposal.
24. If negotiations lead to a legally binding development agreement, on terms acceptable to Council, Council will, at its discretion, then consider accepting the proposal for recommendation to the Minister.
25. If a proposal is accepted under section 23 of this Policy, Council will then collaborate with the proponent in making the recommendation to the Minister that the proposed SHA be established.

References and Relevant Legislation

- Housing Accord and Special Housing Areas Act (HASHA) 2013
- Hamilton Housing Accord dated 22 December 2016.
- Resource Management Act 1991
- National Policy Statement on Urban Development Capacity 2016
- Local Government Act 2002
- Hamilton Partly Operative District Plan
- Operative Development Contributions Policy
- Operative Annual Plan and Long Term Plan
- Operative Growth Funding Policy
- Waikato Regional Policy Statement (WRPS)
- Hamilton Urban Growth Strategy (HUGS)
- Future Proof Sub-Regional Growth Strategy
- Regional Land Transport Plan
- Operative Waikato-Tainui Environment Plan

Schedule 1 – Framework for Evaluating SHAs

The suitability of a proposal received from a private housing provider (PHP) or a social housing provider (SHP) to qualify as a Special Housing Area (SHA) will be assessed against the following performance standards and performance criteria, where relevant:

Framework for evaluating SHAs		PHP	SHP
A1	Demand for Qualifying Development	Yes	n/a
A2	Demand for Housing	Yes	n/a
A3	Predominantly residential	Yes	Yes
A4	Location	Yes	Yes
A5	Adequate infrastructure	Yes	Yes
A6	Affordability	Yes	N/A
A7	Building height	Yes	Yes
A8	Minimum number of dwellings	Yes	N/A
A9	Design quality	Yes	Yes
A10	Application of partly operative district plan	Yes	Yes
A11	Appropriate residential zone provisions	Yes	Yes
A12	Other Matters	Yes	Yes

A1 Demand for a Qualifying Development

The Council is satisfied that there is evidence that the proposed qualifying development/s in the SHA will deliver new residential housing that supports the aims and targets of the Accord within 1 year of being declaration of SHA status.

A2 Demand for Housing

The Council is satisfied that there is evidence of demand for a range of housing types that could be developed within a SHA.

The Council is 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 SHA.

A3 Predominantly Residential

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

A4 Locational considerations

Proposals for SHAs will be considered for their suitability for development in all zones (other than those exceptions identified in Schedule 2) subject to the following locational criteria:

- a. In accordance with Principle 14(de) of this Policy, Council will enable SHAs that achieve the purpose of HASHAA provided they do not compromise or undermine Council's existing or planned infrastructure, nor materially alter or compromise Council's strategic land use planning. SHAs proposed for locations outside areas zoned residential in the PODP are more likely to conflict with Principle 14(c) than those SHAs proposed within a residential zone. Accordingly, Council will require a proportionate approach to the supply of supporting evaluative evidence addressing the matters set out in these schedules, depending on whether a proposal is located within or outside an existing residential zone. Less evidence will be required for a proposal within a residential zone than for one outside a residential zone.

- b. Consideration of proposals in non residential zoned areas under the PODP such as the industrial zone will be required to have provided evidence that they have consulted with, addressed reverse sensitivity and materiality of effect on established land uses in both existing and adjoining zones.
- c. A proposal should demonstrate that it is consistent with Council's strategic land use framework set out in the PODP and does not limit the Council's ability to meet its National Policy Statement on Urban Development Capacity (NPS-UDC) requirements for employment land. Council will evaluate all impacts on future employment land capacity both individually and cumulatively.
- d. For all proposals Council would also need to be satisfied that there is an immediacy to the development to meet proven demand and the proposal is of a suitable scale and able to be serviced in accordance with section A5 below.
- e. Schedule 2 identifies zoned land and land identified on the features legend to the planning maps to the PODP that have high environmental values and or constraints that make them not suitable for the development for SHAs.

A5 Adequate Infrastructure

The Council is satisfied that either:

- a. Adequate infrastructure exists to accommodate the likely additional individual and cumulative demand from a 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 or environmental costs on the Council or other relevant infrastructure providers.

The Council will assess the infrastructure requirements of a proposed SHA against the matters listed in Schedule 3 to this Policy.

A6 Affordability

To achieve the targets in the Accord to deliver more dwellings, the Council will negotiate housing outcomes for each SHA and/or qualifying development on an individual basis.

The delivery of more affordable housing options within qualifying developments will be assessed against the need for development to remain profitable and commercially viable.

Council will require a certain proportion of qualifying developments to comprise small subdivision allotments and/or dwellings to deliver more affordable private housing.

The delivery of more community housing will be encouraged by promoting collaborative schemes with Housing New Zealand and Registered SHPs and partnerships between the public and the private housing sectors.

These housing outcomes will cover:

- a. The type and size of dwellings to be built by PHPs: in all SHAs at least 20% of dwellings will comprise two bedroom dwellings of 150m² gross floor area or less unit size.
- b. The size of sections created by PHPs: PHPs will be required to provide at least 20% of the allotments at smaller sizes of 350m² or less.
- c. The minimum 20% provided by PHPs shall apply to the total potential yield of the qualifying development or each stage of the qualifying development.
- d. The nature of any covenants (or similar restrictions) imposed on sections shall be agreed and recorded on titles;
- e. The potential for a development to target specific housing need e.g. first home buyers, the rental market or social housing;
- f. A requirement that the PHP engages with the Housing New Zealand or a Registered SHP to explore options to provide social housing, and where appropriate, to provide an acceptable legal

mechanism for dwellings to be retained as social housing (freehold or rental).

- g. The Council is open to proposals that address affordable housing through other mechanisms that are consistent with the principles set out in section 8 of this policy but retains preference for the registered SHP involvement as per A6 f. above.
- h. The potential for a PHP to spread or mix the type and size of sections and dwellings to be developed throughout the proposed SHA.

When a SHP partners with a PHP to develop a SHA and Council is satisfied that sufficient evidence has been provided of genuine partnership and intention to develop the land then the Proposal will be assessed solely against the applicable policy for SHPs.

A7 Building Height

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

- a. The characteristics and the existing built environment of the land in the SHA and land directly adjoining;
- b. The maximum height provided for in the zone of under the PODP that applies to the land and the land directly adjoining in question;
- c. The maximum height provided for in the Act: 6 storeys (or any lesser number prescribed) and a maximum height of 27 meters (or any lower maximum calculated height prescribed).

A8 Minimum Number of Dwellings

The minimum number of dwellings required in a proposed SHA provided by a PHP to constitute a qualifying development is 10 units in residential, greenfield, future urban or appropriate non-residential zoned areas as determined under the PODP.

Dwellings described by housing typology shall be calculated at a minimum average net site density of at least 16 dwellings per hectare or otherwise as in accordance with the relevant zone rules of the PODP, whichever is the greater.

There is no minimum threshold if the SHA is a Housing New Zealand or Registered Social Housing Scheme.

A9 Design Quality

A SHA proposal shall have regard to the height, bulk and scale of development within the existing residential zone where appropriate and any relevant design criteria in the PODP.

A10 Application of PODP

For the purpose of clarifying the effect of sections 15(8) and 34(1)(d) of the Act, any reference to the PODP will be a reference to the objectives, policies and rules for the appropriate residential zone or other provisions including overlay Policy Areas that apply to the area.

A11 Determination of Appropriate Residential Zone Provisions

For sites zoned General Residential in the PODP, Council will support proposals for SHAs that seek medium density or intensified residential development where it can be demonstrated that the development can comply with the performance standards and can meet the assessment criteria for those respective operative zonings.

~~A SHA proposal shall have regard to the height, bulk and scale of development within the existing residential zone where appropriate and any relevant design criteria in the PODP.~~

For sites not currently zoned residential, the matters that will be considered when determining the appropriate residential zone provisions to be applied in the proposed SHA in regard to the PODP include:

- a. The characteristics and the existing built environment of the land in the SHA and land directly adjoining;

- b. The development proposal and its overall site layout, building design and external appearance including connections to and integration with adjoining land uses and transport network, the extent to which over dominance is minimised and the extent to which reverse sensitivity effects can be avoided, remedied or mitigated;
- c. The appropriateness of the partly operative zoning for the delivery of a qualifying development/s;
- d. Whether another zone or other zone provisions in the PODP might be more appropriate for the delivery of a qualifying development/s;
- e. The purpose of the Act; and
- f. Delivery of the targets in the Accord.

For consideration of a-b above, information requirements commensurate with the scale of the SHA proposal for a Subdivision Concept Plan shall be provided as set out in Section 1.2.2.2 of the PODP.

A12 Other Matters

The Council's operative DC Policy and operative Growth Funding Policy is the default approach to all qualifying developments. However, alternative approaches to infrastructure funding may be considered and potentially applied during the life of the Accord.

All Council staff time and other costs of considering and processing proposals for SHA selection and resource consent applications including negotiating SHA developer agreements 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.

A13 Delegation

The General Manager City Growth and Economic Growth and Planning Manager and their successors are delegated to enter into negotiations with landowners/ developers interested in promoting a SHA in accordance with this Policy.

Schedule 2 – Areas not suitable for the establishment of SHAs

- All Special Character Zones (excluding Peacocke Terrace Area)
- All Recreational Zones
- Significant Archaeological, Historic and Cultural Sites
- Electricity Transmission Corridors
- Natural Hazard Areas
- Special Heritage Areas
- Special Natural Areas
- Large Lot Residential Zone

Schedule 3 – 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, cycling and walking facilities, 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:

- a. That infrastructure exists and has sufficient ability to accommodate the likely additional individual and cumulative demand from qualifying development/s in the SHA or infrastructure is planned or programmed in the Council's LTP and DC Policy in timeframes that align with the qualifying development/s timing, and/or
- b. That infrastructure would be provided and funded by the private sector ahead of the LTP programmed time at no additional cost to Council, and/or
- c. Where not planned or programmed in the Council's LTP and DC 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 sufficient ability to accommodate the likely additional individual and cumulative demand from- qualifying development/s in the SHA, and
- d. For stormwater, mitigation and offsetting will comply with the conditions of any relevant consent held by the Council or such other relevant engineering standards that are applicable as determined by Council, and
- e. That infrastructure will be designed and constructed in accordance with the relevant requirements of the Council's Infrastructure Technical Specifications, and any other specific design, specifications and plans for infrastructure works (including approved Integrated Catchment Management Plans) arising from any consent or infrastructure requirements set by Council and
- f. That all assessments of infrastructure (e.g. effects, funding, levels of service) are based on a whole of life assessment, and
- g. That the qualifying development/s does not adversely impact on minimum levels of service and existing or planned infrastructure investments, and does not result in poor safety outcomes, and
- h. Is in accordance with Council's Growth Funding Policy.

For non-Council infrastructure such as state highways, government facilities (e.g. schools), or network utilities (e.g. electricity, gas and telecommunications), evidence needs to be provided to Council that satisfies that the infrastructure exists or is planned by the relevant service provider with additional capacity to accommodate the likely individual and cumulative demand generated from a qualifying development/s in the SHA.

Schedule 4 – Residential Development Quality Expectations

Hamilton Partly Operative District Plan

The following provisions (objectives and accompanying policies) will be used as a guide to assess the consistency of proposals with the following planning provisions:

Volume 1

Chapter 2 Strategic Framework –

Towards a Sustainable City Objectives 2.2.1 and 2.2.2

Urban Design Approach Objective 2.2.3

Central City, Business and Industry Objective 2.2.4

Residential Development Objective 2.2.6

Tangata Whenua: Waikato Tainui Objective 2.2.8

Integrate Land Use, Transport and Infrastructure Objective 2.2.13

Chapter 4 Residential Zone Objectives 4.2.1 – 4.2.9

Chapter 25.15 Urban Design Objectives and Policies 25.1.2

Volume 2

Appendix 1 – Assessment Criteria 1.3.3

Appendix 1 – Relevant residential design guides in Appendix 1.4.1 – 1.4.9

Appendix 2 – Structure Plans (Peacocke, Ruakura, Rotokauri, Rototuna)

Note:

This is not an exhaustive list but key objectives, policies and assessment criteria relevant to the consideration of design quality for qualifying SHA sites.