

ROAD MAP

To a good supply and mix of healthy, affordable homes in Queenstown Lakes over two, ten and thirty year horizons

WHAT IS NEEDED TO MAKE PEOPLE HAPPY WITH AFFORDABLE HOUSING?

Urban design ensures streets and neighbourhoods are pleasant and safe.

De-stigmatise rental property as a long-term housing option.

Warm, dry, well insulated homes with adequate storage space.

Community engagement - from community associations to community halls and gardens.

Variety of accommodation types, densities and tenures - young families, workers, empty nesters, elderly, disabled, short-term workers have different needs.

Easy access to open and green space.

Mixed use if high density.

Easy access to schools, recreation, jobs etcetera.

Security of tenure.



Queenstown
Community
Affordable Housing
Work Group
Recommendations

February 2016

Table of Contents

Road Map to Affordable Housing with Two, 10 and 30 Year Horizons2

Queenstown Community Affordable Housing Work Group’s Top Five Recommendations for the Broader Community.....5

Queenstown Community Affordable Housing Work Group’s Top Give Recommendations for Local Government.....6

Queenstown Community Affordable Housing Work Group’s Top Five Recommendations to Central Government.....7

Affordable Housing – Council Policy/Approach to Date.....8

ROAD MAP: IN TWO YEARS (2018) – Advocate the Changing of Behaviours/Culture

Culture Change and Information Required

1. Actively engaged rental community – renters have a formal and active community voice. Queenstown Lakes Community Housing Trust, community associations or specific group?
2. Reverse the negative stigma of renting as a long-term housing choice.
3. Create a local housing/workforce database to inform investigation of house types/numbers required - towards update of HOPE (Housing Our People in our Environment) Strategy.
4. Use working examples of innovative housing initiatives (renting & ownership) from around the world (e.g. Dunedin (<http://www.odt.co.nz/news/dunedin/345148/cohousing-project-coming-together>) to plan and encourage new initiatives (private, public, PPP).
5. A comprehensive study of building typologies/development models that would best provide healthy, affordable homes.
6. Identify 'stepping stones' needed on property ladder in Queenstown Lakes communities.
7. Investigate impact of visitor accommodation (e.g. Air B&B) on long-term rental market.

Funding

- 1) Initiate a tourist levy/bed tax (or share of fuel excise tax/GST) to contribute to infrastructure.
- 2) Community fund/rate rebate to offset development contributions for deserving developments.
- 3) Investigate opportunities for public/private partnerships and developer/investor/business worker accommodation models.
- 4) Up zoning fee (Plan Change 24 philosophy, easy mechanism) for plan changes.
- 5) Raise income levels/living wage and diversify economy, so not just tourism industry wages.
- 6) Educate aspiring homeowners how to best save for their homes.

Policy/legislation

- 1) Develop Master Spatial Plan for all infrastructure, outdoor spaces, housing, public transport (see Auckland Council DP review interactive plan) for next 30 – 50 years.
- 2) Reviewed District Plan supports increased density, greater flexibility for residential flats, incentives for Homestar 6 developments and high density worker accommodation.
- 3) Develop penalties for land bankers (use it/lose it zoning?) and affordability retention policy.
- 4) Ensure worker accommodation is provided (DP review stage II onus on businesses?)
- 5) Revise tenancy laws to give tenants greater security and more rights (e.g. up to 10 year tenure, allow renters to decorate).
- 6) Cap on rental price increases.
- 7) QLCHT charitable status confirmed and pursue tax incentives (e.g. GST rebate).

Place

1. Gorge Road residential development, increased density.
2. Investigate Council land availability for affordable housing - e.g. Lakeview.
3. Investigate partnership with Ngai Tahu re development of Wakatipu High School site.

Transport

1. Public Transport Strategy;
 - a. Subsidised public transport - ferry and land.
 - b. Finish current roading projects (EAR, new Kawarau Bridge, Shotover Country/Frankton Flats roundabouts and network) and progress Man Street bypass.
 - c. Biking/walking routes to provide viable alternative commuting networks.
 - d. Radically improved public transport between Frankton and Queenstown.

ROAD MAP: IN 10 YEARS (2026) – Behavioural Changes Established/Occurring

Culture Change and Information Required

- 1) Living in long-term rental accommodation has no negative stigma.
- 2) QLCHT providing the lead around innovative housing tenure and styles to create a broader range of housing 'stepping stones' across public/private spheres.
- 3) Updated HOPE Strategy in place - database continually updated and drives planning.
- 4) Education about and examples of good density design and urban spaces have developed public support for well-designed density.
- 5) Analyse what affordable housing has been delivered to date - what has/hasn't worked?
- 6) Developers, council, business and the broader community recognise the need for liveable, affordable homes; so old rental stock is upgraded and new buildings are healthy and affordable to live in (Homestar 6 rating).

Funding

- 1) Fair tourism levy/bed tax/fuel excise tax/GST contribution is established and offsetting infrastructure costs.
- 2) Diversified economy is having a positive impact on median wages.
- 3) Investor-based model for building quality rental stock – guaranteed rental stream from local businesses and QLCHT as funding base.
- 4) Use of appropriate Council land to subsidise affordable housing/PPP projects.
- 5) Businesses take a more active role in ensuring workforce has access to affordable housing, through living wage/affordable housing provision.

Policy/legislation

- 1) Master Spatial Plan guides all decision-making, including infrastructure, housing, open space.
- 2) Operative District Plan in place, encouraging a mix of affordable and healthy housing.
- 3) Greater security of tenure for renters achieved through central government legislation.
- 4) Provision of affordable, healthy rental accommodation is encouraged through central government policy as well as district plan.
- 5) Methods for penalising land banking and encouraging use of empty holiday homes in place.
- 6) Mechanism to ensure long-term retention of affordable/community housing is in place, to achieve inter-generational benefit.

Place

- 1) Good examples of mixed housing densities done well can be seen in Wakatipu/Wanaka.
- 2) High school site development facilitated, including affordable housing and retaining community facilities.
- 3) More infill in CBD, balanced by good-quality public open space provision.
- 4) Well-established worker accommodation on Gorge Road.
- 5) Redeem currently unusable land (e.g. Warren Park, Jopp Street) as technology/funds allow.

Transport

- 1) Travel times stabilised through public transport (affordable, regular, reliable), viable non-vehicular commuting routes and good traffic management planning.
- 2) Second Kawarau Bridge and Man Street bypass in place.
- 3) Investigation of monorail between Remarkables Park/airport/Frankton/Queenstown.
- 4) Central Queenstown transport hub in place.

ROAD MAP: IN 30 YEARS (2046) – Behavioural Changes Implemented and Established

Culture Change and Information Required

- 1) Private developers are emulating QLCHT innovative housing design and rental tenure styles.
- 2) Adequate supply of housing, infrastructure and open space achieved through implementation of the HOPE strategy and Master Spatial Plan.
- 3) Renters actively engaged in the community (from security of tenure and having a voice).
- 4) Ongoing and reliable data analysis is continuing to drive planning for future needs.

Funding

- 1) Diversified economy provides depth of job opportunities, career structure and living incomes.
- 2) Tourist levy/bed tax/fuel excise tax/GST claw back mechanism/s provide ongoing and reliable source of adequate infrastructural investment.

Policy/Legislation

- 1) Current district plan (or whatever replaces it through RMA restructures) enables continued innovative provision of wide range of affordable, healthy housing options.
- 2) Master Spatial Plan continues to be updated according to well-informed analysis of future needs and informs all planning decisions.

Place

- 1) Density done well, height appropriate buildings and a broad housing diversity to suit all needs and requirements are evident throughout the District.
- 2) Worker accommodation well-developed along Gorge Road, including short-term worker hostels.
- 3) Mixed housing in community pockets of self-sufficiency.
- 4) Well-planned networks of green space and access to water for recreation and relaxation.
- 5) People-scale town centre.

Transport

- 1) World-class public transport systems – reliable, regular and affordable.
- 2) Logical, safe, connected, well surfaced, non- vehicular commuting networks.

**Queenstown Community Affordable Housing Work Group's Top Five
RECOMMENDATIONS FOR THE BROADER COMMUNITY**

1. **TENANT SECURITY AND ENGAGEMENT:** Lobby central government, QLCHT and local private property owners to increase security of rental tenure, and encourage existing community associations to represent the non-homeowners among their communities.
2. **GATHERING OF DATA:** Queenstown Chamber of Commerce and Queenstown Hospitality Association to create and maintain a register of workforce housing supply requirements, to provide ongoing and accurate information to QLDC for future planning.
3. **INCREASE SUPPORT FOR HIGHER DENSITY:** Understand community concerns about increasing density of development and address these through showing diverse examples of good quality higher density development that would be enabled by the District Plan review.
4. **PUBLIC TRANSPORT:** All community groups to be actively lobbying and influencing local, regional and central government around the need for viable public transport, as reliable, regular, affordable public transport creates vibrant towns where people want to live and stay.
5. **GAIN COMMUNITY TRUST SUPPORT:** Encourage local funding trusts to develop policy that will support community and affordable housing initiatives based on quality density/design/tenure principles, recognising the fundamental importance of affordable housing to the health, well-being and resilience of our communities.

Queenstown Community Affordable Housing Work Group's Top Five
RECOMMENDATIONS FOR LOCAL GOVERNMENT

1. 30 YEAR MASTER PLAN: QLDC (in consultation with the public) develop a 30 year master plan/vision for the District to be completed and in place within the next 24 months – February 2018. The Master Plan is to be an overarching document to be reviewed at regular intervals (between 2 to 10 yearly intervals - TBC) and shall require the District Plan to comply with and have regard to its zoning and key objectives.
2. RESIDENTIAL/MIXED USE INTENSIFICATION: QLDC to support, facilitate and promote the intensification of residential accommodation and mixed use development in areas that are supported by existing transport links and community infrastructure and amenities (for example Gorge Road, Frankton Flats -Remarkables Park and Five Mile). Gorge Road urban area (not just Gorge Road corridor) is seen as a priority for this form of intensification.
3. PUBLIC TRANSPORT: QLDC and ORC to support, facilitate and promote a significantly enhanced public transport system that is subsidised throughout the Wakatipu Basin, which shall cater for the diversity of residents and visitors of all ages and abilities (including disabled persons). Transport infrastructure is seen as a primary need to connect people with town centres, provide transport to and from work and amenities and reduce overall congestion on the roads.
4. FUNDING (TOURIST TAX): QLDC resolve and implement a comprehensive funding model for infrastructure improvement (i.e. tourist tax) by working with and resolving outstanding issues with Central Government. Funding is to be applied primarily to transport, housing and infrastructure.
5. COMMUNITY/AFFORDABLE HOUSING: QLDC to support, facilitate and promote the *acceleration* of community based/affordable housing developments to be designed and constructed in accordance with accepted Universal and Urban Design Principles – to cater for the diversity of residents and visitors of all ages and abilities (including disabled persons). By way of example, QLDC needs to support more developments such as the QLCHT projects that have been completed and/or are under construction. Also, ensure affordable housing is retained for long-term community benefit through an appropriate retention mechanism.

Queenstown Community Affordable Housing Work Group's Top Five
RECOMMENDATIONS TO CENTRAL GOVERNMENT

1. **QUEENSTOWN LAKES SPECIAL ECONOMIC ZONE:** Create a special regional economic zone for Queenstown Lakes District. Recognise the unique, strong, tourism led economy in the region and support local government to make necessary funding decisions for housing affordability.
2. **CENTRAL GOVERNMENT REBATE FUNDING MECHANISM:** As part of the regional economic zone, establish policy (and legislation) for increased central government funding rebates (for example from the extraordinary GST take by the region per capita) to contribute towards housing affordability and improved transport infrastructure.
3. **CAPITAL FUNDING FOR LARGE PROJECTS:** Provide capital funds to support large scale projects for quality, affordable worker accommodation.
4. **RENTAL TENURE SECURITY:** Develop policies and legislation to provide security of tenure for renters, and support year round and longer term rental agreements.
5. **VISITOR TAX:** Support local initiatives to collect a visitor tax that is broad reaching, or multi-pronged (and not limited to a single part of a single sector).

Affordable Housing – Council Policy/Approach to Date

Affordable Housing is not solely Council's responsibility. Developers, investors, the business community, central government and the Queenstown Lakes Community Housing Trust also have roles to play.

Council already has the HOPE strategy, focused on Housing Our People in Our Environment. This needs updating and is the appropriate mechanism for an overall "housing plan".

Stage one of the proposed district plan is already tackling housing issues on several fronts, including:

- Increasing housing density and supply through new medium density residential zones, close to town centres and public transport routes.
- Increasing density in low density residential (through what is known as "gentle density"), so that a second smaller residential unit can be built on sections of adequate size without serious impact on neighbours or neighbourhood.
- Being more enabling of residential flats.
- Introducing a new Business Mixed Use zone, in both Queenstown and Wanaka, to encourage the building of good rental stock near workplaces and downtown zones.

Councillors also agreed to investigate issues of visitor accommodation and affordable housing as part of Stage II of the proposed district plan. Further research needs to be done on both fronts, to ensure we resolve the best policy approaches, without negative unintended consequences.

Visitor accommodation (VA) is a particularly complex issue, as popular resorts overseas have already shown, where potential downtown workers accommodation and swathes of former family rental housing are lost to Air B&B. On the other hand, we don't want to hold back residents from being able to use the home they live in to make some money from their spare rooms, while giving visitors a great experience. VA will be in short supply over coming years, and meeting this demand will also be a challenge.

Also as part of stage II of the proposed district plan, councillors have asked staff to further investigate the capacity of areas on Gorge Road that Otago Regional Council has identified as being subject to alluvial fan risk. Initial advice was to seriously cut back on development capacity in this area. We agree with residents and landowners in the area that further investigation is required.

Outside of the District plan review process:

- Council entered into a Housing Accord with the Government. Council has proposed a Special Housing Area on Gorge Road (the proposed Business Mixed Use zone), which would help fast track apartments close to town. It is also processing other potential SHA agreements (Onslow Road, Shotover Country, Arthurs Point) and further investigating two retirement SHA proposals (Arrowtown and Ayrburn). Government has put a deadline on these agreements of the end of March.
- Council reviewed its development contributions policy in 2015, and no longer requires payment of reserve contributions in existing urban areas. This recognises that there is sufficient reserve land in Queenstown, and also aims to act as an incentive for development.
- Council has coordinated an affordable housing ideas working group, initiated by Catalyst Trust. This group - comprising volunteers from development, financial, business, planning

and infrastructural sectors through to community representatives and architects has developed a package of affordable housing policy suggestions for local and central government and the broader community.

- Council is identifying landholdings that could be used for affordable housing, as part of its strategic property review.

There is no silver bullet. We need affordable and good quality rentals as well as affordable homes to own. We need more steps on the property ladder for people to progress up. The cost of “affordable housing” in Queenstown will be higher than many places elsewhere - the result of basic laws of supply and demand. We share these problems with communities throughout New Zealand and the world where people want to move to live, but topography and/or supply is constrained.

Moves to make the proposed district plan less restrictive will help, but ultimately, it is the development sector that needs to respond and build the houses/apartments. It is individuals and businesses that make these investment decisions.

While the District plan and other Council policy/strategy can enable such decisions, they are not guarantees. For instance, high density zoning at both Kawarau Falls (the Hilton site) and The Rees could have together sated a lot of VA demand. Instead, developers have opted for high-end, low density apartments. Council provided the opportunity to build hundreds of rooms through the operative district plan (often criticised for being restrictive), but this was not taken up. Fundamentally, these came down to investment decisions that were outside of local government control.

Some business operators have talked in the media late last year about the need to themselves provide worker accommodation, as used to happen more frequently (and was required in some cases under a former district plan). This would be fantastic to see happen. Perhaps this should be also a part of stage II of the District Plan review?