

REPORT

TO: Chief Executive
FOR: Council Meeting – 9 December 2015
FROM: Environmental Services Manager
DATE: 4 December 2015
SUBJECT: **HOUSING ACCORD**

1. RECOMMENDATION

That the Council

- a) Ratifies the Selwyn District Housing Accord with the Ministry of Housing for the purposes of increasing housing supply and improving housing affordability in Rolleston by facilitating development of quality housing that meets the needs of the growing population.**
- b) Notes the development of the Selwyn Housing Accord and Special Housing Areas Policy that is to be read in conjunction with the Selwyn District Housing Accord.**

2. PURPOSE

This report is to obtain the Council's ratification of a Housing Accord with the Ministry of Housing. Accompanying the Housing Accord is the Selwyn Housing Accord (Appendix 1) and Special Housing Areas Policy (Appendix 2) which provides a framework for the assessment of Special Housing Areas and also explains how the Housing Accord process works.

3. SIGNIFICANCE ASSESSMENT/COMPLIANCE STATEMENT

This matter has been assessed using the significance policy, and the following is noted:

- a) The matter does not affect all or large portion of the community in a way that has a potential impact or consequence on the affected persons.**
- b) There are not any financial implications on the Council's resources that would be substantial and are likely to generate a high degree of controversy.**

It should be noted any land added through the Housing Accord would be subject to a degree of public consultation for those who are directly affected (being those residents adjoining a special housing area).

4. HISTORY/BACKGROUND

At the Council meeting on 25 November 2015 the Council passed the following resolution:

The Council:

“approves entering into a Housing Accord with the Ministry of Housing for the purposes of increasing housing supply and improving housing affordability in Rolleston by facilitating development of quality housing that meets the needs of the growing population.”

Since that meeting Council Officers have been working on the Housing Accord with officials from the Ministry for Business Innovation and Employment (MBIE). On Friday 4 December 2015 the Housing Accord was finalised.

A number of changes have been made to the Draft Housing Accord that was attached to the Council report from the Council meeting on 25 November 2015. These changes are not considered substantive and relate more to the structure of the document and the development of a policy (the Selwyn Housing Accord and Special Housing Areas Policy) that provides a detailed framework for the assessment of Special Housing areas and secondly provides an explanation of the process around the Housing Accord.

The development of this policy followed from a suggestion from officials from MBIE who advised that the Housing Accord should have a similar format and content with other Housing Accords that have been developed around the country. Their advice indicated that the Draft Housing Accord should have less detail around the assessment of special housing areas as that assessment framework would be better in a Council policy that would sit alongside the Housing Accord. Similarly their advice was that the affordability criteria would be more appropriate in that policy.

Another change relates to the geographic area the Housing Accord applies to. The Housing Accord now relates to all of Selwyn District with a focus on Rolleston, rather than just Rolleston. This change was needed because of the technical and legal constraints of the Housing Accord and Special Housing Areas Act (HASHAA). However the Selwyn Housing Accord and Special Housing Areas Policy makes it clear that to qualify as a Special Housing Area that area needs to be within the infrastructure boundary in Rolleston. The targets in the Housing Accord have also been changed to align with other Housing Accords. In summary then while the Housing Accord has changed from those previously circulated to Council, the outcomes will remain largely the same when it is read and applied in conjunction with the Selwyn Housing Accord and Special Housing Areas Policy.

5. PROPOSAL

The objective of this report is to allow the Council to approve the Selwyn District Housing Accord.

Fundamentally, the Housing Accord would enable subdivision and development of houses in suitable locations outside those growth areas identified in the LURP but inside the Rolleston projected infrastructure boundary as identified in the RPS.

As has been signalled in previous reports the timeframes for getting an agreement in place and completing the other parts of the HASHAA's processes before its expiry in September 2016 (the date by which applications for qualifying developments are required to be lodged) are tight.

The Minister for Housing has scheduled a meeting at Council offices on the 14 December 2015 to sign the Housing Accord with the Mayor.

6. OPTIONS

The option for Council is whether to ratify the Housing Accord or not. Unfortunately the time frames are such that modification of the Housing Accord, which would require consultation with MBIE officials, makes that option problematic. Nevertheless as explained above the effect of the Housing Accord, when read in conjunction with the Selwyn Housing Accord and Special Housing Areas Policy, remains largely the same as other draft Housing Accords previously circulated to Councillors.

7. VIEWS OF THOSE AFFECTED/CONSULTATION

The iterations of the Housing Accord and what council is trying to achieve have been discussed at length with Councils strategic partners and obviously MBIE has been working closely with Selwyn District Council officers in its development. No other views have been obtained.

8. RELEVANT POLICY/PLANS

A legal opinion commissioned by Council staff concludes that it is appropriate and reasonable for Selwyn District Council to seek to rely on the provisions of HASHAA as it considers there are issues of housing affordability and supply which are not being adequately addressed by the Land Use Recovery Plan (LURP). The legal opinion goes on to advise that enabling urban development outside of the current urban limits is not incompatible with the LURP, the Canterbury Regional Policy Statement and the Canterbury Earthquake Strategy.

9. COMMUNITY OUTCOMES

It is noted that this report has taken account of the Community Outcomes identified in the Council's Long Term Plan regarding the Environment, Social, Economic and Culture of the community. This recommendation to Council is considered consistent with achieving those outcomes.

10. LEGAL IMPLICATIONS

At this point no legal implications are foreseen.

11. FUNDING IMPLICATIONS

The work to date has included staff time and is within existing budgets. There is however recognition that there could be significant costs from future plan changes that are driven by successful Special Housing Areas that are developed under HASHAA.

As the Special Housing Areas will proceed by way of resource consenting it is important to note that Council's usual cost recovery policy for the processing of resource consents will apply. In addition it is contemplated that a plan change to both the district and regional plan will follow on subsequent to the resource consent. Currently it is not clear if this will be a private initiated plan change or alternatively a Council led plan change. However there will be costs incurred by this subsequent plan change process and Council will be requiring a significant contribution to those costs from the developers. If the plan change is to be privately initiated, and to allow for the provision of funding there will need to be careful identification of the developer providing resources and funding.

It is not possible at this point to be definitive about overall costs. However it is fair to say costs with these types of processes are never inexpensive. Accordingly the Council will be seeking to enter into agreements with developers associated with Special Housing Areas requiring them to work with the Council in a cooperative way and to identify costs and provide for them.



TIM HARRIS
ENVIRONMENTAL SERVICES MANAGER



SELWYN HOUSING ACCORD

Final Draft

December 2015

Selwyn Housing Accord

- 1 The Selwyn Housing Accord between the Selwyn District Council (Council) and the Government is intended to increase land and housing supply in the Selwyn District during the period in which the Housing Accords and Special Housing Areas Act (the Act) applies.

Background

- 2 Housing affordability and an adequate supply of housing are key elements to maintaining a well-functioning, dynamic community with a strong economy. The Selwyn housing market is currently experiencing issues around rapid population growth in Rolleston and reduced availability of readily developable residential land.
- 3 The 2009 Rolleston Structure Plan identified that Rolleston was expected to grow from a population of 6,800 to approximately 22,000 in 2041 – an average increase of approximately 500 persons or 160 households per year.
- 4 Selwyn experienced significant growth as a consequence of the Christchurch earthquakes of 2010 and 2011, which resulted in a short term loss of between 12,000 dwellings in the Greater Christchurch area. As a result, Rolleston experienced the highest population growth in Greater Christchurch between the 2006 and 2013 censuses. Selwyn was the fastest growing territorial authority in New Zealand for 2013/14 and 2014/15.
- 5 Due to rapid population growth, much of the land in single ownership has been developed or is nearing the final stages of development.
- 6 Potential capacity has been supplemented by way of the Land Use Recovery Plan (LURP), which has created six more growth areas which have a theoretical capacity of 4500 dwellings. The Selwyn District Plan anticipates the development of all these areas in accordance with Outline Development Plans. There has been very limited development to date in these areas due to fragmented land ownership, a lack of infrastructure, high land values and high numbers of 'lifestyle' properties with owners unwilling to aggregate or sell their land.
- 7 While in the fullness of time some of this land may be expected to be developed, it is unlikely in the foreseeable future. As such, in the next few years there is likely to be a land supply shortage in Rolleston. This could reduce the affordability of remaining sections in growth areas.
- 8 The median multiple in Selwyn (i.e. the median house price divided by the gross annual median household income) is 5.8¹. This figure suggests that home ownership is unaffordable for many residents. Unaffordable homes contribute to increased pressures on families and communities, on the social housing system, and on Council and Government support. Further, with proportionately more household income being spent on housing less money is available for investment and spending in other areas of the community and business.
- 9 This Accord seeks to contribute to improved affordability by increasing the supply of land in Selwyn, with a focus on Rolleston in particular. It will also ensure that a proportion of new housing supply created is affordable.

¹ <http://www.stats.govt.nz/Census/2013-census/profile-and-summary-reports/quickstats-income/total-family-income.aspx>
<https://www.qv.co.nz/resources/monthly-residential-value-index>

- 10 The Act provides an opportunity to address these problems by facilitating a streamlined resource consent process. This can be available for suitable landholdings in priority areas.

Purpose

- 11 The Selwyn Housing Accord (the Accord) is intended to enable subdivision and development of housing in suitable priority areas.
- 12 To ensure rapid progress, the Accord is focused on enabling development of large parcels of land under single ownership or control.
- 13 The Accord is also intended to ensure that a suitable proportion of the housing delivered is affordable at first sale by comparison with median sales prices in the district.
- 14 The Accord is necessary to enable the Council to identify Special Housing Areas (with more enabling development controls) and provide streamlined resource consent processes within those special housing areas under the Act.
- 15 The parties acknowledge that improving housing affordability is a complex issue and requires consideration of wider issues, not all of which will be able to be addressed under the Accord.

Principles to guide how the Government and the Council will work together

- 16 The Council and the Government agree that they will:
 - Work collaboratively to facilitate an increase in housing supply in the Selwyn District
 - Allocate appropriate resources to achieve the objectives of this Accord
 - Prioritise achievement of targets in the Accord
 - Adopt a no surprises approach
 - Seek to resolve differences quickly
 - Respect the obligations resulting from each party's statutory and legislative requirements

Special Housing Areas

- 17 Upon commencement of this Accord, the Council will have the ability to recommend the creation of Special Housing Areas to the Minister for Building and Housing under the Act. If the Government agrees, the recommended Special Housing Areas could be established by Order in Council, enabling the Council to access the powers available under the Act to streamline resource consent approvals.

Targets

- 18 The Council and Government acknowledge the importance of agreeing targets to give effect to the purpose of this Accord that will assist in delivering the level of land supply and dwellings necessary to meet Selwyn's housing needs.
- 19 These targets will be achieved through a combination of private sector development, direct Council and government action, and through collaborative action with other agencies including, but not limited to, Environment Canterbury and the New Zealand Transport Agency.
- 20 The Council and the Government agree, within their respective areas of control, to endeavor in good faith to achieve the agreed targets within the timeframe of this Accord.
- 21 The agreed aims and targets are set out below. They are focused on Special Housing Areas and recognize the currently stated repeal dates under the Act.

Aim	Targets
To increase the opportunity for increased supply of residential sections and dwellings within Selwyn	Special Housing Areas declared with a potential capacity for 900 dwellings or sections by 16 September 2016
To ensure efficient use of land and variety of product, including affordable small dwelling options in Special Housing Areas	<p>The sections/buildings consented in Special Housing Areas shall be developed at a minimum net density of 12 dwellings per hectare (net density as defined under the Selwyn District Plan).</p> <p>Council will specify affordability criteria for Special Housing Areas within the Council's Selwyn Housing Accord and Special Housing Areas Policy.</p>

Partial repeal of Act 16
Sep 2016

Aim	Targets	Year 1	Year 2	Year 3
To increase the supply of residential sections within Special Housing Areas in Selwyn	Number of sections created by resource consent within Special Housing Areas	150	300	450
To increase the overall supply of dwellings in Selwyn	Total number of dwellings consented in Selwyn	1,200	1,250	1,300

Factors Outside Scope

- 22 This Accord does not limit the Council, or the Government, coming to differing positions in respect of Government programmes of reforms to the Resource Management Act or other legislation. The Government welcomes submissions from Council at the appropriate stages in the process.

Other Matters

- 23 Where land in a Special Housing Area has been developed and does not conform to the existing Selwyn District Plan, the Council will, where possible, prepare a change to the Plan. This will be undertaken giving regard to the Canterbury Earthquake Recovery Act and the Resource Management Act. Associated changes to the Canterbury Regional Policy Statement will also be sought.

Governance and Process

- 24 Governance of this Accord will rest with the Accord Steering Group comprising the Mayor of Selwyn and the Minister of Building and Housing. The Accord Steering Group will meet as required.
- 25 The Accord Steering Group has the ability to amend this Accord, including targets, upon agreement.
- 26 To operate this Accord, the Council and the Ministry of Business, Innovation and Employment will establish an Officials Working Group which will meet as required to advance implementation of this Accord.
- 27 The Officials Working Group will report to the Accord Steering Group and will prepare any monitoring reports as requested by the Accord Steering Group.
- 28 In addition to the above, the Council will prepare a document 'Selwyn Housing Accord and Special Housing Areas Policy' which will guide Council's approach to Special Housing Areas.

Monitoring and Review

- 29 In order to ensure that the purposes of this Accord are achieved, the Accord Steering Group will monitor and review the implementation and effectiveness of this Accord. Officials from the Ministry of Business, Innovation and Employment and Council will be present to advise and observe the Accord Steering Group meetings.
- 30 In order to ensure the implementation and effectiveness of this Accord the Officials Working Group will meet as required to:
- Review progress in implementing the Accord
 - Review progress towards the Accord targets and declaration/ implementation of Special Housing Areas
 - Review progress on the other areas of joint action or information sharing

Termination of the Accord

- 31 This Accord will come to an end:
- On 16 September 2018, as specified in section 3(1) of the Act, or
 - Three months following the date that either party gives notice of its intention to withdraw from this Accord, subject to completion of the Dispute Resolution Process outlined in clauses 34 to 39
- 32 Subject to first complying with the requirements in clauses 34 to 39 either party may terminate this Accord, on any of the grounds set out in clause 33 by giving not less than three (3) months' notice to the other.
- 33 The grounds on which this accord may be terminated are:
- Failure to reach the agreed targets as set out in the Accord; whether the failure results from inaction or ineffective action;
 - Failure of either party to allocate adequate resources to support the purpose or the exercising of powers and functions under the Act;
 - Failure on the part of the Council to exercise the powers and functions of an Authorised Agency under the Act;
 - The parties agree that there is an irretrievable breakdown in the relationship;. or
 - Selwyn is removed from Schedule 1 of the Act, in accordance with that Act e.g. if Selwyn no longer meets the affordability and land supply criteria provided for under that Act.

Dispute Resolution Process

- 34 The parties will attempt to resolve any dispute or difference that may arise under or in connection with this Accord (including seeking to terminate) amicably and in good faith as set out below).
- 35 The initiating party must immediately refer the dispute to the other party in writing.
- 36 The Joint Housing Steering Group must meet for the purpose of resolving the dispute within 10 business days of the dispute being referred to the parties.
- 37 If, for any reason the Joint Housing Steering Group is unable to resolve the dispute in the meeting referred to in clause 36 above, the Joint Housing Steering Group must reconvene for the purpose of resolving the dispute within 20 business days of the meeting referred to in clause 36 above.
- 38 If the Joint Housing Steering Group remains unable to resolve the dispute at the second meeting, either party may terminate the Accord by giving written notice to the other party. This notice must be provided at least three months before the effective termination date .
- 39 The parties must continue to perform their obligations under this Accord as if the dispute had not arisen, pending final resolution of the dispute in accordance with this section of the Accord.

Publicity

- 40 The Mayor and the Minister of Building and Housing agree that any communications or publicity relating to this Accord will be mutually agreed prior to release.

Ratification and Commencement of the Accord

- 41 The Accord commences from the date on which the latter of the following occurs:
- The Accord is signed by the Minister of Building and Housing and the Mayor of Selwyn District Council; or
 - Selwyn District Council ratifies the agreement by formal council resolution.

Signed on this 14th day of December 2015

Hon Dr Nick Smith
Minister for Building and Housing

His Worship Kelvin Coe
Mayor of Selwyn District

SELWYN HOUSING ACCORD AND SPECIAL HOUSING AREAS POLICY

INTRODUCTION

- 1 The Selwyn District Council (Council) and the New Zealand Government have entered into a Selwyn Housing Accord under the Housing Accords and Special Housing Areas (HASHA) Act. The purpose of the Accord is to enable subdivision and development of housing within Selwyn District particularly within Rolleston in suitable locations outside those growth areas identified in the Land Use Recovery Plan (LURP) but inside the Rolleston Projected Infrastructure Boundary identified within the LURP.
- 2 The Accord is focused on enabling development of large parcels of land under single ownership or control and is intended to ensure that a suitable proportion of housing delivered is affordable at first sale by comparison with median sale prices in the district.
- 3 Under the Accord and the Act the Council will have the ability to recommend the creation of special housing areas to the Minister of Building and Housing. If the government agrees the recommended special housing areas could be established by order in Council enabling the Council to access the powers available under the Act to streamline resource consent approvals.
- 4 To assist the Council in recommending the creation of a Special Housing Areas the Council has established this policy. Special Housing Areas will not be recommended by the Council to the Minister unless the Council determines in its discretion this policy is satisfied.

PURPOSE

- 5 A key purpose of this policy is to increase supply of land in the Selwyn with a particular focus on Rolleston. A further purpose is to ensure that a proportion of the new dwellings supply created is affordable housing.

QUALIFYING CRITERIA

- 6 To qualify for consideration by Council to become a special housing area of the land must meet the following criteria;
 - (a) it is located on land zoned rural inner plains zone under the operative Selwyn District Plan within the area bounded by Dunns Crossing Road, Selwyn Road, Weedons road and State Highway 1;
 - (b) it is not subject in any part to the Christchurch International Airport Noise Contour under the operative Selwyn District Plan;

- (c) it comprises a contiguous land area of not less than 30 ha adjacent or opposite an existing ODP area;
- (d) it is owned or controlled by a single party, or there is a contract for this party to purchase all of the land;
- (e) there is evidence of demand to create qualifying developments in this area and there will be demand for residential housing in the proposed special housing area and the owner/developer can provide evidence demonstrating it is an experienced land developer and/or alternatively is partnered with an experienced land developer and has a genuine intention to develop the land;
- (f) it is in a location where adequate infrastructure to service qualifying developments within the proposed special housing area either exist, or is likely to exist, having regard to relevant local planning documents, strategies and policies, and any other relevant information;
- (g) the qualifying development is required to demonstrate to the satisfaction of the Council consideration of the provision of affordable housing. It is anticipated affordable housing will be provided by way of smaller dwellings for which land use consent is required under the rules of the Living Z zone;
- (h) 10% of the total potential yield of the qualifying development or each stage of the qualifying development shall be affordable housing. Affordable housing is defined as the sale price at the first sale being not more than 75% of the REINZ value for the preceding September.

QUALIFYING APPLICATION PROCESS

- 7 Council and the owner/developer through a pre-application have agreed an Outline Development Plan for the whole of the special housing areas (SHA) following the agreed format of the Selwyn District Plan and that will achieve an outcome that is consistent with the provisions of the Living Z zone and achieve the appropriate level of urban design and affordable housing .
- 8 The applicant developer will lodge an application with the Council containing sufficient information to determine if the proposed development qualifies with the above criteria
- 9 This policy should be drawn to the attention of decision-makers who are making decisions under the HASHA enabling them to take this policy into account during their decision making processes.
- 10 Taking into account the purpose of the HASHA and this policy the Council will take a decision as to whether or not the proposal should be recommended to the Minister to become a special housing area. If the Minister accepts the recommendation the special housing area will be established by way of order in Council.

APPLICATION TO DEVELOP LAND WITHIN A SPECIAL HOUSING AREA.

- 11 A person who wishes to undertake an activity in relation to a qualifying development for which a resource consent is required under the Resource Management Act may apply for a resource consent under section 25 of the HASHA following the process and procedures provided for obtaining a resource consent as set out within the Resource Management Act.
- 12 In processing and determining an application to undertake an activity in relation to a qualifying development the Council will utilise Part 2 subpart 1 to 6 inclusive.

Appendix A

Summary of process under HASHAA

Step	Description
Add district to Schedule 1	<p>Requires an Order in Council by the Governor General following a recommendation of the Minister</p> <p>Will only be done where the Minister is satisfied that the district is "experiencing significant housing supply and affordability issues"</p>
Enter into a Housing Accord	<p>A housing accord is an agreement between the Minister and a territorial authority for a scheduled district that sets out how the two parties will work together to address housing affordability issues</p> <p>Section 11 sets out specific matters that the Accord must contain and a range of matters that it may contain.</p>
Identify Special Housing Areas	<p>Council officers works with land owners who express interest in developing a Special Housing Area and who meet the criteria contained in the Selwyn Housing Accord and Special Housing Areas Policy</p> <p>A cost sharing agreement is reached with the land owner</p> <p>If Council is satisfied with the proposal it recommends the creation of special housing areas to the Minister of Building and Housing</p> <p>The establishment of a SHA then requires an Order in Council by the Governor General following a recommendation of the Minister</p> <p>This will only be made if the Minister is satisfied that there is demand for residential housing in these areas and there is adequate infrastructure to service development</p> <p>OIC may specify criteria for qualifying developments relating to the maximum number of storeys, the maximum building height, the minimum number of dwellings to be built and the percentage of dwellings that must be affordable</p>

(including criteria specifying how affordability is determined) (s15).

**Lodge application
for Qualifying
Developments**

Council Officers work with land owners to develop a suitable Outline Development Plan.

Application is then lodged with the territorial authority, which is processed in accordance with the provisions of HASHA rather than the usual RMA provisions.

A qualifying development must be predominantly residential and comply with all applicable criteria specified in the Order in Council (s14).



SELWYN HOUSING ACCORD

FIFTH DRAFT
11 November 2015

Contents

Selwyn Housing Accord	3
Background	3
Purpose	4
Principles to guide how the Government and the Council will work together	4
Targets.....	5
Special Housing Areas	5
Qualifying Developments	6
Other Matters	7
Governance and Process.....	7
Monitoring and Review	7
Termination of the Accord	8
Dispute Resolution Process	8
Publicity.....	9
Ratification and Commencement of the Accord.....	9

Selwyn Housing Accord

- 1 The Selwyn Housing Accord between the Selwyn District Council(Council) and the Government is intended to result in increased land and housing supply in Rolleston during the period in which the Act applies.

Background

- 2 Growth in Rolleston has been identified as a priority and an expectation for Selwyn District for many years.
- 3 The 2009 Rolleston Structure Plan identified that Rolleston was expected to grow from a population of 6800 to approximately 22,000 in 2041 – an average increase of approximately 500 persons or 160 houses per annum.
- 4 Since 2009 greenfield land for future residential development in Rolleston has been identified by way of six specific growth areas, through Plan Change 7 to the Selwyn District Plan.
- 5 Rolleston experienced a significantly increased growth rate as a consequence of the earthquakes of 2010 and 2011, which had resulted in a short term loss of between 10,000 and 20,000 dwellings in the Greater Christchurch area. Rolleston is identified by Statistics New Zealand as the location in Greater Christchurch which experienced the largest population increase between the 2006 and 2013 censuses (the usually resident population increased from 4919 to 9555).The latest population estimate available for Rolleston from Statistics New Zealand as at 2015 is 11810 people.
- 6 In particular, those Plan Change 7 growth areas under the control of single landowner developers have experienced sales level significantly in excess of initial projections. Much of the land in single ownership has been developed or is nearing the final stages of development.
- 7 Recently the potential capacity has been supplemented by way of the Land Use Recovery Plan (LURP), which has created six more growth areas which have a theoretical capacity of 4500 dwellings. The Selwyn District Plan anticipates the development of all these areas in accordance with Outline Development Plans. There has been very limited development to date in these areas.
- 8 Unlike the Plan Change 7 growth areas, the LURP growth areas are characterised by fragmented land ownership, involving landowners who have different objectives and expectations in relation to the use and development of their land. These differences and the lack of co-ordination between landowners is likely to act as a constraint on residential land supply. Much of the land in the LURP growth areas has been purchased and developed as “lifestyle” properties which prevents the land from being made available to the market at a price that enables residential development to occur. A considerable proportion of it is unlikely to be serviced in the near future.
- 9 While in the fullness of time some of this land may be expected to be developed, the inevitable conclusion is that this is not likely to be the case in the foreseeable future.
- 10 In April 2015 a report by Davie Lovell Smith entitled the *Rolleston Residential Growth Report* examined the extent of this issue. This report reviewed the PC7 growth areas and demonstrated their dwindling capacity. It looked in turn at each LURP growth area and identified a number of common practical issues inhibiting the likelihood of extensive short term growth – notably related to multiple land ownership, infrastructure availability, and land value issues (particularly associated with developed rural lifestyle blocks with extensive homes).

- 11 The DLS report concluded that while there is no question the LURP growth areas are ultimately suited to residential use achieving efficient development responses will be intrinsically difficult in the short term.
- 12 As such, it has been identified that during the next few years there is likely to be a land supply problem in Rolleston. This could have the effect of reducing the affordability of the remaining sections in the growth areas.
- 13 The key purpose of this Accord is thus to increase supply of land in Rolleston in suitable locations, and a further purpose is to ensure that a proportion of the new dwelling supply created is affordable housing.
- 14 The parties acknowledge that improving the affordability of housing is a complex issue and requires consideration of wider issues, not all of which will be able to be addressed under this Accord.
- 15 The Housing Accords and Special Housing Areas Act (HASHAA) provides an opportunity to address these problems by facilitating an interim fast track consent process for suitable landholdings in the general vicinity of the LURP priority areas, while not precluding the LURP area development as appropriate in the longer term.

Purpose

- 16 The Selwyn Housing Accord is intended to enable subdivision and development of housing in suitable locations outside those growth areas area identified in the Land Use Recovery Plan (LURP) but inside the Rolleston Projected Infrastructure Boundary.
- 17 In order to avoid a repeat of the issues of multiple landownership which are likely to slow the development of the LURP areas, the Accord is focused on enabling development of large parcels of land under single ownership or control.
- 18 The Accord is also intended to ensure that a suitable proportion of the housing delivered is affordable at first sale by comparison with median sales prices in the district.

Principles to guide how the Government and the Council will work together

- 19 The Council and the Government agree that they will:
 - Work collaboratively to facilitate an increase in housing supply in Rolleston
 - Allocate appropriate resources to achieve the objectives of this Accord
 - Prioritise achievement of targets in the Accord
 - Adopt a no surprises approach
 - Seek to resolve differences quickly
 - Respect the obligations resulting from each party's statutory and legislative requirements

Targets

- 20 The Council and Government acknowledge the importance of agreeing targets to give effect to the purpose of this Housing Accord that will assist in delivering the level of land supply and dwellings necessary to meet Rolleston's housing needs.
- 21 The agreed aims and targets are set out below. They are focused on Special Housing Areas and recognize the currently stated repeal dates under the Act. It is understood that all applications for qualifying developments must be lodged with the Council on or before 16 September 2016.

Aim	Target
To increase the opportunity for increased supply of residential sections and dwellings within Rolleston	The section/dwelling capacity of land identified for development by Special Housing Area declarations under the Selwyn Housing Accord is at least 900 By 16 September 2016.
To increase the supply of residential land holding consents for subdivision within Rolleston.	The number of sections consented within Special Housing Areas is at least 150 by 16 September 2016, at least 300 by 16 September 2017, and at least 450 by 16 September 2018.
To increase the delivery of residential sections within Rolleston.	The number of new titled sections within Special Housing Areas is at least 150 by 16 September 2017, at least 300 by 16 September 2018, and at least 450 by 16 September 2019.
To ensure efficient use of land and variety of product, including affordable small dwelling options	<p>The sections/buildings consented shall be developed at a net density measured across each Special Housing Area of not less than 12 dwellings per hectare (net density as defined under the Selwyn District Plan).</p> <p>At least ten percent of the dwellings enabled by the consents are affordable in price-relative terms at first sale.</p>

Special Housing Areas

- 22 Upon commencement of this Accord, the Council will have the ability to recommend the creation of Special Housing Areas to the Minister of Building and Housing under the Act. If the Government agrees, the recommended Special Housing Areas could be established by Order in Council, enabling the Council to access the powers available under the Act to streamline resource consent approvals.

- 23 The Council will not recommend the creation of a Special Housing Area unless it is satisfied that the land meets all of the following requirements:
- a. It is located on land zoned Rural Inner Plains zone under the Operative Selwyn District Plan within the area bounded by Dunns Crossing Road, Selwyn Road, Weedons Road and State Highway 1;
 - b. It is not subject in any part to the Christchurch International Airport Noise Contour under the Operative District Plan;
 - c. It comprises a contiguous land area of not less than 30 hectares adjacent or opposite an existing ODP Area ;
 - d. It is owned or controlled by a single party, or there is a contract for this party to purchase all of the land;
 - e. There is evidence of demand to create qualifying developments in this area and there will be demand for residential housing in the proposed special housing area, and the party described in clause 23d is or is partnered with an experienced land developer and has a genuine intention to develop the land;
 - f. It is in a location where adequate infrastructure to service qualifying developments within the proposed special housing area either exists, or is likely to exist, having regard to relevant local planning documents, strategies and policies, and any other relevant information;
 - g. Council and the party described in clause 23d have agreed an Outline Development Plan for the whole of the special housing areas (SHA) following the agreed format of the Selwyn District Plan and that will achieves an outcome that is consistent with the provisions of the Living Z zone.

Qualifying Developments

- 24 Any party may propose to the Council for consideration Qualifying Developments within SHAs which are:
- Predominantly residential;
 - Have capacity for 50 or more dwellings or 50 or more vacant residential sites;
 - Have a maximum dwelling height in accordance with the provisions of the Living Z zone of the Operative District Plan;
 - Will achieve, or will not frustrate the achievement of, a net density of 12 dwellings per hectare, measured across the SHA.
- 25 When considering an application for a Qualifying Development under Section 34 of the Housing Accords and Special Housing Areas Act:
- there is no requirement to give effect to the provisions of the operative Canterbury Regional Policy Statement; and
 - any regard that is had to the Operative Selwyn District Plan shall be with reference to the objectives, policies and rules of the Living Z zone, and any reference therein to a relevant Outline Development Plan will be a reference to the Outline Development Plan prepared with the Order in Council referred to in clause 23g. This shall apply even though the land within the SHA may not be zoned Living Z in the Operative Selwyn District Plan at the time
- 26 Qualifying Developments are required to give consideration to the provision of affordable housing. It is anticipated that this will be provided by way of smaller dwellings for which land use consent is required under the rules of the Living Z

zone.

- 27 Conditions of qualifying development consents to be recorded by way of Consent Notices(or other suitable legal mechanism) on titles may include a requirement that a number of dwellings being equivalent to not less than 10% of the total potential yield of the Qualifying Development shall be affordable dwellings. Affordable in this clause shall be defined as the sale price at the first sale being not more than 75% of the median house price for the Selwyn District(as published or available from Quotable Value for the month prior to the land use consent being granted. Consent notices may include a requirement that the first sale for the purpose of this clause shall be to an individual or individuals (rather than building companies and investors)

Other Matters

- 28 Where by 16 September 2018 land in a Special Housing Area has been substantially developed the Council undertakes at the earliest opportunity thereafter, subject to obtaining suitable support from the developers who utilise this Accord and subject to its obligations under the Canterbury Earthquake Recovery Act and the Resource Management Act, to prepare a Change to the Selwyn District Plan and to seek associated changes to the Canterbury Regional Policy Statement.
- 29 This change will apply the Living Z zoning and associated Outline Development Plan to all land for which a title exists pursuant to a subdivision consent issued under the HASHA Act.

Governance and Process

- 30 Governance of this Accord will rest with a Joint Housing Steering Group comprising the Mayor of Selwyn and the Minister of Building and Housing. The Joint Housing Steering Group will meet annually.
- 31 The Joint Housing Steering Group has the ability to amend this Accord, including targets, upon agreement. The targets shall be reviewed annually, subject to reports on progress and the state of the building/construction sector.
- 32 The Council and the Government shall establish an Officials Working Group which will meet as often as required to advance implementation of this Accord.
- 33 The Officials Working Group will report to the Joint Housing Steering Group and will prepare any progress or monitoring report as requested by the Steering Group

Monitoring and Review

- 34 In order to ensure that the purposes of this Accord are achieved, the Steering Group will monitor and review the implementation and effectiveness of this Accord. An official from each of MBIE and Council will be present to advise and observe the Steering Group Meetings.
- 35 In order to ensure the implementation and effectiveness of this Accord the Officials Working Group will meet as required to:
- Review progress in implementing the Accord
 - Review progress towards the Accord targets and declaration/ implementation of Special Housing Areas
 - Review progress on the other areas of joint action or information sharing

- 36 A full review of the effectiveness of the Accord will be carried out by the Officials Working Group after its first 12 months of operation and be reported to the Joint Housing Steering Group.

Termination of the Accord

- 37 This Accord will come to an end:
- On 16 September 2018, as specified in section 3(1) of the Act, or
 - Six months following the date that either party gives notice of its intention to withdraw from this Accord, subject to clause 39
- 38 Subject to first complying with the requirements in clauses 41 to 46 either party may terminate this Accord, on any of the grounds set out in clause 40 by giving not less than six (6) months' notice to the other.
- 39 The grounds on which this accord may be terminated are:
- Failure to reach the agreed targets as set out in the Accord; whether the failure results from inaction or ineffective action;
 - Failure of either party to allocate adequate resources to support the purpose or the exercising of powers and functions under the Housing Accords and Special Housing Areas Act;
 - Failure on the part of the Council to exercise the powers and functions of an Authorised Agency under the Housing Accords and Special Housing Areas Act;
 - The parties agree that there is an irretrievable breakdown in the relationship; or
 - Selwyn is removed from Schedule 1 of the Housing Accords and Special Housing Areas Act, in accordance with that Act e.g. if Selwyn no longer meets the affordability and land supply criteria provided for under that Act.

Dispute Resolution Process

- 40 The parties will attempt to resolve any dispute or difference that may arise under or in connection with this Accord (including seeking to terminate) amicably and in good faith as set out below).
- 41 The initiating party must immediately refer the dispute to the other party in writing.
- 42 The Joint Housing Steering Group must meet for the purpose of resolving the dispute within 10 business days of the dispute being referred to the parties.
- 43 If, for any reason the Steering Group is unable to resolve the dispute in the meeting referred to in clause 42 above, the Steering Group must reconvene for the purpose of resolving the dispute within 20 business days of the meeting referred to in clause 42 above.

- 44 If the Steering group remains unable to resolve the dispute at the second meeting, either party may terminate the Accord by giving written notice to the other party. This notice must provide for at least six months in advance of the termination date.
- 45 The parties must continue to perform their obligations under this Accord as if the dispute had not arisen, pending final resolution of the dispute in accordance with this section of the Accord.

Publicity

- 46 The Mayor and the Minister of Building and Housing agree that any communications or publicity relating to this Accord will be mutually agreed prior to release.

Ratification and Commencement of the Accord

- 47 The Accord commences from the date at which the latter of the following occurs:
- The Accord is signed by the Minister of Building and Housing and the Mayor of SDC, and;
 - SDC ratifies the agreement by formal council resolution.

Signed on this day of 2015

Hon Dr Nick Smith
**Minister of
Housing**

His Worship Kelvin Coe
Mayor of Selwyn District