

COUNCIL'S PROPOSED HOUSING POLICY (UPDATED)



3 June 2008

Consultation Draft

INTRODUCTION

The provision and development of housing is a key issue within the community, affecting all residents to some extent. Council has long played a role in housing within the City through its planning function, the provision of social housing, and as a residential developer.

Recently, the issue of affordable housing has become an increasingly important issue, with many people feeling locked out of home ownership by high prices and rental increases stretching many households. Council expects that over the longer run, housing affordability will remain an important issue with an aging population, tendency towards smaller households, and a growing population.

In recognition of these issues, both the Wellington Regional Strategy and the Hutt City Long Term Community Plan contain outcomes related to the provision of affordable housing - reflecting the importance of housing affordable to the quality of life within the city. The Hutt City Long Term Community Plan City outcome is:

“To ensure everyone has a quality standard of affordable housing.”

Council intends to play a significant role in ensuring that this outcome is met. This policy outlines the direction Council will take in making its contribution.

BACKGROUND

Hutt City Council has long had a role in providing and influencing housing development in the city. The district plan is critical to influencing the availability of land for residential development, as well as the main characteristics of housing developed within the city.

Council has traditionally played a role in providing rental housing, although this role is limited to social housing for the elderly and socially disadvantaged today. These units are provided mainly through UrbanPlus – a Council controlled trading housing organisation that owns and manages most of Council’s social and public housing, provides a property management service to the Council, and develops property transferred to it by Council.

The Council has also played a significant direct role in the residential development in the City, undertaking major residential subdivisions and developments such as Maungaraki and Holborn.

Recently, the issue of affordable housing has become an increasingly important issue, with many people feeling locked out of home ownership by high prices, and rental increases stretching many households.

Analysis undertaken by the Council indicates that the present problems with housing affordability are largely a result of market cycles and other factors outside of Council control or influence. The influence of these factors on the housing market has ceased or is likely to ease within the next few years, improving housing affordability over the medium term.

However, predominate demographic and building trends are likely to worsen housing affordability in the longer run unless more action is taken. The trends of primary importance are:

- historically high forecast population and household growth;
- falling household sizes;
- an aging population; and
- inadequate dwelling construction levels and growing new dwelling sizes.

Forecasts indicate that an additional 4,500 homes will be needed in Hutt City by 2021, or approximately 300 dwellings per annum (from 2006). At present, the number of new dwellings constructed per year is only around two-thirds of this rate – indicating a shortfall is likely in meeting the City’s future housing needs unless the rate of development increases. The forecasts also suggest a greater proportion of intensive housing (townhouses, units, apartments, terraced housing, and flats) will be needed by the growing segment of one and two person households.

VISION AND OBJECTIVES

Vision

To ensure everyone has a quality standard of affordable housing.

Objectives

The key objectives of the housing policy are to:

- help ensure that the housing needs of Hutt City are met and to improve the affordability of housing in Hutt City by;
 - increasing the supply of residential developments;
 - ensuring there is a more balanced mix between intensive housing and non-intensive housing developments; and
 - ensuring a supply of social housing for the elderly and socially disadvantaged;
- outline Council’s approach to achieving the above.

METHODS

There are three main strands to Council’s approach to meeting the objectives of the housing policy:

- District Plan
- Investment and development
- Advocacy, influence, and encouragement

Within these strands, Council will provide leadership in the housing development market through direct intervention, indirect intervention (such as regulatory controls), or UrbanPlus.

District Plan

The Council's District Plan contains policies and rules governing residential development within the City. The District Plan is critical to ensuring that there is a sufficient supply of appropriately zoned land for residential development for greenfield, infill, and intensive housing.

The District Plan became fully operative in 2005 and five residential activity areas were identified in the city. The residential provisions of the District Plan are currently under review. The review takes into account raw land availability, geographic characteristics, amenity values, the Wellington Regional Strategy, and affordable housing goals. Whilst current provisions allow for a range of housing types, including some higher density and comprehensive residential development, it is proposed to provide for further residential intensification around shopping centres and key transportation routes. These proposed provisions (subject to consultation and approval in accordance with the requirements of the Resource Management Act) are considered critical to ensuring high density and intensive housing developments are undertaken in the city.

Within the District Plan, emphasis is also placed on maintaining and enhancing those amenity values which contribute to each residential area. This is critical to ensuring new development does not come at the expense of peoples' quality of life.

Investment and development

As noted earlier, Council has long had a role in providing or developing housing within the city. The Council intends to continue in this capacity into the future, mainly through UrbanPlus. The key elements of Council's approach to investment and development are discussed below.

Meeting local housing needs

UrbanPlus is tasked with identifying gaps in the local housing market where intervention would assist in meeting local housing needs and the objectives of this policy, such as the expected growth in households.

Council will also consider making appropriate Council land available to UrbanPlus or the private market to assist in meeting local housing needs and the objectives of this policy.

Commitment to social housing

Council will continue to provide pensioner housing and also housing for the socially disadvantaged through UrbanPlus. The number of units to be held for this purpose will be reviewed at least annually during the process of agreement in establishing the Statement of Corporate Intent with the Board of UrbanPlus.

Commercial operating basis

Council expects an appropriate financial return from its investment in UrbanPlus in fulfilling its roles. UrbanPlus must ensure all ventures are taken on a commercial basis and ensure an appropriate financial return from any proposed investment or development.

Advocacy, influence, and encouragement

The Council, on behalf of the community has a key role to play in lobbying central government, to address housing issues or to seek change to government policy. Council has also worked in partnership with central government to help facilitate residential housing developments. Council continues to be involved in a range of initiatives to establish linkages between a wide range of stakeholders (including potential funders) with an interest in housing provisions and housing issues. Council will also consider appropriate ways of encouraging more residential development generally to help meet expected growth, as well as a greater proportion of intensive housing development.

REVIEW PERIOD

This policy will be reviewed in April 2011.