

Options to assess in SIA on assisted housing

Wellington City Council (WCC) has draft provisions within a proposed District Plan that support assisted housing. Assisted housing is any housing type coordinated long-term by a government, local government or community housing provider where the cost for residents is less than the market rate. It may include long-term leases, rent-to-buy, long-term affordable rentals, or subsidised co-housing.

WCC staff have put forward four potential options. These four methods are not exclusive. All, some, or none could be progressed into the proposed District Plan. The options would apply when there is construction of new multi-unit residential buildings or a residential subdivision. The four options are:

1. ~~A~~**Only assisted or social housing is a controlled activity (all zones)**. A development that consists entirely of assisted housing and/or social housing would be considered a controlled activity in the District Plan. A Controlled Activity means the development would be guaranteed to gain consent, but with the potential for conditions from WCC. This option would only be applicable to government, local government or registered community housing providers (eg developers such as Kiwibuild, Kainga Ora, registered community housing providers and Wellington City Council, Dwell, etc).
2. **Where assisted housing is provided additional height ~~may be~~ allowed, subject to satisfying other standards (some zones; voluntary)**. For a development which provides assisted housing, additional height could be added to the building when the development is within the City Centre Zone and Metropolitan Centre Zone. This would be a matter of discretion which Council can consider as part of Design Excellence¹ within these zones. This option is voluntary, as developers can choose to apply for this provision or ignore it.
3. **If a financial contribution is made to Council (to fund assisted housing), additional height ~~is~~ **may be** allowed (all zones; voluntary)** – Additional height can be added to a development in all zones, if the developer pays a financial contribution. The amount paid is proportional to the value of additional floorspace enabled by exceeding the height or height-to-boundary standards. Like option 2, the developer can also provide assisted housing by other ~~means~~² and this would offset the need for a financial payment. The quantum of contribution is waiting on the market economic assessment but may be around 10%. This option is voluntary, as developers can choose to apply for this provision or ignore it.
4. **For all subdivisions (3 or more lots) and multi-unit developments (3 or more dwellings), a financial contribution is made to Council to fund assisted housing (all zones; mandatory)**. All subdivisions and multi-unit residential developments (creating 3 or more dwellings / vacant lots) pay a financial contribution proportional to the value of the ~~total floorspace~~new dwellings / lots. Like option 2, the developer can also provide assisted housing by other means² and this would offset the need for a financial payment. The quantum of contribution is waiting on the market economic assessment but may be around 2%. The quantum for subdivisions may be higher if the market assessment indicates a significant land value uplift happens when subdivision consent is granted.

At the time of writing, it is anticipated that any funds raised would be held by Wellington City Council, to be used in accordance with the Council's Housing Strategy and Action Plan. One of the main actions

¹ Design excellence is where a building could apply to exceed the maximum height limit by up to 25% if it scored 30 "points" on public benefit elements e.g. public space, better access, accessibility for elderly/disabled, or environmental efficiency. Assisted housing could also be a criteria. If the height benefits were generous enough, the increased developer profit from the extra height/number of units may offset the cost of the assisted housing.

² For example, a developer may ~~include-sell~~ assisted or social housing within the development to a registered CHP. Or a developer may have already built an assisted housing complex in partnership with the Council or a community housing provider and may want to use it as "credit" for their future developments. Another developer may want to sell its assisted housing obligation to another developer who is better placed to deliver the houses [I am not sure this is correct – Andrew will need to clarify.]. If a subdivision, lots could be set aside for assisted housing.

Commented [LD1]: Additional height will first need to be considered acceptable in the particular location where it is proposed then a financial contribution will be sought. The financial contribution does not guarantee additional height is acceptable.

Commented [LD2]: The assisted housing lots or units would need to be sold to central govt / local govt / registered community housing provider so they remain affordable over 30 years. The units could not be sold on the market without a covenant or other means of protecting the affordability long-term.

in the Action Plan is to fund new units under Wellington City Council's affordable rental programme - Te Kāinga Aroha.