



Rotorua Housing Accord

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1. The Rotorua Housing Accord (the Accord) is an agreement between the Minister for Building and Construction (the Minister) and the Rotorua District Council, operating as Rotorua Lakes Council, (the Council) to work together to address housing supply and affordability issues in the district of the Council.

Background

2. During the past few years Rotorua District has seen positive economic progress and current indicators point to continued growth and investment. The local economy is performing above the national average, unemployment has been dropping, and sectors like tourism, forestry, retail and hospitality are thriving. It is important that this momentum is sustained.
3. With growth and progress come pressures, particularly on infrastructure like water roads and wastewater and on our housing stock and accommodation.
4. According to data from the Real Estate Institute of New Zealand, the median house price for Rotorua District was \$355,000 in June 2017, up 24.6 percent from \$285,000 in June 2016. At 31 March 2017, the average rent in Rotorua was \$295 per week, up from \$268 in March 2016; an increase of 10 percent.
5. According to Statistics New Zealand projections, the population of Rotorua District is projected to increase from 68,400 in 2013, to between 73,400 (under a medium growth scenario) and 76,500 (under a high growth scenario) by 2023. Based on the average household size for the Rotorua District (2.6 people), this suggests that the district will need an average of between 190 and 310 additional dwellings each year between 2013 and 2023.
6. Rotorua is recognised as a 'medium growth urban area' under the National Policy Statement on Urban Development Capacity (NPS-UDC), meaning it has a population of over 30,000 and where the resident population is projected to grow between 5% and 10% between 2013 and 2023.
7. An increasing population is good for the Rotorua economy as it brings greater diversity, new skills and talent, and new businesses and innovation. However, it places pressure on infrastructure like roads and wastewater, on public facilities, and on housing capacity.
8. Employment growth is predicted to continue, primarily in the tourism, transport and logistics, and forestry sectors.
9. Growing tourism numbers are also putting pressure on housing availability due to the increased use of residential dwellings for short-term itinerant rental through services such as 'Book-a-Bach' and 'AirBnB'.
10. Rotorua District has a large amount of Maori land, in many cases under multiple ownership, which creates both opportunities and challenges. There is an opportunity to ensure Council processes support the creation of papakainga housing, and to explore new ways of enabling housing development on Maori land without necessarily transferring title.

Housing Accords and Special Housing Areas Act 2013

11. The Housing Accords and Special Housing Areas Act 2013 (the Act) came into force on 16 September 2013.
12. The purpose of the Act is to enhance housing affordability by facilitating an increase in land and housing supply in certain regions or districts identified as having housing supply and affordability issues.
13. The Act permits the Minister and a territorial authority, whose district is identified as having housing supply and affordability issues, to enter into an agreement to work together to address housing supply and affordability.
14. Rotorua district has been identified as having housing supply and affordability issues (being the district of Rotorua District Council identified in Schedule 1 of the Act).
15. The Minister and the Council agree to work together to address housing supply and affordability issues in the Rotorua district on the terms recorded in the Accord.
16. The Council upon commencement of the Accord becomes an accord territorial authority for the purposes of the Act. This provides the Council, among other things, the ability to recommend to the Minister that one or more areas within the Rotorua district be established as Special Housing Areas.
17. The Minister and the Council agree that joint action is needed to improve housing supply and affordability in the Rotorua district and that building strong and resilient communities requires a housing market that is accessible and affordable with a variety of residential living options, including in rural areas.
18. The Accord is part of the Government's comprehensive housing plan, which includes initiatives to address:
 - the supply of land available for residential purposes
 - the efficiency and timeliness of the provision of infrastructure to new development
 - the cost of construction materials
 - compliance costs
 - productivity in the construction sector.

Purpose

19. The Accord provides the basis for collaboration between the Minister and the Council to support an increase in housing supply and affordability in Rotorua.
20. The Accord recognises that by working collaboratively, the Minister and the Council can achieve better housing outcomes for Rotorua.

21. The parties acknowledge that improving housing affordability is a complex issue and requires consideration of wider issues, not all of which are able to be addressed under the Accord.

Priority Actions

22. Under the Accord the Minister and the Council agree to:

Aim	Actions
Ensuring sufficient land is available to meet demand and supported by actions to bring sections to market	<p>The Council will complete spatial planning process and district plan changes, including rezoning.</p> <p>The Council will implement enhanced consenting processes and a 'development action team' approach.</p> <p>The Council will work with developers on options to fund infrastructure.</p> <p>The Council will work with regional council on comprehensive stormwater consent.</p> <p>The Council will identify any surplus land that may be suitable for housing development.</p> <p>The Minister will consider any recommendations coming from the Council on special housing areas.</p>
Ensuring affordable and social housing is available to meet the needs of iwi and the wider community	<p>The Council will implement enhanced consenting processes and a 'development action team' approach to the establishment of social housing.</p> <p>Housing New Zealand and the Council will explore options for the development of social housing.</p> <p>The Council will work with iwi to explore options for the development of papakāinga housing.</p> <p>Te Puni Kōkiri will assist the Council with information and advice to engage with existing government support for papakāinga housing.</p>
Ensuring partnership and investment opportunities are identified to support strategic objectives and the transformation of the local economy	<p>The Council will work with developers on options to fund infrastructure.</p> <p>The Council will consider the establishment of a development company to speed up development.</p> <p>The Council will promote the new Eastgate and airport business park development.</p>
Encouraging housing development in key suburban communities	<p>The Council will establish a regeneration project team.</p> <p>The Minister will consider any recommendations coming from the Council on special housing areas.</p>

Special Housing Areas

23. The Council upon commencement of the Accord will have the ability to recommend to the Minister the establishment of special housing areas under the Act. If the Minister agrees, the recommended special housing areas may be established by Order in Council, enabling the Council to access the consenting powers available under Part 2 of the Act.

Targets

24. The Council and the Minister agree targets are important to give effect to the purpose of the Accord. The parties to the Accord accept it is necessary to pursue ambitious targets to meet housing needs for the Rotorua district.

25. The targets will be achieved through a combination of private sector development, Council and Government action, and collaboration with other agencies. The targets will be achieved mainly by private housing developers notwithstanding Council has an active role in making land available for housing. The Accord is about enabling private investment in housing and will require both Council and Government to work closely with the development sector. The Council and the Government further agree within their respective areas of control, to endeavour to achieve the agreed targets.

26. The agreed targets, set out Table 1, are premised on 2017 market conditions prevailing in the following years. The targets may be reviewed, and new targets agreed, if there is a change in market conditions or other relevant factors.

Table 1: Agreed targets for the years 2018-2020

Housing supply	Baselines (financial years)				Aspirational Targets (financial years)			
	2013/14	2014/15	2015/16	2016/17	Year 1 (2017/18)	Year 2 (2018/19)	Year 3 (2019/20)	Year 4 (2020/21)
Total sections consented	31	78	35	172	200	250	300	300
Total dwellings consented	64	75	118	117	150	200	250	300

Note: The aspirational targets are for the period 1 July to 30 June and will be measured against Council-gathered and publicly available information as appropriate.

Factors outside scope

27. The 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 1990 or other legislation. The Government welcomes submissions from Council during the legislative process.

Governance and Processes

28. Governance of the Accord will rest with a Joint Steering Group comprising the Minister, the Mayor of Rotorua, and the Deputy Mayor of Rotorua. The Joint Steering Group may

amend the Accord, including targets, by agreement. The targets shall be reviewed annually, subject to progress reports and the state of the building and construction sector.

29. The Council and Ministry of Business, Innovation and Employment will establish an Officials Working Group to operate the Accord. Te Puni Kōkiri, Housing New Zealand and Land Information New Zealand will participate on the Officials Working Group as required. The Officials Working Group will meet and form sub groups as it deems necessary to advance the implementation and meet the objectives of the Accord.
30. The Officials Working Group will report to the Joint Steering Group at least twice per year and will prepare any progress or monitoring reports requested by the Joint Steering Group.
31. The Joint Steering Group will meet at least once every six months to review progress in implementing the Accord and achieving its targets.

Monitoring and Review

32. The Joint Steering Group will monitor and review the implementation and effectiveness of the Accord to ensure its purposes and targets are achieved. The Officials Working Group will meet when necessary to:
 - review progress in implementing the Accord;
 - review progress towards the Accord targets; and
 - discuss and agree other areas of joint action or information sharing.

Commencement of the Accord

33. The Accord takes effect the day after the date it is signed by the Minister and Mayor.

Dispute Resolution

34. The parties agree to comply with the dispute resolution process set out in clause 35 prior to either party exercising its right to terminate the Accord under clause 38.
35. The dispute resolution process:
 - The initiating party must immediately, and in writing, bring the dispute to the attention of the other party.
 - The Joint Steering Group must hold an initial meeting for the purposes of resolving the dispute within 20 business days of the dispute being brought, in writing, to the attention of the non-initiating party.
 - If, for any reason, the Joint Steering Group is unable to resolve the dispute in the initial meeting, the Joint Steering Group must reconvene for the purpose of resolving the dispute within 20 business days following the date of the initial meeting.
 - If the Steering Group remains unable to resolve the dispute at the second meeting, then

either party may elect to terminate the Accord in accordance with clause 38.

- The parties must continue to perform their obligations under the Accord pending final resolution of the dispute as if a dispute had not arisen.

36. The parties agree that clauses 34 and 35 shall not apply to a termination on the ground of irretrievable breakdown in the relationship or removal of Rotorua District Council from Schedule 1 of the Act.

Termination of the Accord

37. The Accord is terminated at the time and date of repeal of the Act unless earlier terminated by either party.

38. Subject to first complying with the requirements in clauses 34 and 35, either party may terminate the Accord, on any of the grounds set out in clause 39, by giving not less than three months' notice to the other party.

39. The grounds on which the Accord may be terminated are:

- Failure to reach the agreed targets set out in the Accord, whether the failure results from inaction or ineffective action;
- Failure on the part of the Council to exercise the powers and functions of an Authorised Agency under Part 2 of the Act;
- The parties agree there is an irretrievable breakdown in the relationship.; or
- Rotorua District Council is removed from Schedule 1 of the Act.


Publicity

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

Signed on this 31st day of August 2017



Hon Dr Nick Smith
Minister for Building and Construction



Her Worship Hon Steve Chadwick
Mayor of Rotorua