

QLDC Council

10 August 2023

Report for Agenda Item | Rīpoata moto e Rāraki take [1]

Department: Strategy & Policy

Title | Taitara : Queenstown Lakes District Joint Housing Action Plan – endorsement

Purpose of the Report | Te Take mō te Pūroko

The purpose of this report is to present the Queenstown Lakes District Joint Housing Action Plan (JHAP) and recommend that Council endorses it.

Recommendation | Kā Tūtohuka

That the Council:

1. **Note** the contents of this report;
2. **Note** the feedback received from public consultation and the subsequent amendments made;
3. **Endorse** the Queenstown Lakes District Joint Housing Action Plan 2023-28;
4. **Approve** the implementation of the Queenstown Lakes District Joint Housing Action Plan 2023-28; and
5. **Note** the JHAP will also be endorsed by the Grow Well Whaiora Governance Group at its next meeting;
6. **Authorise** the General Manager Strategy and Policy to make design and minor editorial changes prior to release for clarification.

Prepared by:



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Title: Strategic Growth Manager
20 July 2023

Reviewed and Authorised by:



Name: Michelle Morss
Title: General Manager Strategy and Policy
20 July 2023

Context | Horopaki

Affordability is one of the biggest challenges for the district, particularly in relation to the complex matter of housing

1. Queenstown Lakes District is one of the fastest growing areas in Aotearoa New Zealand. It is a popular place to live, work and visit. Housing affordability remains a key challenge for the district, with the median cost of housing currently at \$1.186M in Queenstown and \$1.268M in Wānaka and \$1.74M¹ in Arrowtown. The average rent is approximately \$566 per week, which is 9% above the national average². Coupled with below average incomes, the current average property value is 13.2 x average household income, compared to New Zealand average of 7.4³.
2. Housing affordability has significant implications for the wellbeing of the people of the district and has a direct impact upon workforce attraction and retention. In addition, workers are finding it difficult to secure rental accommodation due to the high rental rates, and because of the competing uses, such as short-term letting. As a result, housing is a matter of high importance to the community and has a high level of public and media interest.
3. The housing challenge in the district is complex and well-recognised, but interventions and solutions take time to come to fruition. The collaboration of a range of local, regional and central government bodies, community groups, Kāi Tahu and developers is needed to achieve positive outcomes.

Queenstown Lakes District Council is taking action but can't tackle the issue alone

4. Building on a strong legacy of previous strategies and plans (beginning with the Housing our People in our Environment (HOPE) Strategy 2005), significant work has been undertaken over recent years to fully understand the scale and nature of the challenge, activate key stakeholders, build a sound evidence base and explore innovative interventions. Further information in relation to this can be found in the report from the Mayoral Housing Affordability Task Force Reports (2017-19), The Housing Accord (2017), the Queenstown Lakes Homes Strategy (2021)⁴ and the Queenstown Lakes Spatial Plan 2021 (Spatial Plan)⁵.
5. In 2007, the Queenstown Lakes District Council recognised an issue in the lack of affordable housing and acted upon it by initiating the formation of the Queenstown Lakes Community Housing Trust (QLCHT). The trust has a range of housing programmes, each designed to assist eligible low to moderate income households, who contribute to the social, economic and

¹ Urban Development Dashboard – Ministry of Housing and Urban Development and Ministry for the Environment ([Urban Development \(shinyapps.io\)](https://www.shinyapps.io/)) (April 2023)

² Source: Infometrics, (April 2023)

³ Source: Infometrics, (June 2023)

⁴

<https://www.qldc.govt.nz/your-council/council-documents/strategies-and-publications/affordable-housing>

environmental wellbeing of this district and are genuinely struggling to commit to the area because of the housing affordability issue.

6. The QLCHT has delivered secure, affordable homes to 244 households. Approximately 30% (including the Jopp St land in Arrowtown) of its capital funding has been provided directly by Council through land, financial contributions and annual operating grants. This includes significant direct Council contributions (Jopp Street and Suffolk Street in Arrowtown) and a financial contribution (staged) from the sale of land at Lakeview. On top of this Council has facilitated approximately \$25M of inclusionary housing contributions to the QLCHT. Overall, this equates to approximately 85% of the QLCHT's capital funding (includes land/funding received directly from Council and contributions that have been facilitated by Council).
7. The process for the Inclusionary Housing Plan Change (an action agreed in the Homes Strategy and signalled in the Spatial Plan) is also currently underway, with further submissions closed. Land or a financial contribution would be collected by Council and provided to the QLCHT (or another Community Housing Provider) to create an ongoing funding stream for the provision of affordable housing.
8. Other significant initiatives underway to help address the district's housing supply, diversity and affordability include the following:
 - National Policy Statement on Urban development – Urban intensification variation;
 - the Te Pūtahi Ladies Mile Masterplan (accepted for processing under the Streamlined planning process); the Spatial Plan's Priority Development Area work;
 - Te Tapuae Southern Corridor Structure Plan process; and
 - Working closely with the chamber of commerce and a network of community groups to build an employers' toolkit to help address the accommodation shortage.
9. Places benefit when central and local government work together with community, iwi, business, and industry to deliver a shared vision for the community. The initiatives developed through the draft JHAP will require a collaborative approach across the entire network of housing actors in the district to achieve better community outcomes. Housing is a complex issue that cannot be solved by any one agency or actor alone.

The JHAP is an output of the Queenstown Lakes Spatial Plan 2021 (Gen 1.0)

10. The development of the Queenstown Lakes District Joint Housing Action Plan is one of the six priorities of the joint work programme for the Grow Well Whaiora Partnership (Priority Initiative 5). A joint working group was established consisting of officers from Te Tūāpapa Kura Kāinga | Ministry of Housing and Urban Development, and Kāinga Ora, and the Queenstown Lakes Community Housing Trust to find solutions and commit to undertaking these together. The development of the draft JHAP was jointly funded by both QLDC and Kāinga Ora.

11. The draft JHAP has been reported through the Partnership Steering Group and Political Governance group. It was collectively agreed that an increase of housing supply alone would not address the Queenstown Lakes District's housing affordability issues and that a number of mechanisms are required to be utilised.

The draft JHAP has been developed using a partnership approach.

12. The development of the draft JHAP has taken place over a 10-month period and was developed utilising an investment logic mapping (ILM) methodology. This is an early-stage technique that assists in developing and documenting the logic that underpins a potential investment decision, before specific solutions are identified, and before a decision is made.
13. It is noted that the JHAP will be presented to the Grow Well Whaiora Governance Group for endorsement at its next meeting.

Analysis and Advice | Tatāritaka me kā Tohutohu

Vision, objectives, solutions and measures

14. The joint vision of the draft JHAP is to *“Improve housing outcomes and neighbourhood design to develop thriving communities.”* It has been developed between the Grow Well Whaiora partners to create a cohesive approach towards housing for the future across Queenstown Lakes District.
15. The draft JHAP aligns with Kāi Tahu's values framework in alignment with the Spatial Plan and identifies three key values for the plan:
- ***Whanaukataka*** Family and community focussed
 - ***Haere whakamua*** Future focussed
 - ***Tikaka*** Appropriate action
16. A specific outcome for Kāi Tahu is for *“whānau to afford to be able to live and work in the district”*. These values and outcomes have helped inform the strategic direction for the draft JHAP.
17. The draft objectives are:
- ‘Our community can easily assess quality, stable, affordable housing now and into the future.’*
- and**
- ‘Housing solutions to deliver better economic, social, cultural, and environmental outcomes for our community and New Zealand Inc.’*
18. The draft JHAP is split into following nine solutions;
- a. Form a clear evidence-based understanding of the district's housing issues and regularly monitor key indicators.

- b. Realise opportunities to purchase and develop land for the provision of affordable housing in the Queenstown Lakes District.
 - c. Enable affordable housing through legislation and other tools.
 - d. Continue to support and amplify the QLCHT and other providers.
 - e. Influence and incentivise developers to provide affordable housing.
 - f. Focus on rental solutions for the district's workforce in collaboration with the community.
 - g. Further develop public/private partnerships to deliver affordable housing and choice.
 - h. Implement plan changes and review district plan to enable more affordable housing and choice.
 - i. Design and implement structure plans (frameworks to guide the development or redevelopment of an area) with the community.
19. These solutions have been unpacked into a series of actions for partners, QLDC, and stakeholders to undertake together in the Queenstown Lakes District to develop mixed tenure and typology housing to meet the needs of the community. It is necessary for all partners to have a shared understanding of the complexity and nuance of housing issues in the district.
20. Key Performance Indicators (KPIs) have been drafted that are measurable, attributable, and meaningful so that all stakeholders know whether value has been delivered. Measures were discussed (including current baselines and target values) and how the benefits will be tracked and recorded. It is proposed for these success measures are to be monitored annually so that the partnership can measure progress in achieving the vision of the draft JHAP.
21. It is noted the implementation of the JHAP will sit with the QLDC's Strategic Planner – Housing (due to commence on the 17 August 2023).

Consultation took place over a five-week period

22. During the feedback period from 3 May 2023 to 9 June 2023, 36 responses were received for the draft JHAP 2023-28.
23. Feedback was sought through Council's online Let's Talk platform and via email to stakeholders. Officers conducted a webinar to showcase the housing difficulties in the district and the work done jointly the Grow Well Whaiora Partnership to address the issues. People provided support for solutions that will help ameliorate housing difficulties in the district and few changes have been made to the draft JHAP from this feedback. There was feedback that people wanted further data and context included in the draft JHAP. This information has been added to the beginning of the updated draft JHAP.
24. In addition, officers approached key social agencies and the Queenstown Chamber of Commerce to facilitate feedback into the process. Meetings with developers also took place as part of the Housing and Business Capacity Assessment process and specific housing questions were asked.

The draft JHAP has evolved as a result of feedback received

25. 71% of respondents supported or were neutral to the draft JHAP. It is noted some of the feedback in support represented a large number of groups including MahiQL and the Queenstown Chamber of Commerce. The revised JHAP is contained in **Attachment A**.

26. Key themes in the feedback were:

Key themes	Response
A short-term rental housing response is required, particularly in regards to staff / worker accommodation	The draft JHAP has been amended to make this more clear. Additional actions have been included specific to the rental market (discussed in more detail below).
General opposition to growth	The wording of Objective 1 has been amended from 'Anyone who chooses to live here can easily access quality, stable, affordable housing now and into the future' to ' <u>Our community</u> can easily assess quality, stable, affordable housing now and into the future'. Our community is defined at the start of the document as being those that live here permanently, those that live here for a couple of years and those that are here for a few months or a season. This is consistent with the wording in the Spatial Plan.
Impact of short-term letting	Additional actions relating to legislation have been added.
Unlikely to ever deliver affordable housing	This is a key issue the JHAP is trying to address.
National approach to regulation of short term letting needed	An additional action point has been recommended.
The large proportion of vacant homes was raised as a key issue	Action 1 c acknowledges that more information and evidence is required to fully understand this issue.
Access to public transport needed	This is covered throughout the JHAP.
Increasing the offering of the QLCHT recommended	The wording in Solution 4 and associated actions has been updated to cover this.
District Plan changes needed – landscape, capacity, infrastructure servicing	Addressed in Solutions 8 and 9.
Tiny homes – guidance and clarity required	Updated guidance has been posted to the Queenstown Lakes District Council website relating to tiny homes, and wording added to Action 6 (E).

27. As a result of the feedback received the following changes have been made to the draft JHAP, including:

- Minor wording changes to the vision of the JHAP to ensure it better reflects what the plan is trying to achieve;
- Inclusion of a foreword and introduction;
- The data on housing in the district has been updated and references added to be current and clear;
- Minor wording changes to some outcomes, key actions, success measures, and solutions in order to be more accurate, more reader-friendly and to take into consideration points raised by the community;
- Additional actions have been included to ensure the draft JHAP covers legislation, data, and build-to-rent developments in places where there were some gaps previously. These include the following:

Key Actions:	Impact on Council – cost and capacity
3 e) Partners work collaboratively to understand the implications of different pieces of legislation and other levers on the Queenstown Lakes housing market.	This action has a low cost and could be included as part of Action 1 c). This is something that Council Officers are already doing with the Grow Well Whaiora partners. Further evidence and data is needed.
5 d) Work with developers to facilitate and deliver different housing options, such as Build to Rent developments.	This action has a low cost and is considered to be a key component of the new Housing Officer role.
5 e) Facilitate and encourage innovative design / build methodologies to reduce the cost of building high density (4+ level) housing.	This action has a low cost. The Strategic Planner – Housing would investigate this further.

28. A full schedule of changes has been included as **Attachment B** to this report.

The JHAP sits independently of the Homes Strategy, however, there is some crossover between the two documents.

29. The Homes Strategy was developed by QLDC officers with a focus on what QLDC and the QLCHT can do to improve housing affordability in the district. A significant number of the Homes Strategy actions are included in the draft JHAP, but not all of the actions have been included. The remaining Homes Strategy actions have been laid out on the last page of the draft JHAP. Whilst these actions will not be delivered jointly, QLDC has still made a continued commitment to them. Part of this list will be delivered by the Policy Planning team (resource management-related actions) and the others will be delivered by the Strategic Growth team. There will likely be the

opportunity to 'bundle' activity between the joint actions and the QLDC actions, when detailed project planning is underway.

30. The draft JHAP has been developed with the intention that the actions will be undertaken in partnership with Te Tūāpapa Kura Kaīnga | Ministry of Housing and Urban Development, and Kāinga Ora, the Queenstown Lakes Community Housing Trust, developers and the community.

31. The JHAP is an output of both the Spatial Plan and the Homes Strategy. Development of the JHAP has created an evolved action plan for the partners and for QLDC. Therefore, the JHAP replaces the actions section of the Homes Strategy - not the full strategy. The intent and direction of the Homes Strategy remains.

Feedback to the draft JHAP

32. Officers have organised the feedback analysis of the draft JHAP into the following documents:

- **Feedback summary report (attached as Attachment C):** summarises the responses received. This includes the graphed response questions and the themes of the written feedback received.
- **Full feedback pack (Link):** contains all the feedback received on the draft Joint Housing Action Plan. Personal information of the submitter has been redacted.

Options and Analysis

33. This report identifies and assesses the following reasonably practicable options for assessing the matter as required by section 77 of the Local Government Act 2002.

34. Option 1 Endorse the Queenstown Lakes District Joint Housing Action Plan and approve its implementation.

Advantages:

- The JHAP is a partnership response and commitment to address housing issues across the district. There is an opportunity to start implementing the actions as soon as possible, acknowledging there will need to be some prioritisation based on available resources.
- QLDC can realise its commitment to delivering Priority Initiative 5 of the Spatial Plan.

Disadvantages:

- Some of the community have raised concerns that Council should not be actively involved in this space.

35. Option 2 Do not endorse or approve the Queenstown Lakes Joint Housing Plan for implementation.

Advantages:

- The partnership can take the opportunity to re-visit the JHAP and potentially amend it to reflect Council's position.

Disadvantages:

- This decision could result in misalignment between QLDC and the Grow Well Whaiora partners that have been part of the development process so far.
- QLDC will not yet realise its commitments to the Spatial Plan.
- Housing is a critical issue that needs to be addressed urgently. This option would result in delays to actioning the draft JHAP.
- The partnership will lose the positive momentum created during the JHAP development process.
- The district will not yet be able to demonstrate a unified, collaborative approach towards housing, which may impact the ability to drive change and secure further funding.

36. This report recommends **Option 1** for addressing the matter. The draft JHAP has been developed with the Grow Well Whaiora partners, housing is one of the key challenges currently facing the district and a partnership approach will better ensure that all stakeholders are involved. The draft JHAP is a step towards creating a cohesive approach towards housing for the Queenstown Lakes District. It has been developed in the spirit of collaboration, representing a genuine commitment to change.

Consultation Process | Hātepe Matapaki

Significance and Engagement | Te Whakamahi I kā Whakaaro Hiraka

37. This matter is of high significance, as determined by reference to the Council's Significance and Engagement Policy because housing is a significant issue for the community.
38. The persons who are affected by or interested in this matter are residents / ratepayers of the Queenstown Lakes District community, Kāi Tahu, Grow Well Whaiora partners, and the business community.

Māori Consultation | Iwi Rūnaka

39. As an output of the Spatial Plan, Aukaha and Te Ao Marama have had oversight of the draft JHAP through the Grow Well Whaiora Partnership. The draft JHAP has been discussed at both the Grow Well Whaiora Steering and Political Governance Group meetings on which both Murihiku and Ōtākou rohe are represented. The draft JHAP has been provided to both Aukaha and Te Ao Marama for review.

Risk and Mitigations | Kā Raru Tūpono me kā Whakamaurutaka

40. This matter relates to the Strategic/Political/Reputation. It is associated with *Risk 0056 – Ineffective provision for future planning and development needs of the district within the district* within the QLDC Risk Register. This risk has been assessed as having a moderate inherent risk rating.
41. The approval of the recommended option will support the Council by allowing us to implement additional controls for this risk. This has been achieved by including public input into housing policy directions which are intended to positively affect future housing supply and affordability.

Financial Implications | Kā Riteka ā-Pūtea

42. The Strategic Planner, Housing will lead the implementation of the JHAP. Future budgetary needs will be determined through the Long-Term Planning processes.

Council Effects and Views | Kā Whakaaweawe me kā Tirohaka a te Kaunihera

43. The following Council policies, strategies and bylaws were considered:
- Vision Beyond 2050: in relation to the district's goal of '*thriving community*' and '*opportunities for all*'.
 - Queenstown Lakes Spatial Plan 2021
 - 2022 Climate and Biodiversity Plan
 - 2021-2031 Ten Year Plan
 - Queenstown Lakes Proposed District Plan
 - Draft Economic Diversification Plan
 - 2021-2031 Queenstown Lakes Homes Strategy
44. The recommended option is consistent with the principles set out in above mentioned policies.
45. This matter is included in the Ten Year Plan/Annual Plan on page 81 of Volume 1, as part of the Queenstown Lakes Spatial Plan implementation.

Local Government Act 2002 Purpose Provisions | Te Whakatureture 2002 o te Kāwanataka ā-Kiaka

46. The recommended option:
- Section 10 of the Local Government Act 2002 states the purpose of local government is (a) to enable democratic local decision-making and action by, and on behalf of, communities; and (b) to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future. A partnership approach is required to address the housing challenges across the QLD. The JHAP aims to ensure that a range of actions are undertaken to increase housing choice and affordability. As such, the recommendation in this report is appropriate and within the ambit of Section 10 of the Act;
 - Can be implemented through current funding under the Ten Year Plan and Annual Plan.

- Is consistent with the Council's plans and policies; and
- Would not significantly alter the intended level of service provision for any significant activity undertaken by or on behalf of the Council or transfer the ownership or control of a strategic asset to or from the Council.

Attachments | Kā Tāpirihaka

A	Queenstown Lakes District Joint Housing Action Plan 2023-28
B	Schedule of changes to the draft Joint Housing Action Plan
C	Feedback Summary Report
D	QLDC Joint Housing Action Plan Feedback Park (in full) (Please click here).