

QLDC Council  
10 December 2020

Report for Agenda Item | Rīpoata moto e Rāraki take : 9

Department: Planning & Development

Title | Taitara Transfer of land at Jopp Street, Arrowtown to the Queenstown Lakes Community Housing Trust

PURPOSE OF THE REPORT | TE TAKE MŌ TE PŪRONGO

The purpose of this report is to finalise the transfer of Council land at Jopp Street to the Queenstown Lakes Community Housing Trust for perpetually affordable housing.

RECOMMENDATION | NGĀ TŪTOHUNGA

That Council:

1. **Note** the contents of this report; and
2. **Authorise** the Chief Executive to finalise the transfer of (Lot 2 DP 300390) Jopp Street for \$1.00, subject to applicable encumbrances being placed on the title to ensure the legacy is maintained to the Queenstown Lakes Community Housing Trust to be used for community affordable housing in perpetuity, and
3. **Confirm** that the yield of at least 65 affordable housing units at Jopp Street is adequate.

Prepared by:



Katie Russell  
Policy Planner

16/11/2020

Reviewed and Authorised by:



Tony Avery  
General Manager, Planning and  
Development

26/11/2020

**CONTEXT | HOROPAKI**

- 1 The Council and the Queenstown Lakes Community Housing Trust (QLCHT) have a long standing relationship based on the shared aim of achieving affordable homes for the Queenstown Lakes community. The partnership was established in 2005 and reconfirmed in March 2019, with the signing of an updated Relationship Framework Agreement, and confirming a new home ownership model: the Secure Home Programme. This is a leasehold ownership model which achieves perpetual affordable housing for the residents and retains the land as a community asset forever.
- 2 This work builds on the Mayoral Housing Affordability Taskforce’s aspirational goal for 1000 community affordable homes by 2028, and the Trust is a key delivery partner for achieving this goal.
- 3 The piece of Council land at Jopp Street, Arrowtown (Lot 2 DP 300390) has been under consideration for potential use as affordable housing since 2003. This is discussed in more detail below.
- 4 The 3.6 hectare site is located on the southern side of Jopp Street in Arrowtown, bounded by the Arrowtown Golf Club (to the south and west) and an established residential neighbourhoods (to the north). It is situated on a terraced area between a low glacial ridge and the Arrow River. It is currently used as a paddock let out for horse grazing, while its former use was as wastewater settling ponds for Arrowtown.

Figure 1: Lot 2 DP300390



- 5 The land has been held by Council as endowment land for the public utility purposes for the borough of Arrowtown. Endowment land has specific rules for management and disposal as set out in sections 140 and 141 of the Local Government Act, requiring that

should the land be sold, it must be used in a way which is consistent with the purpose of the endowment.

- 6 The ponds were decommissioned in 1995 and capped with cleanfill and topsoil in 2003, after which time discussion began around use of the land for affordable housing. This culminated in a Council resolution approving the change of use to affordable housing by the Trust (subject to conditions). The timeline and process is described in brief below.
  - a. The community's Arrowtown Plan 2003 considered the potential to repurpose the Jopp Street site as a comprehensively designed residential development and community facilities, and considered the provision of multi-unit and affordable accommodation.
  - b. In 2007, the process for transferring land to the QLCHT for the purpose of delivering community housing was agreed at the September Finance Committee meeting.
  - c. In March 2010 the Trust and Council signed a Heads of Agreement regarding the shared intentions for the site, stating that a "desired outcome for the parcel and environs is a high quality comprehensive development which will set an example of best practice by the Trust and Council".
  - d. A Council workshop in September 2018 confirmed that the Trust could complete preliminary site testing and high level planning.
  - e. In early 2019 the QLCHT formally requested the transfer of the Jopp Street land with the intent to develop it for affordable housing
  - f. In response, on 18 April, 2019 the Council resolved the following in relation to the request:

*On the motion of the Mayor and Councillor Stevens it was resolved that Council:*

*1. Agree that the QLDC land at Jopp Street, Arrowtown (Lot 2 DP 300390) is surplus to requirements for public utility, subject to the Minister of Local Government approving the change in purpose of the land;*

*2. Agree to change the purpose of the land to that of housing from public utility (subject to the approval of the Minister of Local Government);*

*3. Request the Minister of Local Government to change the purpose of the endowment of the land to that of housing from public utility; and*

*4. Agree to the transfer of the land to the Queenstown Lakes Community Housing Trust:*

*a. subject to Trust confirming its housing yields from its proposal; and*

*b. the provision of affordable housing for consideration of \$1.00;*

*5. Decline the Trust’s request to sell ten land and house packages to assist in recouping development costs.*

**Land Status**

- 7 Due to the history of the land, and in order to ensure the land is appropriate for the proposed development and use, and that public safety and Council interests are well managed, geotech and contaminated land reports have been completed. These reports have confirmed that the risks are able to managed through mitigation, and will be noted by all parties at the time of transfer.
- 8 The land value is \$3 - \$4 million as currently zoned (as at April 2019), and the value with consents to develop 50-60 units is estimated at between \$10 - \$11 million.

**Steps completed**

- 9 Since the April 2019 Council resolutions regarding the land, several steps have been taken to realise the development of the land for affordable housing. Together, these steps (shown in Table 1 below) fulfil the requirements of council under sections 140 and 141 of the Local Government Act:

Table 1

Action	Timing	
Approval for the change in designation by the Minister of Local Government	Received 28 February 2020	Attachment A
Consultation with the Office of Treaty Negotiations and the Office for Lands	February 2020	
QLCHT confirmation of affordable unit yield	August 2020	Attachment B
Gazette for change of land status	Achieved October 2020	Attachment C

**Finalising the transfer**

- 10 The QLCHT has confirmed that the unit yield will be at least 65. This is in line with previous expectations and is appropriate given the land, zoning and location. It will increase the retained affordable housing stock held by the QLCHT in partnership with the Council by an additional 65 units approximately, with the most recent set of plans incorporating 68 units. An encumbrance has been prepared to be applied to the title to ensure the ongoing requirement for affordable housing, in line with the updated endowment status.

11 The QLCHT has also confirmed that all units created will be retained in perpetuity for affordable housing through Council-certified programmes (such as affordable rentals or the Secure Home initiative) as reflected in the Relationship Framework Agreement between Council and the QLCHT, and in line with the Council resolution in respect to the land. Final configuration of typologies is still being finalised, but it is anticipated the development would be made up as follows:

- 6 x 1-bed units (at least 3 likely to be allocated for Senior Housing),
- 20 x 2-bed homes for Seniors, couples and smaller families,
- 36 x 3-bed homes for standard families,
- 6 x 4-bed homes for larger families.

12 A further final step in the process is to formally pass title with encumbrance to the QLCHT for \$1.00, as resolved by a previous council resolution.

## ANALYSIS AND ADVICE | TATĀRITANGA ME NGĀ TOHUTOHU

---

Option 1 Confirm the council intent to pass the land to QLCHT for retained affordable housing

### *Advantages:*

13 Achieves additional affordable housing opportunities for Arrowtown. It also delivers on the broader council commitments to addressing housing affordability through the Mayoral Housing Affordability Taskforce.

### *Disadvantages:*

14 The land cannot be used for another purpose.

Option 2 Do not pass land to QLCHT

### *Advantages:*

14 Per the change in use issued by the Minister of Local Government, the land use is limited to affordable housing. As an alternative the council could elect to develop the land for affordable housing either through council-led development or another alternate delivery model, or simply allow the land to remain a paddock.

### *Disadvantages:*

15 Would not deliver on a previous council commitment to a key partner in affordable housing, nor (depending on the alternative use chosen) would it necessarily deliver on the broader council commitments to addressing housing affordability through the Mayoral Housing Affordability Taskforce.



## Recommendation

This report recommends **Option 1** for addressing the matter because it delivers on previous Council commitments to provide retained affordable housing for the community alongside its partner, the Queenstown Lakes Community Housing Trust.

### Advice

- 16 Truly affordable housing that will be retained in perpetuity for the community is an asset which will benefit Arrowtown residents and the wider community. Confirming the previous Council's commitment to this work will have ongoing positive impact into the future.

## CONSULTATION PROCESS | HĀTEPE MATAPAKI:

---

### > SIGNIFICANCE AND ENGAGEMENT | TE WHAKAMAHI I KĀ WHAKAARO HIRAKA

- 17 This matter is of medium significance, as determined by reference to the Council's Significance and Engagement Policy because passing council land for use for affordable housing has a range of community, financial and political considerations.
- 18 The persons who are affected by or interested in this matter are members of the Arrowtown community, QLDC ratepayers, and stakeholders in the Queenstown Lakes Community Housing Trust.
- 19 There has been a series of consultative steps taken to support this work:
- QLCHT completed a series of outreach initiatives since 2003 within Arrowtown and the broader community to on the subject of affordable housing on the site as discussed earlier in this paper.
  - Stage 2 of the Proposed District Plan review process provided the general public the opportunity to directly address the potential for development on this site through a submission process followed by hearings before an Independent Hearing Panel.
  - Central government was consulted on changing the status of the land from public utility to housing through the Minister of Local Government, the Office of Treaty Negotiations and the Office for Lands under the requirements of section 141 of the Local Government Act.

### > MĀORI CONSULTATION | IWI RŪNANGA

- 20 No direct consultation has been undertaken with mana whenua on this subject. However, there has been confirmation via the Office of Treaty Negotiations that the land is not subject to offer back (first right of refusal) obligations.

## RISK AND MITIGATIONS | NGĀ RARU TŪPONO ME NGĀ WHAKAMAURUTANGA

---

- 21 This matter relates to the Strategic/Political/Reputation It is associated with Risk 00056 – *Ineffective provision for future planning and development needs of the district within the district* in the QLDC Risk Register. This risk has been assessed as having a low inherent risk rating.
- 22 The approval of the recommended option will address the risk by allowing Council to avoid the risk. This shall be achieved by providing for the development of retained affordable housing in the district.

## FINANCIAL IMPLICATIONS | NGĀ RITENGA Ā-PŪTEA

---

- 23 There are no significant operational and capital expenditure requirements for this work. The cost implications for this proposal are:
- a. An opportunity cost for alternative land uses – though this is low as it is endowment land and as such has limited opportunity for alternative uses beyond public utility.

## COUNCIL EFFECTS AND VIEWS | NGĀ WHAKAAWEAWE ME NGĀ TIROHANGA A TE KAUNIHERA

---

- 24 The following Council policies, strategies and bylaws were considered:
- Vision Beyond 2050; in relation to the district’s goals of a *‘thriving community’* and *‘opportunities for all’*
  - The Proposed District Plan; considered in relation to zoning
  - Housing Our People in our Environment (HOPE) Strategy; considered in relation to affordable housing interests in the District
  - Mayoral Housing Affordability Taskforce Report; considered in relation to affordable housing interests in the District
- 25 The recommended option is consistent with the principles set out in the named policy/policies.
- 26 This matter is broadly included in the Ten Year Plan/Annual Plan
- The Ten Year Plan states that QLDC will implement *a range of ongoing actions and supporting the Queenstown Lakes Community Housing Trust to provide affordable housing in the district.*
  - This work would directly support this intention.

**LEGAL CONSIDERATIONS AND STATUTORY RESPONSIBILITIES | KA TURE WHAIWHAKAARO, ME KĀ TAKOHAKA WAETURE**

---

27 Internal and external legal advice has been sought throughout this process, Council actions fall within the applicable statutory requirements under the Local Government Act.

**LOCAL GOVERNMENT ACT 2002 PURPOSE PROVISIONS | TE WHAKATURETURE 2002 O TE KĀWANATAKA Ā-KĀIKA**

---

28 The recommended option:

- Will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses by aiding in the delivery of affordable housing for the community to be held in perpetuity as a community asset.
- 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 alter significantly 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 | NGĀ TĀPIRIHANGA**

---

A	Approval for the Change in designation by the Minister of Local Government
B	Gazette for change of land status
C	QLCHT confirmation of affordable unit yield
D	Development Draft Masterplan