

10. Item 2: Jopp Street Encumbrance Council Report

PURPOSE OF THE REPORT | TE TAKE MO TE PURONGO

The purpose of this report is to enable Council to consider options and risks relating to the Jopp Street land transferred to the Queenstown Lakes Community Housing Trust (QLCHT) and to provide guidance as to options for ensuring the land is used for affordable housing in perpetuity.



EXECUTIVE SUMMARY | WHAKARAPOPOTOTANGA MATUA

1. In conjunction with the QLCHT, a detailed review of all options available to enable the delivery of 68 affordable homes on the Jopp Street land have been explored.
2. QLCHT has advised that unless an alternative solution to the current encumbrance can be found, there is significant risk of the Jopp Street affordable housing development not progressing in the near future, as they are unable to fund the build.
3. It is recommended that the existing encumbrance be replaced with a covenant and a tri-partite agreement requiring the land to only ever be used for the purpose of providing affordable housing (with 'affordable housing' being tightly defined), first right of refusal to Council if the land stops being utilised for affordable housing or the financiers exercise their power of sale (Option 4 discussed below). This is considered to be a viable alternative to the status quo, and one which can effectively balance the objective of delivering affordable housing against the risks and costs of loosening the strict controls currently placed over the land. Most importantly it will enable the delivery of affordable homes on Jopp Street in the near future.

RECOMMENDATION | NGA TUTOHUNGA

That Council:

1. **Note** the contents of the report;
2. **Confirm** that Council agrees in principle to removing the encumbrance and negotiating an updated covenant (includes first right of refusal to Council if covenant breached or the financiers exercise power of sale), which can effectively balance the objective of delivering affordable housing against the risk and costs of loosening the strict controls currently in place;
3. **Recognise** that without removing the encumbrance it is unlikely the Queenstown Lakes Community Housing Trust can proceed with the development of 68 affordable homes the Jopp St in the near future;
4. **Recognise** the risks associated with removing the strict encumbrance, noting these can be managed via the proposed covenant;
5. **Instruct** Council officers to draft an updated covenant that provides QLDC with the first right of refusal if the financiers exercise power of sale and / or the land stops being used for affordable housing; and
6. **Delegate** to the Chief Executive the authority to remove the encumbrance, and negotiate, settle the terms of, and execute the covenant and tri-partite agreement on behalf of the Council.

	Prepared by:	Reviewed and Authorised by:
Name	Michelle Morss	Mike Theelen
Position	GM, Strategy and Policy	Chief Executive
Signature		
Date	23 January 2023	23 January 2023

REPORT CONTENT & ATTACHMENTS | NGA TAPIRIHANGA

Number	Title of Attachment
1.	Jopp Street Encumbrance Council Report

Attachment 1 - Jopp Street Encumbrance covering report(1)

DXP MEETINGS COUNCIL REPORT DRAFTING TEMPLATE

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6. **Delegate** to the Chief Executive the authority to remove the encumbrance, and negotiate, settle the terms of, and execute the covenant and tri-partite agreement on behalf of the Council.

Prepared by:	Reviewed and Authorised by:
	
Name Michelle Morss Title: GM Strategy and Policy	Name Mike Theelen Title: Chief Executive
23 January 2023	23 January 2023

CONTEXT | HOROPAKI

The Housing Challenge

- Housing affordability remains a key challenge for the district, with the median cost of housing currently at \$1.3M in Queenstown and \$1.265M in Wanaka¹ and \$1.57M² in Arrowtown. Housing affordability has significant implications for the wellbeing of the people of the district and has a direct impact upon workforce attraction and retention.
- 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.
- 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)³ and the Queenstown Lakes Spatial Plan 2021 (Spatial Plan).
- 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 submissions having closed on 24 November 2022⁴. The proposal would require most new residential subdivisions and developments

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

² Urban Development Dashboard – Ministry of Housing and Urban Development and Ministry for the Environment ([Urban Development \(shinyapps.io\)](https://www.shinyapps.io/urban-development/))

³ <https://www.qldc.govt.nz/your-council/council-documents/strategies-and-publications/affordable-housing>

⁴ <https://www.qldc.govt.nz/your-council/district-plan/inclusionary-housing-plan-change>

to pay an 'affordable housing financial contribution'. This 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. Work is also underway on development of the Joint Housing Action Plan (JHAP), which will build on previous processes and is being developed in partnership with Kainga Ora and the Ministry for Housing and Urban Development. The JHAP is an agreed priority from the 2021 Spatial Plan⁵.

The Housing Trust

9. Council has a strong relationship with the QLCHT. The QLCHT was established in 2007 as part of the HOPE Strategy 2005.)⁶ and is an independent, registered, not-for-profit Community Housing Provider which is regulated by a government authority, the Community Housing Regulatory Authority (CHRA)⁷. The Relationship Framework Agreement with the QLCHT governs how Council contributions to the Trust are used. This was most recently updated and approved by Council in June 2022⁸
10. The QLCHT has a goal of building 1000 homes by 2038. The QLCHT is Council's preferred mechanism for the delivery of affordable housing in the district.
11. To date, the QLCHT has delivered secure, affordable homes to 244 households. Approximately 30% (including the Jopp St land) of its capital funding has been provided by Council through land, financial contributions and annual operating grants. This includes significant direct Council contributions include Jopp Street and Suffolk Street in Arrowtown and a financial contribution (staged) from the sale of land at Lakeview.
12. Additionally, 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).
13. Typically, land and funding has been contributed through inclusionary housing-style policies and processes, either through private plan changes under the Resource Management Act (RMA), or through the Special Housing Areas (SHA) that were enabled under the now-defunct Housing Accords and Special Housing Areas Act 2013 (HASHAA).
14. Under the conditions of the Relationship Framework Agreement between Council and the QLCHT, all land received through or facilitated via Council can only be used for the agreed QLCHT programmes, which currently includes various rentals and the Secure Home Programme.

Jopp Street (Tewa Banks)

15. In April 2019, Council agreed to transfer 3.7ha land at Jopp Street, Arrowtown (DP Lot 300390) to the QLCHT for \$1 to enable its Tewa Banks development. This was the result of a long process that was initiated in 2003 and for which a Heads of Agreement was signed in 2010, outlining both parties' mutual intentions for high-quality development.

⁵ <https://www.qldc.govt.nz/your-council/council-documents/queenstown-lakes-spatial-plan>

⁶ <https://www qlcht.org.nz/>

⁷ <https://chra.hud.govt.nz/>

⁸

16. The Tewa Banks development will result in the development of 68 affordable homes, ranging in size from one to four-bedrooms, and will be held under a mixed tenure of all the QLCHT's housing programmes; Public Housing Rental, Senior Housing, Affordable Rental, Rent Saver and Secure Home.
17. The QLCHT has applied to the Ministry of Housing and Urban Development (MHUD) for an interest free loan of \$17M under the Progressive Home Ownership fund. Following evaluation of the proposal, funding was recommended by MHUD, endorsed by the Minister of Housing and approved by the Minister of Finance. Funding is subject to completion of the loan documentation and subject to resolution of the encumbrance issue.
18. The development will require a loan of approximately \$50million from financiers (as noted above part of this may be with MHUD). Typically, when land is gifted to the QLCHT, it would adopt the standard practice of using the land as security against the loan. In the highly unlikely event of default, the financiers can take steps to sell the land and recoup losses.
19. However, the Jopp Street land has been transferred to the QLCHT subject to an encumbrance with specific conditions and stipulations that make securing a loan using the land as security impossible. This is because the land was formerly endowed to the Council for the purpose of public utility.
20. Changes of ownership and/or purpose for endowment land are subject to Section 140 (4)(a)(i) of the Local Government Act 2002, requiring a high level of scrutiny and are typically difficult to achieve. This process required formal Council resolution to apply for the change, application through a specific process and final approval from the Minister of Local Government.
21. The Minister approved the transfer and change of purpose in February of 2020, on the proviso that the land was used in perpetuity for affordable housing, otherwise the ownership must revert to Council.
22. In order to reflect this requirement, when the land was transferred to the QLCHT, an encumbrance was registered on the title which prevents the QLCHT from transferring the land to another party. It also prevents QLCHT's financiers from exercising an unfettered power of sale.
23. As a result, to date QLCHT has been unable to use the land as security to secure funding to develop the proposed affordable housing on the land. Furthermore, the QLCHT also cannot secure an accurate valuation on the land (essential for any funding arrangement) as the inability to sell the land to a third party places it outside of the New Zealand Institute of Valuers' definition of market value. They are not able to obtain a valuation under the current encumbrance.
24. The existing encumbrance specifies the following (QLCHT is the Encumbrancer, Council is the Encumbrancee)
Covenants: *The Encumbrancer covenants with the Encumbrancee in respect of the land recorded on page 1 of this instrument (Land) that:*
 - 1.2.1 *The Land shall never be transferred by the Encumbrancer to a third party; and*
 - 1.2.2 *Upon:*
 - (a) *A breach of clause 1.2.1; or*
 - (b) *The Encumbrancer being wound up, dissolved, liquidated, or otherwise disbanded;**or*

(c) The Encumbrancer's purpose ceasing to be provision of affordable housing for the Queenstown Lakes District,

the Land shall transfer back to the Encumbrancee for \$1.00 consideration.

25. As such, the QLCHT has requested that council revisits the matter and considers the potential for alternatives to the existing encumbrance.

ANALYSIS AND ADVICE | TATĀRITANGA ME NGĀ TOHUTOHU

26. The following section provides advice on a range of options for Council to consider in addressing the challenge that the existing encumbrance presents. A longlist has been provided to demonstrate the breadth of thinking undertaken, followed by a shortlist of viable options.

27. It may be helpful for Council to consider this matter as a question of risk appetite. The current encumbrance represents a low risk solution for Council as the land is guaranteed for affordable housing in perpetuity and exposure to further financial cost is low. Risk is transferred to the QLCHT and the financiers. In contrast though, the risk of not being able to develop 68 affordable homes in the near future is high.

28. Given the affordable housing challenge faced by the district, Council may wish to reconsider the level of risk to which it is exposed. This decision must be taken in the context of the constrained fiscal envelope in which the Council is required to operate and the likelihood of the QLCHT defaulting on its loan payments. In most options, additional financial cost will only be incurred in the event of this occurring. It is noted the QLCHT has a long-standing and proven record of delivering a high standard of affordable homes in a range of different housing typologies via numerous developments across the district.

29. Furthermore, it should be noted that if the QLCHT defaults payment to financiers in relation to Tewa Banks, it will likely be indicative of bankruptcy or similar. Such an event would have far greater ramifications for the district than the Tewa Banks development alone, and a range of interventions possibly in partnership with central government and the CHRA would need to be considered.

30. Each option has been assessed across a range of critical criteria. These criteria are as follows:

- a. Does the option meet Council's commitment to the Minister for Local Government and ensure that the land is used in perpetuity for affordable housing? It is important to note that ownership of the land by QLCHT or another CHP may support this use, but in and of itself does not guarantee that use unless additional agreements are put in place.

If this criteria cannot be met, it is recommended that Council take the view that the option is not viable.

- b. Is the option likely to be acceptable to the financiers? Whilst the ultimate agreement of financiers cannot be guaranteed, based on available information, will the QLCHT be able to secure the necessary \$50M loan?

If this criteria cannot be met, there is a high risk that the QLCHT will not be able to develop the land for affordable housing in the near future, if at all. Innovative, alternative or philanthropic financial solutions will need to be explored and secured, which may delay the programme.

- c. Does the option incur unavoidable additional costs for Council?
 - d. Does the option incur potential additional costs for Council in the event of payment default by QLCHT?
31. Each option has also been assessed against the key outcome of the development, its ability to enable 68 affordable homes to be built in the near future.
32. This analysis has been undertaken in the spirit of the Relationship Framework Agreement (RFA) between Council and QLCHT which provides for this assessment as follows:
- “The Council’s encumbrance shall be first ranking over any other security provided if the Trust needs to use the Land as security for finance purposes then Council agrees to work with the Trust to facilitate the same so as to protect the interests of the Council and the institutional funder.”*
33. It should be noted that the difference between the encumbrance currently registered over the land, and the alternative of a registered covenant is as follows:
- a. In addition to requiring the purpose of QLCHT to be affordable housing, the encumbrance prevents the land being transferred from QLCHT to anyone else, and hence the control point is who owns the land – this is a deal breaker for a mortgagee because a mortgagee must be able to exercise unfettered power of sale; whereas
 - b. A registered covenant might not necessarily restrict who owns the land, but rather might be directed at restricting the use of the land so that it must be used for affordable housing in perpetuity.
34. It should be also noted that a tri-partite agreement between the Council, QLCHT and the financier would be undertaken in conjunction with any covenant. This would detail the legal process if the covenant was breached.
35. The following table outlines options that have been developed under advisement from the QLDC legal team and in discussions with the QLCHT. Entries are colour-coded as follows:
- a. *Green – the option favourably meets the criteria*
 - b. *Orange – the option has the potential to favourably meet the criteria or partially does so*
 - c. *Red – the option does not meet the criteria*

Full Options Analysis (Longlist)

Option	Description	Affordable housing guaranteed in perpetuity?	Acceptable to the financiers?	Unavoidable additional cost to QLDC?	Potential additional financial cost to QLDC in the event of QLCHT defaulting payment?	Key Outcome – Can 68 affordable homes be built in the near future?
1 Status Quo	Current encumbrance remains	Yes	No	No	No	No
2 Encumbrance Removal	QLDC amends the encumbrance to enable the financier to freely sell the land	No	Yes	No	Staff / legal costs (not buying) \$\$\$ (buying at market rate)	Yes
3 Encumbrance Amendment	3A – QLDC amends the encumbrance in some form, so that in the event of payment default, the land can only be sold to QLDC only	Yes	No – market too limited	No	Yes - \$ (buying at low rate)	Yes
	3B – QLDC amends the encumbrance in some form, so that in the event of payment default, the land can only be sold to either QLDC, Kainga Ora or another Community Housing Provider only for \$1 + improvement costs.	Yes	No – the encumbrance would require QLDC approval of purchaser – too restrictive	No	None (not buying) \$\$ (buying at moderate rate)	Yes
	3C – QLDC amends the encumbrance in some form, so that in the event of payment default, the land can only be sold to a party outlined in 3B, but with an additional registered covenant that ensures use for affordable housing in perpetuity.	Yes	No - the encumbrance would require QLDC approval of purchaser – too restrictive	Yes - \$ (increased staff/legal costs as more active monitoring and enforcement required than with an encumbrance)	Staff/legal costs (not buying) \$\$ (buying at moderate rate)	Yes

4 Replace encumbrance with registered covenant	4A -Utilise a registered covenant (and tri-partite agreement) to require the land to only ever be used for the purpose of providing affordable housing, with “affordable housing’ to be tightly defined.	Potentially. In practice there needs to be some leverage to compel the owner to use the land for affordable housing.	Yes	Yes - \$ (increased staff/legal costs as more active monitoring and enforcement required than with an encumbrance)	Staff/legal costs (not buying) \$\$ (buying)	Yes
	4B –include 4A, plus, if the financier exercises power of sale, then a first right of refusal for QLDC to buy back the land for \$1 + the amount owed to financier	Potentially. In practice there needs to be some leverage to compel the owner to use the land for affordable housing.	Yes	Yes – as with 4A	Staff/legal costs (not buying) \$\$ (buying)	Yes
	4C – include 4A and 4B, plus, if the land stops being used for affordable housing, then a right for QLDC to buy back the land for \$1 + the amount owed to the financier	Yes	Yes	Yes – as with 4A	\$\$ (buying)	Yes
5 QLDC Guarantee	QLDC guarantees the QLCHT in some form, to ensure payment to financier in the event of payment default	Yes	Potentially	Yes – if QLCHT defaults	\$ - \$\$\$ Highly uncertain. Implications for debt limits.	Yes

6 Alternative Guarantee	QLCHT seeks guarantee from another individual or organisation to ensure payment to the financier in the event of payment default	Yes	Potentially	No	No	No
7 QLDC act as financier	QLDC provides a loan to QLCHT.	Yes	Not viable for QLDC at present.	\$\$\$	No	Yes

DXP MEETINGS COUNCIL REPORT DRAFTING TEMPLATE

36. Based on the above assessment, the following options do not meet the key criteria in some form:

- Option 1 – Status Quo – unacceptable to financier and will not achieve key outcome
- Option 2 – Encumbrance removal – does not ensure use as affordable housing in perpetuity and exposes QLDC to potential for high costs
- Option 3A – Encumbrance amendment and sale to QLDC only – unacceptable to financier
- Option 3B – Encumbrance amendment and sale to QLDC, Kainga Ora or a CHP – does not ensure use as affordable housing in perpetuity and unacceptable to financier
- Option 3C – Encumbrance amendment and sale to QLDC, Kainga Ora or a CHP + registered covenant – unacceptable to financier
- Options 4 A and 4B – Will enable affordable homes in perpetuity, but there needs to be some leverage to compel the owner to use the land for affordable housing.
- Option 5 – QLDC guarantee – unacceptable uncertainty and potentially high costs to QLDC
- Option 6 – Alternative guarantee – will not achieve the key outcome
- Option 7 – QLDC act as financier – not viable for QLDC present and high immediate cost

37. Therefore, the only options available are either **Option 1 (Status Quo) or Option 4C.**

Options Analysis

38. Option 1 – Status Quo – Encumbrance Remains

Advantages:

- Use of land is secured for affordable housing
- No immediate unavoidable cost to Council

Disadvantages:

- Reputational risk to Council if an alternative funding source cannot be quickly found, due to the known affordable housing deficit throughout Queenstown Lakes.
- QLCHT is unable to secure funding and proceed with the development of 68 affordable homes in the near future.
- The financiers are constrained by the encumbrance.
- QLCHT may not be able to secure bank lending for the development.
- QLCHT may lose the opportunity for an interest-free loan via MHUDs Progressive Home Ownership fund.
- Affordable housing for the community is not delivered in the near future.

39. Option 4C – Replace encumbrance with a registered covenant

40. Utilise a registered covenant to require the land to only ever be used for the purpose of providing affordable housing. Include first right of refusal for Council to buy back the land if sold, plus a right for Council to buy back the land if the covenant is breached.
41. Option 4C provides maximum flexibility for Council if choosing to replace the encumbrance with a registered covenant, without obligating future expenditure. It also safe-guards the use of the site for affordable housing only and provides Council with options if the QLCHT is unable to deliver the 68 affordable homes.

Advantages:

- Use of land is secured for affordable housing
- The financiers can sell to a number of parties in the event of default
- No immediate unavoidable cost to Council
- An option, but no obligation to repurchase the land if sold, as the covenant protects the commitment to the Minister
- Provides greater leverage to Council than Options 4A and 4B.
- QLCHT is able to secure funding and proceed with the development of 68 affordable homes in the short term.
- Council works in partnership with QLCHT and MHUD to deliver 68 affordable homes.

Disadvantages:

- The financiers are still constrained by the covenant and this will most like reduce the security value of the land and or the loan to valuation ratio.
- Additional staff/legal costs to address increased need for establishing the covenant and a tripartite agreement between the Council, QLCHT and the financier, and potentially the costs of monitoring and enforcement. The legal control and remedies for a breach of covenant are not as strong as with an encumbrance. However, this can be mitigated by more active monitoring and enforcement, which will require additional staff and legal costs.
- Potential future costs for Council if land purchase required (noting that QLDC would also be buying the improvements funded by the QLCHT borrowings).

42. This report recommends **Option 4C**, for addressing the matter, because in addition to the advantages outlined above, it presents a viable alternative to the status quo, and one which can effectively balance the objective of delivering affordable housing against the risks and costs of loosening the strict controls currently placed over the land.

CONSULTATION PROCESS | HĀTEPE MATAPAKI:

> [SIGNIFICANCE AND ENGAGEMENT | TE WHAKAMAHI I KĀ WHAKAARO HIRAKA](#)

43. This matter is of high significance, as determined by reference to the Council's Significance and Engagement Policy because economic, social and reputational risks associated with not being able to help deliver much needed affordable housing for our community.
44. The persons who are affected by or interested in this matter are residents/ratepayers of the members of the Arrowtown Community, the Queenstown Lakes district community, QLDC ratepayers including

businesses, and the Queenstown Lakes Community Housing Trust (including those community members on its waiting list).

45. The QLCHT has been consulted throughout the process. As noted above a range of options have been investigated and option 4C is deemed to be the only viable option available to enable the development of the Jopp St land for affordable housing in the near future, whilst still protecting the use of the site for affordable housing in perpetuity.

> MĀORI CONSULTATION | IWI RŪNANGA

46. No direct consultation has been undertaken with mana whenua on this subject. However, the provision of affordable housing is one of the key matters of consideration for the Grow Well Whaiora partnership.

RISK AND MITIGATIONS | NGĀ RARU TŪPONO ME NGĀ WHAKAMAURUTANGA

47. 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 QLDC Risk Register. This risk has been assessed as having a moderate inherent risk rating.
48. The approval of the recommended option will support the Council by allowing the QLCHT to enable the delivery of 68 affordable homes on the Jopp St land in the near future. This shall be achieved by providing QLCHT with the ability to obtain financing, but still protecting the use of the land for affordable housing in perpetuity.

FINANCIAL IMPLICATIONS | NGĀ RITENGA Ā-PŪTEA

49. There are no significant operational and capital expenditure requirements to removing the encumbrance and creating a new covenant. This will involve staff time and resources. However, if the covenant was breached or the financiers sold the land, the Council may decide to buy back the land for \$1 plus the outstanding loan amount, which may be substantial. Council would not be obligated to buy back the land, given the covenant will ensure that any future owner uses the land for affordable housing. This cost is hard to quantify, as it would vary depending what stage of development the breach took place.

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

50. The following Council policies, strategies and bylaws were considered:
- > Vision Beyond 2050: in relation to the districts goals of a *'thriving community'* and *'opportunities for all'*;
 - > Queenstown Lakes Spatial Plan 2021; in relation to *'Consolidated growth with more housing choice'*;
 - > The Proposed District Plan; considered in relation to zoning and the provision of affordable housing;
 - > Mayoral Housing Affordability Taskforce Report; considered in relation to affordable housing interests in the District;

- > Homes Strategy; considered in relation to affordable housing interests in the District;
- > Draft Economic Diversification Framework;

51. The recommended option is consistent with the principles set out in the above strategies and policies.

52. This matter is included in the Ten-Year/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 directly supports this intention.

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

53. The Councils legal team have been consulted and inputted into this agenda item. The legal ramifications have been discussed in detail above.

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

54. 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. The removal of the encumbrance, and replacement with a covenant is considered to be the only option available to enable the QLCHT to deliver 68 affordable homes on the Jopp Street land in the near future. These homes are to be held in perpetuity as a community asset.

55. As such, the recommendation in this report is appropriate and within the ambit of Section 10 of the Act ;

56. Can be implemented through current funding under the Ten Year Plan and Annual Plan;

57. Is consistent with the Council's plans and policies; and

58. 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.