

QLDC Council
1 March 2016

Report for Agenda Item: 5

Department: Planning & Development

Report on the Queenstown Community Affordable Housing Work Group recommendations

Purpose

The purpose of this report is to present to Council the recommendations of the Queenstown Community Affordable Housing Work Group, including specific recommendations made for local government.

Recommendation

That Council:

1. **Note** the contents of this agenda report;
2. **Receive** formally the report of the Queenstown Community Affordable Housing Work Group;
3. **Note** the five specific recommendations made to local government:
 - a. *30 Year Master Plan: Council (in consultation with the public) develop a 30 year master plan/vision for the District to be completed and in place within the next 24 months – February 2018. The Master Plan is to be an overarching document to be reviewed at regular intervals (between 2 to 10 yearly intervals - TBC) and shall require the District Plan to comply with and have regard to its zoning and key objectives.*
 - b. *Residential/Mixed Use Intensification: Council to support, facilitate and promote the intensification of residential accommodation and mixed use development in areas that are supported by existing transport links and community infrastructure and amenities (for example Gorge Road, Frankton Flats, Remarkables Park and Five Mile). Gorge Road urban area (not just Gorge Road corridor) is seen as a priority for this form of intensification.*
 - c. *Public Transport: Council and Otago Regional Council to support, facilitate and promote a significantly enhanced public transport system that is subsidised throughout the Wakatipu Basin, which shall cater for the diversity of residents and visitors of all ages and abilities (including disabled persons). Transport infrastructure is seen as a primary need to connect people with town centres, provide transport to and from work and amenities and reduce overall congestion on the roads.*

- d. Funding (Tourist Tax): Council to resolve and implement a comprehensive funding model for infrastructure improvement (i.e. tourist tax) by working with and resolving outstanding issues with Central Government. Funding is to be applied primarily to transport, housing and infrastructure.
- e. Community / Affordable Housing: Council to support, facilitate and promote the acceleration of community based/affordable housing developments designed and constructed in accordance with accepted Universal and Urban Design Principles – to cater for the diversity of residents and visitors of all ages and abilities (including disabled persons). By way of example, Council needs to support more developments such as the Queenstown Lakes Community Housing Trust (QLCHT) projects that have been completed and/or are under construction. Also, ensure affordable housing is retained for long-term community benefit through an appropriate retention mechanism.

4. Agree:

- i. That with regard to Recommendation (a), Council **investigate** developing a new Strategic Plan for the District (building on the strategic planning work undertaken in 2002 as part of Tomorrows Queenstown and Wanaka 2020) as part of the overall work programme for Planning and Development with funding to be determined as part of the 2016/17 Annual Plan.
- ii. That with regard to Recommendation (b), Council **note** the work already being undertaken with regard to residential and mixed use intensification as part of the Proposed District Plan, and the various proposals for Special Housing Areas.
- iii. That with regard to Recommendation (c), Council **direct** staff to continue engaging with the Otago Regional Council around service levels and funding of public transport, as part of the overall work programme for Planning and Development and Property and Infrastructure with funding to be determined as part of the 2016/17 Annual Plan.
- iv. That with regard to Recommendation (d), Council **note** that the case for a Visitor Levy is well advanced as a result of the joint initiative with the Chamber of Commerce and that a copy of the Queenstown Community Affordable Housing Work Group report be forwarded to the consultants (Sapere) for consideration.
- v. That with regard to Recommendation (e), **note** the work set out in paragraph 20 of the agenda item already being undertaken by Council and the QLCHT, and consider whether further support could be provided such as additional gifting of land, as part of both the overall work programme for Planning and Development and with funding to be determined as part of the 2016/17 Annual Plan.

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22/02/2016

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Background

- 1 On 15 February 2016 the Queenstown Community Affordable Housing Work Group presented its final report to elected representatives from Council, central government, our local Member of Parliament, Council officers and the Queenstown Lakes Community Housing Trust (QLCHT). A copy of the report and road map is appended as Attachment A.
- 2 The report sets out:
 - a. A 'Road Map' towards the goal of "a good supply and a mix of healthy affordable homes and Queenstown Lakes over two, 10 and 30 year horizons" and description of what makes affordable housing successful.
 - b. Five specific recommendations for the broader community
 - c. Five specific recommendations for local government
 - d. Five specific recommendations for central government.
 - e. An outline of the Council's approach to date with regard to affordable housing.
- 3 The report is the culmination of a work programme initiated and run by the Catalyst Trust with Mayoral support. The work programme commenced with a Catalyst Trust event on 22 July 2015 where four guest speakers addressed the topic of 'Affordable Housing the Im/Possible Dream?'. Speakers included economist Shamubeel Eaqub, developer and community housing trustee Peter Southwick, Community Housing Aotearoa Chief Executive Scott Figenshow and urbanist Tommy Honey.
- 4 Volunteers for a community working group were sought following that presentation, with the first workshop being held on 12 October 2015. This workshop was an ideas / brainstorming session focused on what the needs were, policy suggestions, funding options, perceptions that needed changing, and ultimately solutions.
- 5 The second workshop on 23 November 2015 concentrated on identifying changes needed over the two, 10 and 30 year horizons and what milestones could be achieved within those horizons to get to where we need to be. The third workshop on 28 January 2016 identified the top priority recommendations for

central and local government, and the wider community. Catalyst Trust then used input from all four sessions to build the Road Map and its two, 10 and 30 year horizons.

- 6 In total, around 40 locals from financial, development, planning, infrastructure, building, architectural, landscape and community sectors were involved.
- 7 The report acknowledges the wide range of initiatives that the Council is already undertaking in the affordable housing arena. To recap, these include:
 - a. The establishment of the Queenstown Lakes Community Housing Trust (“the Trust”) in 2007. QLCHT is an independent non-profit organisation presided over by five Trustees. QLCHT seeks to provide housing for low to moderate income households who contribute to the social, economic and environmental well-being of our District, but are genuinely struggling to commit to the area because of the affordability issue.
 - b. The Queenstown Lakes District Housing Accord signed with the Minister of Housing in October 2014. This identifies Principles, Targets and Priority actions to increase housing supply and improve affordability.
 - c. Recommendation of Special Housing Areas to the Minister of Housing. To date, Bridesdale has been made a special housing area (interim decision approved 136 residential units), and five more are due for consideration at Full Council on 1 March 2016 with a potential for up to 506 residential units.
 - d. The Proposed District Plan, which is more enabling of density within existing residential zones, and introduces new zones such as the Medium Density and Business Mixed Use zones that also enable more density and height of development.
 - e. The Operative District Plan, which according to Council’s Dwelling Capacity Model, currently provides zoning for over 30,000 dwellings under existing zones (but recognising 82% of supply is held in just five ownerships).
 - f. Review of development contributions policy in 2015 to remove the requirement to pay a development contribution towards new reserves in existing urban areas.
 - g. The Housing Our People in our Environment (HOPE) strategy, developed in 2007, sets out a range of actions that the Council and community should take to address issues of reducing housing affordability. The Strategy is centred on the following actions:
 - i. Policy development, advocacy, research and education
 - ii. Use of planning mechanisms
 - iii. Financial incentives
 - iv. Delivery (including establishment of the Trust).
- 8 The report also relates in part to a resolution of Full Council from 3 June 2015:
 8. *Instruct the General Manager Planning and Development to table a report on how to progress the broader issues of housing affordability in the district. This is to include, but not be limited to, how to balance*

the housing needs and special character of Arrowtown, the District Plan review, availability of Council land, an expert forum, and the participation of nationwide developers, Queenstown Lakes Community Housing Trust and the government.

- 9 This agenda item comments on the specific recommendations made to local government, and seeks direction from Council on how it wishes to respond.

Comment

- 10 Five specific recommendations were made for Local Government. This agenda item comments on those recommendations and seeks direction from Council on how it wishes to respond.

Recommendation 1 – Development of a 30 year strategic master plan

- 11 The recommendation seeks that Council (in consultation with the public) develop a 30 year master plan / strategic vision for the District. The master plan should be in place by February 2018. The master plan is seen as an overarching document to be reviewed at regular intervals and would need to align with the District Plan.

- 12 Comment: At this time, Council does not have a strategic plan out to 2050 as the recommendation suggests. A strategic planning exercise was last undertaken in 2002 which resulted in the 'Wanaka 2020' and 'Tomorrow's Queenstown' documents, as well as community plans for all of the smaller communities.

Recommendation 2 – Residential / Mixed Use Intensification

- 13 The recommendation seeks that Council support, facilitate and promote the intensification of residential accommodation and mixed use development in areas that are supported by existing transport links and community infrastructure and amenities (for example Gorge Road, Frankton Flats, Remarkables Park and Five Mile). Gorge Road urban area (not just Gorge Road corridor) is seen as a priority.

- 14 Comment: This recommendation is actively being addressed through the Proposed District Plan, and also potential Special Housing Areas. The hearings for the Proposed District Plan commence in March 2016. The Council requested that the Environment Court agree to the new residential zone provisions having 'immediate legal effect' so the more enabling density provisions can have legal impact immediately. Unfortunately this request was not successful, however it illustrates the willingness of Council to explore all options to enable intensification.

Recommendation 3 – Public transport

- 15 The recommendation seeks that Council and the Otago Regional Council together support, facilitate and promote a significantly enhanced public transport system that is subsidised throughout the Wakatipu Basin, which would cater for the diversity of residents and visitors of all ages and abilities (including disabled persons). Transport infrastructure is seen as a primary need to connect people with town centres, provide transport to and from work and amenities and reduce overall congestion on the roads.

16 Comment: To date, Council has not involved itself in public transport. This function normally sits with the Otago Regional Council.

Recommendation 4 – Funding / Tourist Tax

17 The recommendation seeks that Council resolve and implement a comprehensive funding model for infrastructure improvement (i.e. a tourist tax) by working with and resolving outstanding issues with central government. Funding is to be applied primarily to transport, housing and infrastructure.

18 Comment: Council has engaged with the Queenstown Chamber of Commerce and has had discussions with central government on the topic, and has always been willing to engage with and work with central government, consistent with the recommendation.

Recommendation 5 – Community and affordable housing

19 The recommendation seeks that Council support, facilitate and promote the acceleration of community based/affordable housing developments that are designed and constructed in accordance with accepted Universal and Urban Design Principles. By way of example, Council needs to support more developments such as the QLCHT projects that have been completed and/or are under construction. Ensuring affordable housing is retained for long-term community benefit through an appropriate retention mechanism is a priority.

20 Comment: Council set up and supports the QLCHT through funding of \$50,000 per annum. Council also gifted land for an affordable rental development in Arrowtown at Suffolk Street. A Memorandum of Understanding has been signed outlining the relationship between QLDC and QLCHT and setting out how the Trust and Council will work together to achieve common goals. Office support services are also provided for QLCHT staff.

Summary

21 Council is actively engaged on recommendations 2 (residential and mixed use intensification) and 5 (community and affordable housing) already. While recognising further resource could achieve more in these areas, compared to the other recommendations, work is underway and generally consistent with the recommendations.

22 Recommendations 1, 3 and 4, relating to a strategic plan, public transport and funding / tourist tax are new work areas that could require new resource, including staff time and potentially Council expenditure. There are insufficient resources within the current financial year to be able to progress these matters and consideration should be given by the Council of the priority for and resourcing requirements of the proposed actions as part of its draft 2016/17 Annual Plan process.

Options

23 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.

24 Option 1 – Receive the report and consider the priority of and funding for actioning the recommendations further as part of the Council's Draft 2016/17 Annual Plan process

25 Advantages:

- Recognises the work that has gone into the report including significant community input.
- Recognises that a multi-faceted approach to housing affordability is required and that Council should be open to all options.
- Allows the Council to consider the relative priority and resourcing needs of the proposed actions within the annual planning framework.

26 Disadvantages:

- Means little action will be able to be taken in this current financial year

27 Option 2 – Receive the report and take no further action.

28 Advantages:

- Small saving in staff time being able to be spent on other matters.

29 Disadvantages:

- Would not illustrate the willingness of Council to adopt a multi-faceted approach to the complex issue of housing affordability in the district.
- Would not respect the effort put in by a large number of people to prepare the recommendations.

30 This report recommends **Option 1** for addressing the matter.

Significance and Engagement

31 This matter is of high significance, as determined by reference to the Council's Significance and Engagement Policy because affordable housing is of considerable importance to the Queenstown Lakes District and has a very high degree of community interest.

Risk

32 This matter relates to the strategic risk SR1 'Current and future development needs of the community (including environmental protection)', as documented in the Council's risk register. The risk is classed as high. This matter relates to this risk because a range of initiatives are under way to address the housing affordability problem.

33 The recommended option mitigates the risk by:

Treating the risk - putting measures in place which directly impact the risk. Council is already undertaking a range of initiatives to address housing affordability and continues to consider other options.

Financial Implications

34 There are no direct budget or cost implications resulting from the recommendation. Further decisions could be made that will have budgetary implications.

Council Policies, Strategies and Bylaws

35 The following Council policies, strategies and bylaws were considered:

- HOPE Strategy
- Proposed District Plan
- Operative District Plan
- Tomorrow's Queenstown
- Wanaka 2020

36 The recommended option is consistent with the principles set out in the named policies.

37 Parts of this matter are included in the 10-Year Plan/Annual Plan, such as the funding of the QLCHT, and funding for the Proposed District Plan.

Local Government Act 2002 Purpose Provisions

38 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 being open to all options to address the housing affordability issue in the Queenstown Lakes District;
- Can be implemented through current funding under the 10-Year Plan and Annual Plan;
- Is consistent with the Council's plans and policies; and
- At this time 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.

Consultation: Community Views and Preferences

39 The persons who are affected by or interested in this matter are residents/ratepayers of the Queenstown Lakes district community. The Council has not consulted on this matter however the work has been prepared with significant community input.

Attachments

A Report 'Queenstown Affordable Housing Work Group' Recommendations (including roadmap)