

**BEFORE THE HEARINGS PANEL
IN QUEENSTOWN**

IN THE MATTER

of the Resource
Management Act 1991

AND

IN THE MATTER

of the Inclusionary
Housing Variation to the
Queenstown Lakes
Proposed District Plan

**EVIDENCE OF AMY BOWBYES
ON BEHALF OF QUEENSTOWN LAKES DISTRICT COUNCIL**

INCLUSIONARY HOUSING VARIATION TO THE PROPOSED DISTRICT PLAN

14 November 2023

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1. PROFESSIONAL DETAILS

1.1 My full name is Amy Narlee Bowbyes, I am employed at Queenstown Lakes District Council (**the Council** or **QLDC**) as Principal Planner – Resource Management Policy. I have been in this position since October 2022, prior to which I was a Senior Policy Planner at QLDC.

1.2 I hold the qualifications of Bachelor of Science and Bachelor of Arts from Victoria University. I have worked for local authorities in district plan policy and administration roles since 2005.

1.3 Although this is a Council hearing, I confirm that I have read the Code of Conduct for Expert Witness contained in the Environment Court Practice Note and that I agree to comply with it. Much of my evidence is factual, but to the extent that my evidence contains opinions, I confirm that I have considered all the material facts that I am aware of that might alter or detract from the opinions that I express, and that this evidence is within my area of expertise, except where I state that I am relying on the evidence of another person.

2. INTRODUCTION

2.1 In this evidence, I provide an overview of the Council's strategic and operational approach to addressing housing issues within the Queenstown Lakes District (**QLD, the District**). This report is intended to assist the Hearing Panel by explaining the strategic context of the Inclusionary Housing Variation, rather than addressing specific issues raised in submissions. The content of this report does relate to matters raised in submissions, and where relevant is referenced in the s42A Report prepared by Mr Mead.

2.2 The key documents I have used, or referred to, while preparing this report are:

- (a) Proposed Inclusionary Housing Variation – Section 32 Report (**S32**);
- (b) Queenstown Lakes Proposed District Plan (**PDP**);
- (c) Queenstown Lakes Operative District Plan (**ODP**);

- (d) Queenstown Lakes Joint Housing Action Plan 2023-2028;
- (e) Queenstown Lakes Homes Strategy 2021-2031;
- (f) Queenstown Lakes Spatial Plan 2021-2023;
- (g) Notified Version of the Urban Intensification Variation (**UIV**) notified 24 August to 5 October 2023;
- (h) Notified version of the Te Pūtahi Ladies Mile Variation notified 27 April 2023 to 9 June 2023;
- (i) QLDC Ten Year Plan 2021-2031 (**LTP**);
- (j) QLDC Annual Plan 2023-2024;
- (k) QLD Housing & Business Capacity Assessments (**HBA**) (2017, 2021); and
- (l) The Housing our People in our Environment (HOPE) Strategy (2005).

3. COUNCIL'S ROLE IN PLANNING FOR AFFORDABLE HOUSING

3.1 Housing in the QLD is consistently among the most expensive in New Zealand. The root causes of housing unaffordability are complex. Key challenges in housing in the district centre on housing supply, choice, availability and quality.

3.2 Between 2006 and 2018 the district's population increased by 70.5%¹ (during the same time period NZ's total population increased by 16.7%). There are naturally a number of reasons for this, but chief among them is that the QLD is world-renowned as a place to visit, stay and enjoy. The work life balance in the District is something which people move here to attain but this attractiveness comes at a cost. The number of Kāinga Ora owned and managed dwellings in the district is 13 and has been the same for a number of years². Central Government investment in assisted housing in the district has not kept pace with population growth and need, and there is subsequently greater reliance on Community Housing Providers (**CHPs**) such as the Queenstown Lakes Community Housing Trust (**QLCHT**) to develop affordable housing to assist low to moderate income residents.³

¹ Stats NZ. (2023a). 2018 Census place summaries :Queenstown Lakes district. Retrieved from <https://www.stats.govt.nz/tools/2018-census-place-summaries/queenstown-lakes-district>

² Kainga Ora. (2023). Housing Statistics. Retrieved from <https://kaingaora.govt.nz/publications/oia-and-proactive-releases/housing-statistics/>

³ Registered CHPs offer housing options for low-to-moderate-income groups and can participate in the government income-related rents system, which means that their rental properties can be more affordable than market rentals. CHPs are regulated by the Community Housing Regulatory Authority.

3.3 The current focus for investment in public housing by Kāinga Ora is concentrated in Dunedin and Invercargill, where the Ministry of Social Development (**MSD**) reports higher housing deprivation⁴.

3.4 As of June 2023, there were 18 applicants on the MSD Housing Register⁵ for the district. However, this is not reflective of the housing need in the district. As of July 2023, there were 980 eligible households on the QLCHT waitlist⁶. As there are only 13 Kāinga Ora homes in the district, most of the subsidised and affordable housing is provided by QLCHT. At the time of writing the QLCHT provides 42 government funded public houses in the district. The Trust also provides homes for an additional 95 households who may not qualify for public housing assistance but require assisted housing in order to remain living and working in the district.

3.5 This chronic housing unaffordability has a range of social and economic costs which have long been acknowledged by the Council, and since the early 2000s active steps have been taken to address housing challenges through a number of levers. This history is laid out below.

2005: An inaugural housing strategy: HOPE

3.6 The Housing our People in our Environment or HOPE strategy was released in 2005, and set out 32 actions to improve housing affordability in the district. The HOPE Strategy has been a key underlying driver for subsequent work on housing affordability in the district.

2007: Queenstown Lakes Community Housing Trust established

3.7 The QLCHT was established in 2007 as an action from the HOPE Strategy and is an independent, not for profit, registered CHP. It is the primary means of delivery of assisted affordable housing delivery in the District and at the time of writing has 138⁷ households in secure and affordable homes.

⁴ Pattemore, L. (2023, June 14). Lakes Housing Trust questions imbalance in public housing decisions. *Crux News*. Retrieved from <https://crux.org.nz/>

⁵ The MSD Housing Register reports data on applicants who are not currently in public housing who have been assessed as eligible and who are ready to be matched to a suitable property: <https://www.msd.govt.nz/about-msd-and-our-work/publications-resources/statistics/housing/housing-register.html>

⁶ Source: [JHAP](#), QLCHT July 2023.

⁷ QLCHT – pers comms. 10 October 2023

3.8 The relationship between QLDC and QLCHT is governed by a Relationship Framework Agreement (**RFA**) (Appendix 1) which determines how the two parties will work together to deliver affordable housing. It also sets the basis for how contributions from Council can be used by the QLCHT. The RFA confirms the following key matters:

- (a) The relationship is intended to be part of the long-term solution for housing in our district, and that the parties agree to work together with openness
- (b) Land or cash contributed by the Council to QLCHT are to be used exclusively for the mutually agreed purpose and will be subject to an encumbrance in favour of Council
- (c) QLCHT is an independent entity with its own deed and board of trustees. The board will always include one trustee appointed by the Council
- (d) The Council will provide IT and Administrative support as well as a provision of an annual grant, with the mutual aim of reducing the support services from the Council to the Trust over time
- (e) A protocol for the Trust's Secure Home programme is included in the RFA. This programme, along with the long-term below-market rentals, are intended to be the housing products that the Council wants to see its contributions used for
- (f) In the future other affordable home products developed between the Council and the Trust will be included in additional protocols in the RFA.

3.9 The RFA is required to be reviewed every 3 years and was last reviewed in June 2022⁸ whereby minor amendments were agreed to Schedules 1 & 2 of the RFA which contain the protocols that apply to the Secure Home Programme and Rental Programme to improve their operability. No amendments were made to the wider framework agreement, which continues to be operating well.

3.10 The RFA is an example of a framework for the Council and QLCHT to work in co-operation. The QLCHT continues to successfully deliver affordable housing that supplements the 13 Kāinga Ora houses currently provided in the district.

⁸ QLDC meeting of Full Council 30 June 2022, Agenda Item 9: <https://www.qldc.govt.nz/media/oshhlyad/9-amendments-to-relationship-framework-agreement-qldc-qlcht-covering-report.pdf>; [Attachment A](#)

QLCHT Development	No. Units
2013 Nerin Square, Lake Hayes Estate	27
2016 Shotover Country	44
2017 Riverside, Wānaka	11
2018 Northlake, Wānaka	2
2019 Cherwell Lane, Shotover Country	6
2021 Hikuwai Stage 1, Wānaka	6
2021 Toru, Frankton	42
2022 Alps View, Lake Hayes Estate	13
2023 Northlake, Wānaka	9
In progress: Hanley's Farm	80
In progress: Longview, Hāwea	58
Future: Hikuwai Stage 2	4
Future: Mt Cardrona Station	8
Future: Allenby Farms	3
2016 Suffolk St, Arrowtown (Land gifted by QLDC)	10
In progress: Jopp St, Arrowtown (Land gifted by QLDC)	68
Total	391

Figure 1 - Summary of QLCHT residential units developed, under development and in the pipeline as at October 2023.

3.11 QLCHT has also received other funding through grants from central government and administers public housing that is funded through MSD (QLCHT currently administers 42 public housing units in the District). Additionally QLCHT was provided a three year grant of \$50,000 per annum in the 2021-2031 LTP for administration support⁹. An action in the Joint Housing Action Plan 2023 - 2028¹⁰ is to include QLCHT funding as a permanent budget line rather than a grant. This will be considered in the 2024 LTP currently being prepared.

2007: Operative District Plan – Initiation of an affordable housing plan change

3.12 Plan Change 24 (**PC 24**) to the Operative District Plan was notified in 2007 and sought to require qualifying developments to provide affordable housing that was proportional to the effects or impacts (also called linkage zoning). It was heavily litigated over several years and ended in mediation, resulting in an affordable housing objective, policies, assessment matters and amended definitions in the Operative District Plan via a consent order issued in July 2013¹¹. It failed to

⁹ Ten Year Plan 2021 – 2031, Volume 1, p24: https://www.qldc.govt.nz/media/hqpfm2d3/qldc_ten-year-plan_volume-one_2021-2031-approved-and-signed-updated-page-77.pdf

¹⁰ JHAP, p21

¹¹ *Infinity Investment Group Holdings Ltd v Queenstown Lakes District Council (ENV-2009-CHC-46)*

implement the final pieces needed to implement the requirement via a district plan rule, which resulted in the plan change having limited effectiveness. One key legal point which the plan change established is that affordable housing is a legitimate issue that can be addressed under the RMA, and therefore in District Plans.

2003 – 2013 Negotiated Developer Agreements

3.13 In the early 2000s a series of private plan change requests to the Operative District Plan were received which sought land to be upzoned. Council was able to leverage off the private plan change process and successfully negotiated affordable housing contributions tied to these private plan changes. This resulted in several affordable housing stakeholder deeds being drawn up. The subsequent contributions from these agreements form the backbone of the affordable housing stock in the district which is delivered through the QLCHT.

3.14 These negotiated stakeholder deed agreements have been successful in part, leading to approximately \$20,277,612 in contributions as at September 2023. Despite this figure indicating success, there are significant drawbacks to this approach. The deeds are challenging to develop, they vary in the quality and the quantity of housing required, they are difficult to administer and enforce, and are an uncertain funding source.

3.15 Since the District Plan Review process formally commenced in 2015 the opportunity for new Stakeholder Deeds has been limited. The Proposed District Plan has strategically sought to be ahead of development, rather than developer led. The RMA also places limits on the ability for a private plan change to be initiated on a proposed plan.

2013-2019 Housing Accords and Special Housing Areas Act (HASHAA) and the local Lead policy

3.16 HASHAA provided an opportunity driven by central government for additional housing supply in the district. In essence HASHAA created a faster way for the development of greenfield sites, outside the usual controls of the RMA.

3.17 Council developed a local policy (**the Lead Policy**) to ensure a portion of the housing supply created through each Special Housing Area (**SHA**) development

would remain affordable *in perpetuity*. This was achieved through requiring a percentage of all qualifying developments in Council-recommended SHAs to contribute land and/or money to the QLCHT and has resulted in \$23,374,044 for affordable housing in perpetuity through the QLCHT as a development, delivery and management entity. This requirement was embedded in the SHA consenting process, and its success was bolstered by the requirement for SHA consents to be given effect to within a specified timeframe, therefore providing more certainty for the timing of contributions to the QLCHT, compared to the Stakeholder Deed contributions.

- 3.18** The HASHAA has since been repealed. Once the existing agreements negotiated through the SHAs and ODP private plan changes are fulfilled, funding sources for retained affordable housing will be uncertain.

2010-present Council land contributions

- 3.19** Since 2010 the Council has made three substantial commitments to land or funds for affordable housing in the district. Most recently land in Arrowtown capable of supporting 68 units has been transferred to the QLCHT and is under development (Jopp Street). Other previous contributions include land which resulted in 6 units, also in Arrowtown (Suffolk Street), along with a commitment for 5% of the yields of the sale of a high value piece of Council land in the Queenstown CBD (Lakeview) to be provided for affordable housing.

2016 - Mayoral Taskforce on Housing Affordability

- 3.20** In 2016 Mayor Jim Boulton convened a Mayoral Taskforce on Housing Affordability (**Taskforce**) to address the systemic housing challenges by investigating new ways of addressing housing affordability and availability. The inaugural report issued in August 2017¹² confirmed the ongoing affordability challenge being faced in the district, and provided a commitment to investigate key proposals, including developing an Affordable Ownership Programme delivered by QLCHT, establishing a pool of affordable longer-term rentals, additional funding models, enabling more urban land for housing, and increasing density.

¹² Mayoral Housing Affordability Taskforce Update, 17 August 2017: <https://www.qldc.govt.nz/media/y0tlnw4e/mayoral-housing-affordability-taskforce-update-council-report-august-2017.pdf>

- 3.21** The Affordable Ownership Programme has since been developed as the Secure Homes programme delivered by QLCHT, using the protocols now embedded in the RFA. The high-level details of the programme are:
- The land is owned by the QLCHT in perpetuity and leased at a concessional rate to the homeowner; and
 - The housing unit is purchased by the homeowner, with the value increase being capped at an annual CPI rate or equivalent, with the housing unit only able to be sold back into QLCHT's pool of buyers.
- 3.22** The Taskforce acknowledged that constraints on supply of land and funding to the QLCHT would need to be addressed for any initiatives to be successful.
- 3.23** The inaugural report discussed the role of the district plan in ensuring sufficient plan-enabled housing capacity in order to meet anticipated demand for housing. The report acknowledged that despite the Dwelling Capacity Model indicating sufficient zoned land (via the ODP and PDP), market factors were limiting the rate of housing delivery which led to constrained supply.
- 3.24** In a subsequent update on the Taskforce in September 2019¹³, Council confirmed its commitment to pursue an inclusionary zoning plan change as a method to provide a regular source of funding for retained affordable housing.

2021 – Homes Strategy 2021 - 2031

- 3.25** The Homes Strategy (**the Strategy**) confirmed the action for improved housing outcomes set by the Mayoral Taskforce on Housing Affordability and provided for a number of actions to support the delivery of affordable housing in the district. The key pillars of the Strategy address challenges related to housing affordability, choice, quality and government assistance. The Strategy re-confirmed the Council interest in partnering with government for housing solutions, as well as pursuing locally-driven solutions such as inclusionary housing.

¹³ Mayoral Housing Taskforce Update Report 12 September 2019: <https://www.qldc.govt.nz/media/bhnn0ife/taskforce-council-report.pdf>

- 3.26** The Strategy sets out the context of the District’s housing challenges and identifies actions to be undertaken by the Council. The Strategy provides an overview of the district’s unique context using data and the results of targeted and public engagement. It identifies four local themes in relation to housing challenges: housing affordability, choice, quality and government assistance.
- 3.27** Inclusionary zoning/housing is a key action identified to directly assist with housing affordability, however it is one of a suite of actions which range from ‘soft’ initiatives through to regulatory responses. The Strategy demonstrates that the Council is committed to pursuing a range of complementary measures to address housing issues.

2022 – Inclusionary Housing Variation notified

- 3.28** Notification of the Inclusionary Housing Variation in October 2022 was an important milestone in progressing the Council’s strategic intent to develop a regular funding stream for retained affordable housing for qualifying residents on low-moderate incomes. This will be able to occur via the existing well-established relationship with QLCHT or through other CHPs.
- 3.29** The variation will work in tandem with other initiatives, including district plan review work that will enable additional plan-enabled capacity through urban intensification and expansion, summarised in Section 4 below.

2022 - 2023 – Joint Housing Action Plan

- 3.30** Development of the Queenstown Lakes Joint Housing Action Plan 2023-2028¹⁴ (JHAP) commenced in late 2022, to implement a specific action in the Homes Strategy. Strategically, the JHAP was developed in partnership with central government (Te Tūāpapa Kura Kāinga Ministry of Housing and Urban Development and Kāinga Ora-Homes and Communities) and QLCHT in order to achieve agreement on the extent of the district’s housing challenges and to determine key actions for each agency.

¹⁴ [Improving housing outcomes in Queenstown Lakes \(qldc.govt.nz\)](https://www.qldc.govt.nz/improving-housing-outcomes-in-queenstown-lakes)

- 3.31** The JHAP provides a recent snapshot of key housing indicators:
- The average house value in the district is currently \$1.7m, which is 84% higher than the New Zealand average¹⁵(March 2023);
 - The district’s median rent is \$700/week, compared to \$570/week nationally¹⁶ (April 2023);
 - Continued population growth is forecast with an additional 17,000 houses required by 2051 and while the district has enough plan-enabled housing capacity, there is still insufficient feasible capacity in the lowest price bands¹⁷;
 - The average property value in the district is currently 13.2 times average household income. This compares with the NZ average of 7.4¹⁸.
- 3.32** The JHAP seeks to improve housing outcomes and neighbourhood design to develop thriving communities and includes nine housing solutions. The overall focus is on the increased provision of housing across the housing continuum, but with a particular focus on affordable housing (rental and home ownership).
- 3.33** As specified in the JHAP, an action for Council is to *“implement inclusionary housing plan change including negotiating new stakeholder deeds”*. This demonstrates Council’s commitment to continue building on work already achieved in partnership with QLCHT and will serve to address the issue raised by the Mayoral Taskforce – how to develop a regular funding source for affordable housing.
- 3.34** It also demonstrates that government partners are not opposed to Council pursuing an inclusionary housing plan change, given the unique and acute housing challenges in this district and current uncertainty of future funding sources for the QLCHT.
- 3.35** Other relevant JHAP actions include to:
- Continue to apply for alternative funding mechanisms to ensure delivery of affordable housing;

¹⁵ Infometrics.co.nz, March 2023

¹⁶ Tenancy.govt.nz

¹⁷ Queenstown Lakes District Housing Development Capacity Assessment 2021

¹⁸ Infometrics.co.nz, March 2023

- Include QLCHT administration funding as a permanent activity (in the Annual Plan) rather than as a grant;
- Encourage broadening the work of QLCHT or other CHPs to grow their offering, including rental models to enable increased housing options for local whānau;
- Investigate ways to incentivise developers to deliver affordable housing through financial and planning incentives, and the continued use of successful models; and
- Improve partnerships between developers and QLDC, QLCHT or other CHPs, service delivery agencies, banks (to understand financial issues), and other key organisations.

3.36 In summary, the JHAP provides an overview of the District’s acute housing challenges and sets a clear mandate for the Council to continue working with CHPs (and with central government where possible) to implement various district-specific methods to address housing issues.

4. INCREASING HOUSING SUPPLY AND HOUSING DIVERSITY

4.1 The Council has a number of workstreams in train that seek to address housing supply and diversity. These include implementing key actions of the Queenstown Lakes Spatial Plan 2021 (**Spatial Plan**), which align with actions in the Homes Strategy and JHAP and are achieved through implementing the National Policy Statement on Urban Development (**NPS-UD**).

4.2 This section focusses on key areas of work that the Council has in train that directly relates to housing supply and diversity.

QLDC Housing and Business Capacity Assessments

4.3 The Council has been required to develop a Housing and Business Capacity Assessment (**HBA**) since 2016 under the National Policy Statement on Urban Development Capacity 2016 and its replacement, the NPS-UD. During this time, the Council has developed two HBAs in 2017 and 2021 and is currently in the early development of the 2024 assessment.

- 4.4** There are three parts that Councils need to include in an HBA. They are:
- a) The level of demand for housing and business in the district over the short term (three years), medium term (ten years), and long term (thirty years);
 - b) The development capacity available in the district, defined as
 - i. plan enabled; and
 - ii. infrastructure ready; and
 - iii. commercially feasible and reasonably expected to be realised; and
 - c) Whether there is sufficient supply of capacity in the district to meet the demand for housing and business capacity.

4.5 From a demand perspective, Queenstown Lakes has been one of the fastest-growing districts in New Zealand over the last decade. A summary of the household projections used from the two HBAs is summarised in the following table.

Household Resident Demand (Long Term)	2018 HBA Additional Households	2021 HBA Additional Households
Total (Queenstown and Wanaka)	12,900 ¹⁹	16,306 ²⁰

Figure 2: Summary of household projections from the 2018 and 2021 Housing & Business Capacity Assessments.

4.6 From a supply perspective, the following table summarises the results for housing plan-enabled capacity (Greenfield, Infill and Redevelopment) from the last two HBAs and the capacity identified in the recently notified Urban Intensification Variation (UIV)²¹.

Plan Enabled Capacity (Long Term)	2018 HBA	2021 HBA	2023 notified UIV

¹⁹ QLDC Housing Development Capacity Assessment 2017, page 108

²⁰ QLDC Housing Development Capacity Assessment 2021, Table 2.21, page 52

²¹ The UIV is discussed in more detail below. The figures included here are from the notified proposal and may change as the variation progresses through the Schedule 1 RMA process.

Queenstown Urban Growth Boundary	25,900	38,687	49,000
Wanaka Urban Growth Boundary	11,670	25,820	32,000
Combined Total	37,570 ²²	64,507 ²³	81,200 ²⁴

Figure 3: Results for housing plan-enabled capacity from the 2018 and 2021 Housing & Business Capacity Assessments, and the notified version of the Urban Intensification Variation.

- 4.7** The plan-enabled capacity within the district has been steadily increasing over the last six years as decisions and appeals on the PDP have been resolved. The notified UIV, which has been proposed to give effect to the NPS-UD (including NPS-UD Policy 5), will further increase plan-enabled capacity.
- 4.8** In summary, the 2021 Housing Development Capacity Assessment identified that the district has sufficient plan-enabled capacity to accommodate housing growth across the urban environment that is more than sufficient to meet the projected demand in all locations of the district in the short, medium²⁵ and long²⁶ term, as required by the NPS-UD. However, the assessment also identifies a shortfall in housing in the affordable price bracket. The shortfall is projected to increase over time due to house prices increasing faster than growth in real incomes in the district, resulting in declining affordability²⁷.
- 4.9** While there is a significant plan-enabled capacity to meet demand, as shown in Tables 1 & 2 above, that does not provide the complete picture of the sufficiency of land. Infrastructure-ready capacity and how this is funded through the Council's Long-Term Plan (LTP) and Infrastructure Strategy is vital to understand the implications this has on the housing supply in the district.

²² QLDC Housing Development Capacity Assessment 2017, Table 5.2, page 171

²³ QLDC Housing Development Capacity Assessment 2021, Table 5.4, page 116

²⁴ Appendix 9 s32 Urban Intensification Variation, 2023, Table 9 and 10, page 12

²⁵ Nearly 48,000 additional dwellings in the medium term

²⁶ Nearly 65,000 additional dwellings in the long term

²⁷ QLDC Housing Development Capacity Assessment 2021, page 5

4.10 A summary of the infrastructure investment that the Council is planning to make through the 2021-31 LTP is summarised below:

- A total of \$1.67²⁸ billion will be invested in a capital programme. This programme is split into the following allocations:
 - \$619 million (37%) to infrastructure growth;
 - \$418 million (25%) to renew or replace existing infrastructure assets; and
 - \$647 million (38%) to increase the level of services.

4.11 To fund this investment, debt is used by the Council. Under the Liability Management Policy, the Council has set a limit of 280%²⁹ of net debt to total revenue generated by the Council. Over the ten years of the LTP, this percentage is forecast to increase from 158% at the end of 2022 to 260% at the end of 2027, falling to 214% at the end of 2031³⁰. Since the development of the 2021-31 LTP, Council has increased the net debt to total revenue percentage to 290%³¹.

4.12 The future of Three Waters reform will also likely influence infrastructure funding decisions going forward, however the next LTP is currently being developed and will include three waters infrastructure funding for the first two years.

Queenstown Lakes Spatial Plan 2021; Spatial Plan Gen 2.0 & Future Development Strategy

4.13 The Spatial Plan 2021 sets out a long-term framework for managing future urban growth. It prioritises consolidated growth of the existing urban environment which aligns with the intensification outcomes sought by the NPS-UD and is implemented through changes to the district plan.

4.14 QLD's Future Development Strategy (**FDS**) is being prepared as part of Spatial Plan Gen 2.0³². The Spatial Plan Gen 2.0 is being jointly prepared by QLDC and ORC and

²⁸ 2021-31 QLDC LTP, page 41

²⁹ 2021-31 QLDC TLP, page 41

³⁰ 2021-31 QLDC TLP, page 41

³¹ 2023-24 Annual Plan, page 65

³² As per Section 3.12 (5) of the NPS UD, an FDS may be prepared and published as a stand-alone document or be treated as part of any other document such as a spatial plan. Spatial plans are prepared by 'urban growth partnerships' between central government, local government, and hapu and iwi.

will become the statutory document that provides a community strategy for how and where we will grow as a district. This document will build upon the 2021 Spatial Plan which identified a number of Priority Development Areas and Priority Initiatives that need to be implemented first by QLDC and partners. The Spatial Plan Gen 2.0/FDS will be informed by the 2024 HBA.

- 4.15** One of the overarching benefits of a FDS is that it becomes a strategic document that RMA planning documents (including the district plan) must have regard to when they are being prepared or changed³³. The FDS is also strongly encouraged to inform other long-term plans and infrastructure strategies in order to promote long-term strategic planning and integration of planning, infrastructure and funding decisions, and in doing so, responds to insufficiencies identified the HBA.

Proposed Urban Intensification Variation 2023

- 4.16** Since notification of the Inclusionary Housing Variation, the Council has notified the proposed Urban Intensification Variation³⁴ (**UIV**). The UIV implements the NPS UD, including Policy 5, as required for all Tier 2 authorities. The UIV also seeks to address known barriers to achieving the density anticipated in key PDP zones, including the High, Medium and Lower Density Suburban Residential Zone.
- 4.17** The UIV was open for submissions for a period of 6 weeks between late August and early October 2023. The majority of the 1222 submissions received seek changes to the proposal, including seeking to reduce areas of proposed up-zoning and reduce proposed height increases. The UIV is being put through the Schedule 1 RMA process, and hearing date is yet to be set. It is therefore in the early stages of the Schedule 1 RMA process.
- 4.18** As required by the NPS-UD, a key focus of the UIV is to enable more efficient use of urban-zoned land. This would be primarily achieved by increasing permitted building heights in existing urban zones. One example from the notified version of the variation is a proposal to increase the permitted building heights in the

³³ As required by cl 3.17(1) (a) of the NPS UD.

³⁴ <https://www.qldc.govt.nz/your-council/district-plan/national-policy-statement-urban-development-district-plan-amendments>

Medium Density Residential Zone, from 8m permitted currently to 11m plus 1m for roof forms. This proposed change would also bring the zone provisions further in line with the Medium Density Residential Standards. Amended height recession planes, building setbacks and other building envelope controls would continue to apply. In this example, the proposal would enable greater flexibility for multi-unit development, including development of smaller units. In theory, smaller units that require smaller land area and are located close to town centres and local amenities would support affordability. However, this does not necessarily mean that the resultant residential units will be affordable for residents who are on low-moderate incomes.

4.19 The focus of the NPS-UD is on improving housing outcomes through ensuring sufficient supply to meet projected demand. As discussed in the UIV s32 Report³⁵, although the existing feasible and realisable capacity meets the requirements of the NPS-UD, the 2021 HBA identified a shortfall of housing in the lower price bands and that, over time, house price growth is expected to be faster than growth in real incomes in the district. As a result, housing affordability is expected to continue to decline. The upward pressure on housing prices is not attributed to planning and infrastructure, rather a range of other social and national factors not impacted or influenced by the District Plan³⁶.

4.20 As shown in Table 2, the notified version of the UIV would increase the District's plan-enabled capacity to approximately 81,000 additional residential units. This figure is likely to change through the course of the hearing, decisions and any subsequent appeals, however it demonstrates that Council is undertaking significant work to address housing supply through amendments to the district plan.

Visitor Accommodation Variation on short-term letting (2017 – 2023)

4.21 In November 2017 the Council notified a variation to the proposed District Plan which sought to manage the effects of the use of residential units for visitor

³⁵ UIV s32, p5 https://www.qldc.govt.nz/media/rnjf1maz/s32_urban-intensification-variation-npsud-policy-5-plan-variation-final-for-notification-lhs.pdf

³⁶ Housing Development Capacity Main Report 2021, p191

accommodation (**short-term letting**). The notified variation sought to place restrictions on the number of nights a year that a dwelling could be used for short-term letting, as the rise in popularity of home sharing platforms such as Airbnb was impacting on the availability of housing for residents. The variation sought to strike an appropriate balance between providing flexibility for the provision of visitor accommodation and not adversely affecting the supply of residential housing types for a range of residents of the district.

4.22 The variation proposed new provisions to the PDP to regulate activities defined as ‘Residential Visitor Accommodation’ and ‘Homestay’ activities. Broadly speaking, the notified variation sought to limit the ability for a residential unit to be used for Residential Visitor Accommodation (**RVA**)³⁷ but enable flexibility for Homestays³⁸. The key resource management issue the variation sought to address was the impact of short-term letting on housing availability and affordability. It also sought to address impacts on residential cohesion, character, amenity, traffic and parking³⁹.

4.23 The variation attracted a high number of submissions (most seeking changes to the notified version)⁴⁰. The Report and Recommendations of the Independent Hearings Panel⁴¹ summarised the key issues raised by submitters, which included:

- Whether the effects of RVA and Homestays differ from the effects of residential activities, and therefore whether a separate regime of managing the effects of these activities is required;

³⁷ Defined in PDP Chapter 2 as meaning “the use of a building established as a residential unit (including a residential flat) by paying guests, where the length of stay by any guest is less than 90 nights. Excludes: Visitor Accommodation and Homestays” (consent order version).

³⁸ Defined in PDP Chapter 2 as meaning “the use of a residential unit including a residential flat by paying guests (where the length of stay by any guest is less than 90 nights) at the same time that either the residential unit or the residential flat is occupied by residents for use as a Residential Activity. Includes bed & breakfasts and farm-stays. Excludes: Residential Visitor Accommodation and Visitor Accommodation, including where a staff member lives on-site.

³⁹ Section 32 Report Visitor Accommodation, 2 November 2017: <https://www.qldc.govt.nz/media/szijgoaa/pdp-s32-visitor-accommodation-2017.pdf>

⁴⁰ A total of 4984 Submission points and 656 further submission points: <https://www.qldc.govt.nz/media/jikp14lf/s42a-visitor-accommodation-s2239-qldc-t15-bowbyes-a-evidence-30912313-v-1.pdf> para 1.1

⁴¹ Stream 15, Report 19.2 Visitor Accommodation, including Visitor Accommodation Sub-Zones, section 2: <https://www.qldc.govt.nz/media/fwchitol/report-19-2-visitor-accommodation.pdf>

- Whether the use of scraped data from AirDNA in Council’s economic evidence⁴² was an accurate representation of the growth of the RVA sector in the district;
- Whether the proposal would assist with giving effect to the NPS-UDC 2016;
- Whether a restrictive regime for RVA would result in more houses being available for long-term rental, given the high number of holiday homes in the district⁴³; and
- Whether anticipated visitor growth would be catered for by other forms of visitor accommodation in the district.

4.24 Broadly summarised, the IHP Recommended⁴⁴ that the notified provisions for RVA should be amended to enable greater flexibility for RVA. These recommendations were adopted by the Council, and further amendments were made in the subsequent Consent Order issued in January 2023⁴⁵ following mediation of appeals by Airbnb and others.

4.25 Notably, the consent order provisions include a requirement for RVA activities to be registered with the Council. The registration process will enable more local data to be collected on the impact of short-term letting to inform resource consent decisions, and any future plan review.

Proposed Te Pūtahi Ladies Mile Variation

4.26 The Te Pūtahi Ladies Mile Variation was notified using the Streamlined Planning Process between 27 April and 9 June 2023. A total of 125 submissions were received and a three-week hearing has been set down to commence in late November 2023. The notified variation would enable an additional 2400 residential units and a local commercial centre via a new Special Purpose Zone in the PDP. Urban development on the variation land was initially signalled through the Spatial

⁴² Infometrics Report Measuring the scale and scope of Airbnb in Queenstown Lakes District, October 2017: <https://www.qldc.govt.nz/media/szijooaa/pdp-s32-visitor-accommodation-2017.pdf>, from p60.

⁴³ The 2018 Census reported 27% of the district’s as unoccupied.

⁴⁴ Stream 15, Report 19.2 Visitor Accommodation, including Visitor Accommodation Sub-Zones: <https://www.qldc.govt.nz/media/fwchltol/report-19-2-visitor-accommodation.pdf>

⁴⁵ <https://www.qldc.govt.nz/media/e3xhki02/2022-01-30-consent-order-topic-29-30-visitor-accommodation.pdf>

Plan and masterplanning exercise was undertaken prior to the variation being notified.

Synergies with the Inclusionary Housing Variation

- 4.1** The UIV and Te Pūtahi variations both seek to increase opportunities for housing by enabling more development opportunities on urban-zoned land. Notwithstanding this, a funding stream would still be required for a CHP to fund its developments and plan-enabled capacity alone would not provide a funding source for CHPs.
- 4.2** The eligibility criteria proposed by the Inclusionary Housing Variation would ensure that the financial contributions received would be specifically used to develop housing for eligible households on low-moderate incomes. This targeted delivery method is not able to be achieved through the open market.
- 4.3** The additional plan-enabled development capacity provided by the various plan change work in train (and in the future) would work together with inclusionary housing to improve housing affordability outcomes in the District.

5. SECTION 77E RMA – PROCESS

- 5.1** Section 77E of the RMA sets out the legal requirements for financial contributions that are required by a rule in a district plan. It requires that any financial contributions must be used for the purpose stated in the rule. In the context of this variation, the financial contributions would therefore be required to be used for affordable housing.
- 5.2** The Council has existing internal processes in place for receiving contributions from Stakeholder Deeds and SHA developments, which are received by the Council and passed to QLCHT. The funds received are subject to standard auditing requirements.⁴⁶ An internal Council financial contributions policy for affordable housing contributions may need to be developed and would sit outside the PDP to

⁴⁶ Under the Local Government Act the Council's Auditor is Audit-New Zealand, a business unit of the Office of the Auditor-General.

inform decisions on how the affordable housing contributions are allocated. The affordable housing programmes currently delivered by QLCHT (and specified in the RFA between Council and QLCHT) are examples of the use of Council contributions for affordable housing.

6. CONCLUSION

6.1 This evidence has provided an overview of the Council's strategic and operational approach to addressing housing issues. It has summarised the significant work undertaken by Council, the QLCHT, and more recently Central Government agencies working in partnership to understand and address the district's housing challenges.

6.2 Inclusionary housing is one of a range of initiatives currently being pursued. There is no single solution to addressing the complex issue of housing affordability. Inclusionary housing will work in conjunction with other initiatives to improve housing outcomes for low-moderate income residents who are unable to make a long-term commitment to the district due to the high cost of housing.



Amy Bowbyes

9 November 2023

APPENDIX 1

Relationship Framework Agreement between QLDC & QLCHT (1 August 2022)

Relationship Framework Agreement

governing how the parties will work together to deliver affordable housing

Queenstown Lakes District Council

Queenstown Lakes Community Housing Trust

**MEREDITH
CONNELL**

—
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Parties

Queenstown Lakes District Council (QLDC)

Queenstown Lakes Community Housing Trust (QLCHT)

Introduction

- A QLCHT was originally established in 2007 to advance the community's goals for the provision of affordable housing in the Queenstown Lakes District. Those goals were expressed through the development of the HOPE (Housing Our People In Our Environment) Strategy adopted by the Council.
- B QLDC and QLCHT entered into memoranda of understanding relating to affordable housing objectives in the District.
- C On 29 October 2015 QLDC and QLCHT signed the most recent memorandum of understanding. In that document the parties recognised each other as partners in addressing housing issues in the Queenstown Lakes District, documented areas where QLDC would support QLCHT, and clarified the respective roles of QLDC and QLCHT.
- D In October 2017 the Mayoral Housing Affordability Taskforce reported to QLDC, proposing various strategies to improve housing affordability in the Queenstown Lakes District. The strategies were adopted by QLDC and included:
- a. setting a target to deliver 1000 affordable homes with secure tenure by 2028 across specific programmes in the assisted rental and assisted ownership areas;
 - b. building a range of community affordable market offerings including an affordable ownership programme with QLCHT delivering secure tenure housing using leasehold land;
 - c. recognising the importance of developing solutions for the long-term by building a community asset that delivers quality, affordable housing in perpetuity to achieve a stable, well-balanced community; and
 - d. investing in scaling up QLCHT, with QLDC confirming QLCHT as its preferred partner for receiving any Contributions, and as the primary delivery organisation for affordability product offerings to the residents of the Queenstown Lakes District.
- E QLDC and QLCHT wish to work together to devise and implement these and other strategies to improve affordable home offerings in the Queenstown Lakes District. It is intended that this Agreement will facilitate the development of a long-term relationship between the parties to enable the achievement of housing affordability objectives.
- F To do that, this Agreement replaces all previous memoranda of understanding and sets out a framework that will govern the parties' relationship, their respective roles and

responsibilities, and the manner in which they will work together to enable delivery by QLCHT of affordable housing generally.

- G It is intended that separate written protocols will be entered into from time to time that will form part of this Agreement and which will address the roles, rights, and responsibilities of the parties in relation to specific affordable home offerings.
- H QLDC and QLCHT have performed a periodic review on or around 29 March 2022 pursuant to clause 7.2 of this Agreement. As a result of that review, Schedule 1 (Secure Home Programme Protocol) and Schedule 2 (Rental Programme Protocol) have been updated in this version of the Agreement.

Agreement

1 Interpretation

- 1.1 In this agreement, unless the context requires otherwise:

Affordable Housing Records mean all information relating to the establishment and on-going provision and management of affordable housing offerings by QLCHT including, but not limited to, information prescribed by protocols agreed between the parties from time to time;

Agreement means this agreement;

Contribution means a gift or transfer of land (including by way of long-term lease) and/or funding, obtained from a range of sources, from QLDC to QLCHT (including where the land or funding is provided to QLCHT directly by a third party but the transfer results from a Council-imposed requirement on that third party);

QLCHT includes its successors, administrators and permitted assigns;

QLDC includes its successors and permitted assigns;

Regulatory Function means QLDC's mandatory statutory role as a local authority, including as a consent authority, separate to its role as a party to this Agreement; and

Trust Deed means the Queenstown Lakes Community Housing Trust deed dated 1 April 2015 between the settlor and the trustees named in the Trust Deed.

2 Partnering concept

- 2.1 The parties will work together with openness, promptness, consistency and fairness in all dealings and communications.
- 2.2 Notwithstanding clause 2.1, nothing in this Agreement shall be construed to constitute a partnership or joint venture between the parties or the relationship of principal and agent.
- 2.3 For the avoidance of doubt, QLCHT is an independent entity, established by the Trust Deed. The Trust Deed governs its operation.

3 Operation of QLCHT and appointment of trustees

- 3.1 The primary objects and purposes of QLCHT are recorded in clause 3 of the Trust Deed and include the relief of housing poverty by the provision of social and affordable housing in the Queenstown Lakes District. QLCHT agrees that the objects and purpose of QLCHT will not be materially varied without QLDC's written consent.
- 3.2 Under clause 6.1 of the Trust Deed, the trustees of the QLCHT will always include one trustee appointed by QLDC. QLCHT agrees that it will not materially vary the Trust Deed to reduce the number of trustees appointed by QLDC or increase the maximum number of trustees on QLCHT's board without QLDC's written consent.
- 3.3 QLCHT's selection panel for the appointment of any new Chair of QLCHT shall include at least one Councillor.
- 3.4 Two representatives of QLDC will be entitled to attend meetings of the Board of the QLCHT (not including Trustee-only time), and for that purpose will be provided with notice of any scheduled meetings and the relevant Board papers for consideration prior to meetings, as well as any minutes taken at meetings. QLDC representatives do not have rights to participate in any vote of the Trustees of QLCHT.
- 3.5 QLCHT will carry out its activities in accordance with accepted principles of good governance for similar community organisations.
- 3.6 Without limiting clause 3.4, QLCHT will maintain its status as a registered Community Housing Provider and meet the performance standards and guidelines prescribed from time to time by the Community Housing Regulatory Authority or any successor organisation.
- 3.7 QLCHT will amend clause 20.2 of the Trust Deed to provide that, unless agreed otherwise at the time, on the winding up or other liquidation of the QLCHT any land owned by QLCHT which was provided by QLDC under this Agreement and/or a written protocol shall be distributed back to QLDC. The proposed change of wording shall be devised by the Trust and approved by QLDC.
- 3.8 QLDC will continue to provide the following support services to QLCHT, on the same terms as exist at the date of this Agreement or as otherwise agreed between the parties:
- (a) IT services, in that QLDC hosts, as agent or for the sole purpose of safe custody, on its server QLCHT's information;
 - (b) Administrative services;
 - (c) Provision of an annual operating grant.
- 3.9 The parties will, over time, work together to reduce the support services that QLDC provides to QLCHT.
- 3.10 QLDC support may, from time to time, be necessary to support the Trust's activities, including by way of written assurances or security in the form of guarantees of QLCHT's performance of obligations it incurs to third parties. QLDC may continue to provide performance guarantees on terms and conditions agreed in relation to any request by QLCHT that QLDC do so.

- 3.11 QLCHT may request QLDC support as provided for in clause 3.10 by providing to QLDC a proposal showing:
- (a) Why the support will advance QLCHT's aims;
 - (b) The potential exposure, financial and/or reputational, to the Council;
 - (c) What steps have been or will be taken to mitigate risks to QLDC;
 - (d) How QLCHT will indemnify QLDC;
 - (e) When and how the need for support will be ended, or the performance guarantee lifted.
- 3.12 QLCHT acknowledges that consideration by QLDC of a request for support may require consideration and ratification by the Governing Body of the Council.

4 Reporting and audit requirements

- 4.1 QLCHT will:
- (a) keep, store and maintain Affordable Housing Records in accordance with proper business/accounting practice and all applicable laws;
 - (b) make sure the Affordable Housing Records clearly identify specific criteria and/or information prescribed by agreed protocols; and
 - (c) report to QLDC in accordance with requirements and milestones agreed between the parties in respect of any affordable home offering.
- 4.2 Subject to applicable laws relating to privacy and protection of information, QLCHT will provide copies of Affordable Housing Records to QLDC as QLDC reasonably requires in order to assess progress of any affordable home offering. This may include, without limitation, Affordable Housing Records relating to progress on the parties' mutual objectives as set out in the Introduction. All information provided by QLCHT must be delivered within a reasonable time of the request.
- 4.3 QLCHT will co-operate with QLDC to provide information immediately if the information is required by QLDC to comply with its statutory reporting obligations.

5 Development of Affordable Home Offerings

- 5.1 QLCHT provides affordable home offerings within the Queenstown Lakes district through a range of mechanisms and ownership models. The parties will work together to develop a range of affordable home offerings in accordance with this Agreement.
- 5.2 QLDC proposes from time to time to make Contributions to be used by QLCHT in the provision of affordable housing offerings.
- 5.3 The parties will enter into written protocols to this Agreement recording the terms of any affordable home offerings developed by the parties for which it is anticipated that Contributions may be used.

- 5.4 The agreed protocol for an initial affordable home offering, the Secure Home Offering, is as set out at Schedule One.
- 5.5 Any future written protocol shall:
- (a) state the basis and operation of the affordable housing offering;
 - (b) once agreed, be executed by the parties and attached to this Agreement; and
 - (c) will be subject to the general provisions of this Agreement.

6 Limitations on Use of Contributions

- 6.1 Whenever QLDC proposes to provide a Contribution, the parties shall discuss the proposed use of the land and/or funding and record any agreement about its use in the agreement or other documentation used to record the Contribution.
- 6.2 Any Contribution must be used exclusively by QLCHT for the purposes for which the land and/or funding is provided.
- 6.3 QLDC expects that land provided by QLDC to QLCHT will be used by QLCHT for the affordable home offering under the relevant written protocol and will be retained by QLCHT notwithstanding any changes in relationship between QLCHT and QLDC or any internal or external restructuring or other changes to either QLCHT or QLDC. QLCHT may not sell, transfer or otherwise alienate such land without the written consent of QLDC.
- 6.4 All land acquired by QLCHT either by way of Contribution from QLDC or developed using funding procured or provided by QLDC will, at QLDC's election, be subject to an encumbrance in favour of QLDC on terms to be agreed in an applicable protocol.
- 6.5 Without limiting clause 4.2, QLCHT will provide copies of any Affordable Housing Records relating to the provision and use of land and/or funding described in clause 6.1, as QLDC reasonably requires.

7 Termination

- 7.1 The parties intend the relationship governed by this Agreement to be a long-term relationship, given the nature of the affordable housing issue that they intend to work together to improve.
- 7.2 The parties shall conduct periodic reviews of the operation of the Agreement and written protocols from time to time on an agreed, reasonable timeframe, in order to ensure that the Agreement remains fit for purpose having regard to its objectives and the objectives of the parties. The first review shall take place within three years of execution of the Agreement.
- 7.3 Either party may serve notice that it wishes to terminate this Agreement, but this Agreement may only be terminated by agreement and on terms agreed by the parties which ensure to the Council's satisfaction that any property transferred to the Trust under the Agreement will continue to be used for the purpose for which it was transferred. To reach agreement the parties shall hold good faith discussions for a period of three months from the date of the notice of proposed termination. Should

the parties fail to agree on such terms within that time, the Dispute Resolution process in clause 8.2 will apply.

8 Dispute Resolution


- 8.1 Should any dispute arise under this Agreement, whether concerning the construction or performance of this Agreement, or the rights and liabilities of the parties, the parties shall use their best endeavours to resolve the dispute within three calendar weeks through good faith discussions.
- 8.2 If the parties fail to resolve the dispute through good faith discussions, the dispute shall be referred to a mediator acceptable to both parties on terms acceptable to both parties.
- 8.3 In the event of the dispute or difference not being resolved by mediation within three months, then it shall be determined by a single arbitrator. That arbitrator shall be agreed between the parties, or failing agreement shall be appointed by the President for the time being of the Otago branch of the New Zealand Law Society. The arbitration shall be conducted in accordance with the Arbitration Act 1996.

9 General

- 9.1 On execution of this Agreement, all previous memoranda of understanding are terminated.
- 9.2 Both QLDC and QLCHT may from time to time be seen as individually or collectively the appropriate body to speak on community housing matters. Both parties therefore agree to communicate with the other in advance of any significant issue related to community housing. Wherever reasonably possible, a joint view on the matter in question will be a goal, but failing agreement, both parties will strive not to publicly criticise or undermine the position of the other party. Any challenges, problems, or criticisms of community housing may be directed to either QLDC or QLCHT. Each party's obligation is that all matters of complaint or issues that have the potential to reflect on policies or the wider community are to be alerted to the other party at the earliest possible time when they arise.
- 9.3 While it is the intention of each organisation to observe the confidentiality of information that may be shared in the normal course of the relationship, QLCHT recognises that QLDC is a statutory body and may have obligations to disclose information to other parties and to the wider public if requested.
- 9.4 If either party is required by law to disclose any information which has been obtained by them through undertaking the services they shall immediately notify the other party by telephone and in writing.
- 9.5 Both parties to this Agreement shall at all times act in accordance with the Privacy Act 1993, or any relevant codes of practice.
- 9.6 QLCHT acknowledges that QLDC is obliged to and shall act in accordance with its Regulatory Function. QLCHT shall have no right or claim against QLDC in its capacity as a party to this Agreement as a result of any lawful action or decision made by QLDC in the performance of its Regulatory Function.

Execution


Signed by and on behalf of **Queenstown
Lakes District Council**



Authorised signatory

Queenstown Lakes District Council

Signed by and on behalf of **Queenstown
Lakes Community Housing Trust**



Authorised signatory

Richard Thomas

Queenstown Lakes Community Housing Trust

Schedule 1 – Secure Home Programme Protocol

- 1 Where the Council and the Trust agree that a Contribution to be provided by the Council to the Trust is to be used by the Trust for the Secure Home Programme, this Protocol will govern the form of the transactions to be entered into.
- 2 The transactions set out in this Protocol may be subject to amendment from time to time to enable the Trust to continue adapting to circumstances and conditions but subject to agreement by the Council.

Registered Encumbrance

- 3 If the Contribution consists of land, the land shall be subject to an encumbrance in favour of the Council containing Council's rights to resume ownership of the land in the event of insolvency of the Trust.
- 4 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.

Secure Home Agreement/Registered Lease

- 5 The Trust will enter into an agreement with the intended occupant(s) of the land/home on the following terms (list is not exhaustive):
 - a. The occupant(s) have a right of exclusive possession of the land/home for 100 years or they have leasehold title;
 - b. The Trust has rights of inspection etc consistent with its interest in the reversion of the leasehold interest granted;
 - c. The occupant(s) pay an upfront payment and periodic rent at 1.5% of the land market valuation to the Trust with subsequent rent reviews indexed to CPI (All Indices);
 - d. On any event triggering transfer of the land/home back to the Trust, the Trust must implement the transfer and pay a reversion price.
- 6 On acquiring the reversion the Trust will enter into a new agreement with new occupant(s) with the occupant(s) paying an upfront payment no more than the reversion price. The periodic rent may be reset to 1.5% of the current market value and will be subject to subsequent rent reviews indexed to CPI.
- 7 On acquiring the reversion, the Trust may only use the land/home for any other affordable home offering if the basis of that offering has been documented as a protocol attached to this Agreement.

Mortgagee Deed

- 8 The Trust will enter into a Deed with any mortgagee of the occupant(s) for the upfront payment ensuring:

- a. The mortgagee will notify the Trust of any circumstances that mean lead to an event triggering transfer of the land back to the Trust;
- b. The mortgagee will notify the Trust if it issues any Property Law Act notice to the occupant(s).

Schedule 2 – Rental Programme Protocol

- 1 For contributions provided by the Council to the Trust for rentals, this Protocol will govern the form of transactions to be entered into.
- 2 The transactions set out in this Protocol may be subject to amendment from time to time to enable the Trust to continue adapting to circumstances and conditions but subject to agreement by the Council.

Registered Encumbrance

- 3 If the Contribution consists of land, or land and dwelling(s), the contribution shall be subject to an encumbrance in favour of the Council containing Council's rights to resume ownership of the land and dwellings(s) in the event of insolvency of the Trust.
- 4 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.

Rental Terms

- 5 The Trust will enter into an agreement with the intended occupant(s) of the land/dwelling on the following terms (list is not exhaustive):
 - (a) The occupant(s) can live at the Property in accordance with a separate Residential Tenancy Agreement, and QLCHT agrees not to terminate the lease in the first 5 years;
 - (b) The rent will be set at a fair market rate and an income based subsidy may be applied, discounting the rent to allow households to achieve savings and/or debt reduction goals;
 - (c) The Trust and the household will review their financial situation and goals regularly.

Qualifying Households

- 6 Households which qualify for an income related rent subsidy through a New Zealand government agency may also be approved for an agreement to rent a Trust Property under the Trust's Public Housing Rental Protocol.


Schedule 2 – Rental Programme Protocol (this document) is to be signed and added to the Relationship Framework Agreement (RFA) and Protocol 1, signed on 22 March 2019.

Date: 1/08/2022

Signed on behalf of Queenstown Lakes District Council

Name: JAMES BOULT

Position: Mayor

Signature: 

Signed on behalf of Queenstown Lakes Community Housing Trust

Name: Richard Thomas

Position: Chairman

Signature: 

Relationship Framework Agreement (Rental Protocol) – Final Version for Signing