

QLDC Council
14 December 2017

Report for Agenda Item: 8

Department: Planning & Development

Special Housing Area Expression of Interest: Bullendale

Purpose

- 1 The purpose of this report is to present the Bullendale Expression of Interest (**EOI**) for consideration for recommendation to the Minister for Housing and Urban Development (**the Minister**) as a Special Housing Area (**SHA**).

Executive Summary

- 2 This report to Council sets out how the Bullendale EOI is generally consistent with the Lead Policy (titled: Housing Accords and Special Housing Areas Act 2013 Implementation Guidelines) (**the Lead Policy**), which includes the affordable housing contribution. Peer reviews of the infrastructure and transport assessments have confirmed that in principle the site can be adequately serviced however further detailed investigation is required to assess whether or not any upgrades are required. Confirmation from the Department of Conservation in regards to the proposed stormwater solution is also required.
- 3 At a high level, the Bullendale EOI is considered to be consistent with the purpose of the purpose of the Housing Accord and Special Housing Areas Act (**the HASHAA**), the Queenstown Lakes District Housing Accord (**the accord**) and the Lead Policy although some further detailed investigation is required.
- 4 This report endorses that Council should approve in principle the recommendation of the Bullendale SHA to the Minister of Housing and Urban Development, subject to the negotiation of a Stakeholder Deed and qualifying development criteria, further investigation of the infrastructure (including connections to reserves) and confirmations from the specified Statutory Authorities (Aukaha) (formerly Kai Tahu ki Otago) and the Department of Conservation).

Recommendation

That Council:

1. **Note** the contents of this report and;
2. **Note** feedback received from the public will be provided to Councillors separately;
3. **Approve** in principle the potential development of the Bullendale Special Housing Area, subject to further consideration of the below requirements:

- a) Instruct the General Manager of Planning and Development to proceed with negotiation of the Stakeholder Deed that fulfils the infrastructure, parks and reserves (including trails, footpaths and connections) and affordable housing requirements of the Special Housing Area Lead Policy titled: Housing Accords and Special Housing Areas Act 2013 Implementation Guidelines;
 - b) The developer to obtain confirmation from the Department of Conservation that the proposed stormwater solution to increase flows over their land is acceptable;
 - c) Gain confirmation from Aukaha that the proposal is supported in principle; and
 - d) Negotiate qualifying development criteria for the proposed Special Housing Area.
4. **Instruct** Council officers to report back to the Council on the measures discussed in Point 3 above.

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30/11/2017

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Background

- 5 The purpose of the HASHAA is:

The purpose of this Act is to enhance housing affordability by facilitating an increase in land and housing supply in certain regions or districts, listed in Schedule 1, identified as having housing supply and affordability issues.

- 6 On 16 September 2016, the Housing Legislation Amendment Act 2016 (**the Amendment Act**) came into effect. One of the key changes of the Amendment Act is that the date for establishing SHAS and the date of repeal of the HASHAA had been extended by 3 years to 16 September 2019 and 16 September 2021 respectively. The implications of this are that any new Special Housing Areas (**SHAs**) will have until 16 September 2019 until they are disestablished.
- 7 On the 23 October 2014 the Council entered into the Queenstown Lakes District Housing Accord (**the accord**) with the Government. This was subsequently updated on 12 July 2017. The accord is “...a key tool to facilitate development in SHAs that align with the Council’s policy and regulatory framework (including the District Plan), and is therefore an important component of the Council’s approach to housing in the District”.

- 8 On the 24 November 2016 the Council adopted an amended Lead Policy (titled: Housing Accords and Special Housing Areas Act 2013 Implementation Guidelines) (**the Lead Policy**), to guide the Council's implementation of the HASHAA. This is seen as a live document and has been subsequently amended with the most recent version being adopted by Council on the 26 October 2017.
- 9 In total seven SHAs have been recommended By Council and subsequently approved by the Minister including:
 - Bridesdale Farm;
 - Onslow Road;
 - Arrowtown Retirement Village;
 - Arthurs Point;
 - Shotover Country;
 - Business Mixed Use Zone (Gorge Road) (This SHA has been re-established); and
 - Queenstown Country Club.
- 10 These SHAs will deliver a potential yield of approximately 885 residential units and bed aged care facilities, thus contributing significantly to the Council's obligations under the accord. With the exception of the Business Mixed Use Zone (Gorge Road) all of these SHAs have been disestablished.

Criteria and process for considering SHAs

- 11 The Council will consider each proposed SHA on its own merits. In addition, to the degree of consistency with the Lead Policy, other factors, such as planning and RMA matters, may be relevant to the Council's exercise of discretion to make a recommendation to the Minister. The below process is generally followed when assessing the EOI:

Step 1 - An initial consideration of an EOI to ensure it is consistent with the Council's intent, and there is sufficient information provided to be able to assess it;

Step 2 - Seek public feedback including statutory agencies and iwi;

Step 3 - Seek comments from internal Council departments and others as necessary;

Step 4 - Report to Full Council to consider whether or not to agree in principle the establishment of an SHA;

Step 5 - Should the EOI be accepted in principle, negotiate an appropriate Stakeholder Deed that fulfils the requirements of the Lead Policy (and other matters that are deemed to be relevant) and any other outstanding matters raised;

Step 6 - Council considers the draft Stakeholder Deed and makes a determination on whether or not to recommend the EOI to the Minister as a potential SHA; and

Step 7 - If Stakeholder Deed is agreed and signed, the proposed SHA will be recommended to the Minister.

- 12 Steps 1 to 3 have been completed and this report addresses Step 4. If the EOI is accepted in principle a subsequent report to Full Council will address Steps 5 and 6.

Bullendale Expression of Interest

- 13 The EOI for the proposed Bullendale SHA was submitted to Council on the 7 November 2017. The site is located at 117 Arthurs Point Road, Arthurs Point. The total area of the site is approximately 4.12ha and it adjoins the Arthurs Point SHA (located to the east of the subject site and is currently under construction). The proposal comprises of a residential development that is very similar to the approved development within the neighbouring site. The proposal site is located on the left hand side of Figure One below, while the approved Arthurs Point SHA development is shown on the right hand side.



Figure One: Proposed Site Layout (indicated on the left hand side)

- 14 The site is located in the following zones of both the Proposed and Operative District Plans:

Operative District Plan (ODP)	Proposed District Plan (PDP)
<ul style="list-style-type: none">• Rural General• Partly located within the Outstanding Natural Landscape• Low Density Residential• Building line restriction adjacent to Arthurs Point Road	<ul style="list-style-type: none">• Rural• Outstanding Natural Landscape• Low Density Residential• Partly located within the Urban Growth Boundary (UGB)• Building line restriction adjacent to Arthurs Point Road.

15 The site is located in an area that has a nil to low liquefaction risk and the rear portion of the site is identified as being a landslide area.

16 In summary the proposal will be predominantly residential and involves the construction of the following (these numbers will be subject to final resource consent):

Dwelling Type	Bedrooms	Total	Dwelling Type	Bedrooms	Total
House	2 bedroom	19	Apartment	1 bedroom	9
	3 bedroom	16		2 bedroom	32
	3.5 bedroom	4		3 bedroom	12
Total	17	39			53
Overall Total					92

18 Overall, the proposal provides for 2 car parking spaces per dwelling (184 in total). However, it is unclear from the EOI if this is allocated evenly to each dwelling.

19 The proposal also includes the vesting of reserves and roads with Council. The developer has also confirmed that they will satisfy the affordable housing requirements of the Lead Policy.

20 The EOI comprises of concept design plans and images of the Arthurs Point SHA, with supporting assessments from a planner, urban designer and engineers. The EOI forms part of **Attachment A**. It is noted that the same consultant team is involved in the development of the Arthurs Point SHA. The appendices to the EOI are not included in the published version of the agenda but are available on the Council's website: <http://www.qldc.govt.nz/your-council/your-views/bullendale-special-housing-area-expression-of-interest/>

Housing Accord Targets and potential yield

21 The Housing Accord sets the following targets:

Total number of dwellings and sections consented						
	Year 1	Year 2	Year 3	Year 3	Year 4	Year 5
	(24 Oct 2014 to 23 Oct 2015)	Oct 24 2015 to Oct 23 2016)	(Oct 24 2016 to 23 Oct 2017)	(1 Jan to 31 Dec 2017)	(1 Jan to 31 Dec 2018)	(1 Jan to 31 Dec 2019)
Targets	350	450 650	500 750	1100-1200	1200-1300	1300-1400
Actual	557	760	317 at the 30 April 2017			

- 25 The Accord targets were amended on the 12 July 2017 with the key changes being that these targets now relate to the entire district (Year 1 to 3 only relate to the Wakatipu Basin) and the reporting period for the targets is 1 January to the 31 December.
- 26 As noted above, 7 SHAs have been approved. These qualifying developments are anticipated to deliver a yield of approximately 885 units plus bed aged care facilities, thus contributing significantly to Council's obligations under the accord in the Wakatipu Basin, especially directly relating to the specified targets.
- 27 The Council has also recommended the re-establishment of the Business Mixed Use (Gorge Road) SHA that was approved via an Order in Council on the 14 August 2017. Approximately 100 to 150 apartments are anticipated to be delivered from this SHA.
- 28 The potential yield from the proposed SHA being considered in this report would contribute approximately 92 residential units (final numbers would be determined at the resource consent stage). The portion of the site that is zoned low density residential has an approximate yield of 15 residential allotments and a proposed yield of 27 residential allotments (removing 32% for roads and reserves) under the ODP and PDP respectively. The SHA process will significantly increase the yield. In this respect, the proposal, if accepted, is considered to be consistent with the purpose of the HASHAA, which is set out in paragraph 6 above.

Councils Lead Policy on SHAs

- 29 The developer has undertaken a review of the proposal against the Lead Policy. It should be noted that consideration of the Lead Policy is not a 'tick box' exercise – whilst important the Lead Policy provides a framework of relevant considerations for the Council to assess proposed SHAs, other factors, such as planning and RMA matters may be relevant to the Council's exercise of discretion to make a recommendation to the Minister. These still need to be considered in the context of the HASHAA's purpose of increasing housing supply. Full discretion lies with Council on whether or not to recommend an area to the Minister to be a SHA.
- 30 An assessment of the criteria for recommending a SHA to Government is set out further below.

Assessment of the Lead Policy's criteria

Location & Strategic Direction (Point 3.1 & 3.2 of the Lead Policy)

- 31 The majority of the subject site is zoned Low Density Residential Zone in the PDP, which has been identified in the Lead Policy as an area suitable for the establishment of a SHA (Category 1 of the Lead Policy). The rear half of the site is located in the Rural Zone of the PDP and some dwellings are proposed to be located in this area.
- 32 The Lead Policy is consistent with the strategic direction set out in the PDP. In particular, Goal 3.2.2 of the PDP specifies:

Ensure urban development occurs in a logical manner:

- to promote a compact, well designed and integrated urban form;
- to manage the cost of Council infrastructure; and
- to protect the District's rural landscapes from sporadic and sprawling development.

- 33 In particular, it emphasises the establishment of SHAs within existing or proposed urban areas that are contained within the proposed UGB of the PDP. The area of the site that is zoned Low Density Residential is located within the proposed UGB of the PDP, but the Rural Zoned portion is not. Only approximately 9 dwellings are proposed to be located in this portion of the site.
- 34 Notwithstanding the above, it is recommended that the entire site be included as an SHA and the merits of whether or not residential development is appropriate in the Rural zoned portion of the site are assessed in detail at the resource consent stage. Any qualifying development application would need to be supported by a landscape assessment. For example, in the Bridesdale and Queenstown Country Club SHAs, it was deemed inappropriate to locate any residential dwellings within the Outstanding Natural Landscape (**ONL**) and this aspect of the resource consent application was declined.
- 35 The developer's EOI notes that the site is not located on or adjacent to any sensitive natural environment. The ONL is considered to be a highly sensitive environment and any development within this portion of the site needs to be carefully considered in detail.
- 36 Overall, the proposal is considered to be well located for SHA purposes, particularly as the majority of the site that built form is proposed is located within the proposed Low Density Residential Zone and the UGB of the PDP.

Infrastructure (Point 3.3 of the Lead Policy)

- 37 A Three waters assessment has been prepared for the developer by Aurum Survey Consultants Limited (**Aurum**). This report forms part of the EOI. Aurum confirms the development can be serviced with existing services; however, they note that more detailed modelling is required. If Council agrees with the establishment of the SHA in principle, a Stakeholder Deed would need to be negotiated that secures the infrastructure requirements. This would be reported back to Council at a later stage. A summary of the report and Council Officer response is provided below.
- 38 As with all developments in SHAs, there would be an ongoing cost to Council for maintaining any vested services or reticulation constructed to service the development, but the Developer otherwise agrees to fund the planning and construction of necessary infrastructure.
- 39 The Council's Infrastructure Development Engineer (**Councils Engineer**) has undertaken a review of the information submitted as part of the EOI. In summary, Council accepts in principle that the site can be adequately serviced, subject to further investigation.

- 40 Aurum have confirmed that potable water demands and firefighting flows for the proposed site are expected to be available via the existing water main from the Arthurs Point SHA development. Due to the elevation gain throughout the development a booster pump may be required to service the upper dwellings. As a result, Aurum requested an update of the water pressure of the existing water main from Council. Council's Engineer has not been able to locate this request from the developer, but agrees that a detailed water model assessment would be required to determine the above water supply assumptions. The outcome of this modelling will be reported at the next Council meeting. The requirement to install a booster pump (if required) would be at the developers sole cost and would form part of any Stakeholder Deed.
- 41 In terms of the wastewater connection, Aurum has noted that connection to the Council wastewater network is available via an existing main in Arthurs Point Road or through the Arthurs Point SHA. As part of the Arthurs Point SHA it was assessed there was sufficient capacity within the existing network to cope with the increased levels of demand generated. However, a number of network elements downstream showed capacity issues, which were all known to Council. Council's Engineer has not been able to locate Aurum's request to further assess the network, but agrees that further investigation on downstream impacts and planned wastewater network upgrades is required. The outcome of this detailed modelling would be reported back to Council. Any identified wastewater network improvements/upgrades would be at the developers sole cost and would form part of the draft Stakeholder Deed.
- 42 Aurum have confirmed that subject to obtaining Department of Conservation (**DOC**) approvals for increase in flows through the existing approved outlet, there are no issues with connecting to the Council's network within the Arthurs Point SHA. Council's Engineer agrees there is capacity for stormwater discharges from the site via existing and new culverts that would drain under Arthurs Point Road to the DOC Creek. These flows would need to be detained to the 100 year predeveloped runoff flowrate. Council's Engineer agrees approval from DOC would be required for any discharge that changes the flows through these culverts. Council's Engineer notes that onsite stormwater management needs to be addressed to meet the QLDC Land Development and Subdivision Code of Practice and will be assessed prior to an alternative stormwater connection to the Atley road drainage network is considered. This requirement can be secured within the draft Stakeholder Deed.
- 43 A traffic assessment provided by the developer was prepared by Traffic Design Group (**TDG**). TDG have concluded that Bullendale Drive has been designed to be constructed to a standard that is capable of accommodating up to 200 residential dwellings and is therefore able to accommodate the additional traffic that is being proposed as part of the development. TDG have recommended that the shared pedestrian/cycle link adjacent to Arthurs Point Road be constructed to provide access to Arthurs Point Road opposite the legal extension of Atley Road. This would allow for the future opportunity to extend a shared pedestrian/cycle link on Arthurs Point Road and utilise the legal extension of Atley Road opposite.
- 44 The site is located adjacent to a bus route which has been approved as part of the Queenstown public transport improvements 2017. Existing bus stops are located approximately 300m to the east of the site on both sides of Arthurs Point

Road. However, no footpaths exist on either side of Arthurs Point Road. This is something else that needs to be further investigated.

- 45 Overall, TDG conclude that the proposal can be supported from a transport perspective. Council's Engineer has agreed with this conclusion. He supports the additional walking and cycling share paths proposed and the investigation of further links to public transport stops along Arthurs Point Road. The development cost of the necessary upgrades, including the installation of a crossing and footpath across the entire Arthurs Point Road frontage (if deemed necessary) would be borne by the developer and would form part of the draft Stakeholder Deed.
- 46 Further information has been requested from the developer in terms of capacities, as the transport assessment remains silent on the impact of the proposed residential flats. It is considered that this detail could be assessed at the time of the resource consent application, as well as compliance with the car parking requirements of the PDP (an issue raised by Council's Engineer).
- 47 Bell Consulting Ltd have undertaken a preliminary geotechnical review of the site which formed part of the EOI. The site is partly located on the Coronet Peak Landslide and partly on alluvial terrace sourced from the Shotover River in an area designated as 'possibly susceptible' to liquefaction. No alluvial fan hazard has been identified at the site. Geotechnical investigations are recommended to confirm the actual risk and extent of the affected areas. This is also consistent with the advice received from the Otago Regional Council, which is further discussed below.
- 48 Overall, all the proposed infrastructure is accepted in principle, however further detailed investigation is required to ensure that adequate infrastructure exists or is likely to exist. This includes a detailed assessment of the connections with existing reserves.

Affordability and Affordable Housing Contribution

- 49 The EOI would help to address housing supply issues by providing for a variety of compact townhouses situated on compact sections, with a particular focus on first time home owners. The developer has confirmed that 54% of the purchasers of dwellings (14 of the 26 that have been sold) within the Arthurs Point SHA have been to first time home owners. It is anticipated that a similar percentage would be first time home owners in the proposed SHA. The developer has advised that property speculation would be avoided as the whole development would be delivered by the developer, as opposed to vacant sections. The lot sizes from the dwellings also range in size from 150m² to 350m². The developer has had a lot of success with this model with a high portion of the Arthurs Point SHA residential units being sold to first time home owners.
- 50 The developer has confirmed they would satisfy the affordable housing requirements of the Lead Policy (10% contribution). If the EOI is accepted in principle, the details of this would be negotiated and form part of the Deed that would be reported back at a Full Council meeting in early 2018.

- 51 The proposed SHA is not to be used for visitor accommodation purposes. Clauses can be added to the Draft Deed to restrict the proposed SHA being used for short term rental/visitor accommodation, as identified by section 3.4 of the Lead Policy. This has been agreed with the developer.

Community Feedback

- 52 HASHAA does not set any statutory responsibilities in terms of consultation on the establishment of SHAs. However, the Council has sought public feedback / comment regarding the proposed SHA, which it has done for all SHA proposals. In addition, should the SHA be established, the consent authority may request the written approval of adjoining land owners if they are deemed to be affected and may undertake a limited notification resource consent process.
- 53 The EOI was placed on the Council's website on 13 November 2017, which is consistent with how other SHAs were considered. This process calls for feedback/comment to the Mayor and Councillors and closes on the 7 December 2017. Feedback will be collated and provided to Councillors and made public prior to the Council meeting on the 14 December 2017.

Quality and Design Outcomes (Point 3.7 of the Lead Policy)

- 54 The EOI integrates into its surroundings by reinforcing existing vehicular access ways and continuing a similar development to what has been approved within the neighbouring Arthurs Point SHA. Some concern is raised with the proposed layout, the level of development and its relationship with the residential properties to the west of site. This will be assessed in detail by a planner and urban designer once a resource consent application has been submitted. However, it is highlighted at this point to ensure the developer is aware of these initial concerns.
- 55 An 8m height limit currently applies to both the Low Density Residential and Rural General/Rural Zones of the ODP and PDP. For design reasons, the developer prefers that some flexibility is provided for height to enable three storey development with a basement car parking area. As the legislation specifies a default SHA height limit of 27m unless otherwise specified, it is recommended that a 12m height limit and four storey limit apply to the proposed SHA. A request was made to the developer to confirm what height would be appropriate and this is yet to be agreed with the developer. This would mean that if SHA status was conferred, and a subsequent application for a qualifying development was received by Council that exceeded this height limit or storey height, it would not be accepted as a 'qualifying development' under the SHA.
- 56 In terms of connections, Council's Reserves Department has noted that a development of this size should have a flat area for informal recreation such as kicking a ball around and ideally a playground, as the site is not within easy walking distance from an established playground. Further details of the proposed reserve have been requested from the developer. Ideally, any reserve would be centrally located with connections to the proposed and existing residential area.
- 57 The indicated connections to the open space are not formed or legal access ways (pedestrian and cycle way). It is not clear from the EOI if a pedestrian footpath/cycleway is proposed adjacent to Arthurs Point Road and how it connects with the existing residential development, Atley Road and the bus stops

on Arthurs Point Road. The connection to Atley Road is an unformed road reserve down a relatively steep incline. Further clarification has been sought from the applicant on these matters. This is a particular issue if the developer is relying on these connections as mitigation for a smaller onsite reserve and no playground. Any connections (if deemed appropriate by Council) and costs associated with this should be borne by the applicant and would form part of the draft Stakeholder Deed.

- 58 Any network trails should be developed in conjunction with the Council and the Queenstown Trails Trust. This requirement could also be included in a draft Deed.

Timely Development (Point 3.8 of the Lead Policy)

- 59 The developer has confirmed that they are motivated and willing to develop as soon as possible. The developer has delivered the residential development within the Arthurs Point SHA in a timely manner. The requirement to proceed in a timely manner would form part of the draft Stakeholder Deed.

Conclusion

- 60 In recommending the SHA to the Minister, the Council has to be satisfied that the proposal is generally consistent with the principles espoused in the Lead Policy. The majority of the portion of the site that is proposed for residential purposes is located on Low Density Residential zoned land that is within the proposed UGB in the PDP. The proposal targets a specific housing market (being first home owners), it would provide both a mixture of dwellings and apartments and different sizes sized dwellings (1 to 3 + bedrooms). Council's Infrastructure Department have confirmed that the proposal is acceptable in principle, subject to further investigation.
- 61 Council's Reserve Department has also raised concerns with the size of the reserves and the connections of the site with the neighbouring residential development and the existing reserves in Arthurs Point. Further information from the developer is required.

Agency Responses

Otago Regional Council (ORC)

- 62 Correspondence from ORC is included in **Attachment B**.
- 63 ORC has noted that there are a number of policies in the Regional Land Transport Plan ensuring all modes of transport are recognised and provided for. ORC have noted that for new developments it is important for footpaths on both sides of internal road and directly walking tracks from the back of the development to the main road. Connectivity between neighbouring development is also important. Further information has been requested from the developer.
- 64 ORC notes that the site is partly covered by a very large historic landslide (part of Coronet Peak Landslide) and partly on the old terraces of the Shotover River. ORC state there are likely to be very few hazard issues on the lower portion of the site.

65 Based on the concept plans, few of the dwellings are proposed to be located on the steeper historic landslide area, however there is some development proposed on the toe of the landslide. There is also the potential for sites in front of the landslide to be affected if it advanced onto the terraced area. The ORC has advised that large complex landslides flank much of the Wakatipu Basin area, and there is little data about their history or activity. It appears the landslide on the site has advanced onto the river terraces, implying it has moved since the terraces were formed, probably sometime since the last glacial period (~15,000 years ago).

66 A more detailed site investigation would need to address these matters and would form part of any resource consent application. The potential for rockfall or debris flows to impact the site is another matter that would need to be addressed. The ORC has noted that landslide features like this have been built upon in other parts in the broader Queenstown area, which includes the neighbouring site containing the Arthurs Point SHA.

Ministry of Education (MoE)

67 The MoE have advised that they expect minimal impact on the schooling network (primary and high school). MoE is planning for the expansion of both the Queenstown School and Wakatipu High School in response to ongoing residential development within the catchments of both these schools. Correspondence from the MoE is included in **Attachment C**.

Aukaha (formerly Kai Tahu Ki Otago) and Te Ao Marama Inc. (TAMI)

68 TAMI have advised that they have no comments at this stage and would like to stay updated on the projects progress.

69 Aukaha have not provided a response at the time of writing the Council report.

New Zealand Transport Agency (NZTA)

70 NZTA has advised (**Attachment D**) that the majority of the proposed SHA is located within the proposed UGB and within a developed area that is serviced by existing bus links. NZTA are supportive in principle of SHAs in the Arthurs Point area and are satisfied that the proposal is unlikely to have any immediate adverse effects on the safety, efficiency and functionality of the transport network.

71 The NZTA note that it is proposed to share lanes down the road to the edge pathway/cycle way to deliver pedestrian links along Arthurs Point Road. The nearest bus stop is located approximately 200m east of Bullendale Drive at Coronet Peak Hotel. NZTA have suggested that some consideration as to whether there is an opportunity to extend this path further to the east to connect with the bus stop, as this would assist the Queenstown Bus Service and would contribute to the sustainable management of the transport network. This is a matter that is being further investigated.

Planning Considerations

- 72 When the Minister considers a recommendation from a local authority to establish a particular area as an SHA, the Minister is required to consider whether:
- *adequate infrastructure to service qualifying developments in the proposed special housing area either exists or is likely to exist, having regard to relevant local planning documents, strategies, and policies, and any other relevant information; and*
 - *there is evidence of demand to create qualifying developments in specific areas of the scheduled region or district; and*
 - *there will be demand for residential housing in the proposed special housing area.*
- 73 Other than (by extension) considering these matters, HASHAA provides no guidance by way of specified criteria on what other matters local authorities may consider when deciding whether or not to make a recommendation to the Minister on potential SHAs. In particular, it does not indicate whether it is appropriate to consider ‘planning issues’, such as landscape, District Plan provisions, and previous Environment Court decisions.
- 74 However, the High Court in *Ayrburn Farm Developments Ltd v Queenstown Lakes District Council* [2016] NZHC 693 confirmed that:
- “...the HASHAA gave both the Minister and a local authority a discretion and, clearly, the actual location of areas of land to be recommended (and to that extent what could be described as planning or RMA matters) were always appropriate considerations in any such recommendation”.¹*
- 75 This decision confirmed the legal advice provided previously by Council’s lawyers, that planning considerations are relevant matters for Council to consider when deciding whether to recommend a potential SHA to the Minister. However, while these considerations are relevant, Council’s decision-making should remain focussed on the purpose and requirements of HASHAA and how to best achieve the targets in the accord. While the weight to be afforded to any consideration – including the local planning context – is at the Council’s discretion, HASHAA considerations are generally considered to carry more weight. The purpose of HASHAA has been set out in paragraph 6 of this report.
- 76 To this effect, targets have been set in the accord that Council has agreed with the Minister to meet.
- 77 In theory, all or most proposed SHAs are likely to be contrary to an ODP / PDP provision – an EOI would not be made for a permitted or a controlled activity. Therefore, a logical approach is to consider which plan provisions may have greater significance and which may therefore need to be given greater consideration.

¹ Paragraph 56

Urban Growth Boundary (UGB) and Landscape Matters

- 78 The majority of the residential development on the site is located within the proposed UGB of the PDP. It is noted that at this point in time Arrowtown is the only location in the District where an urban growth boundary is afforded statutory weight in the ODP. Currently the PDP has limited weight, with decisions on the Stage 1 chapters (which includes the position of the UGB) due in the first quarter of 2018. Urban development outside the UGB is not prohibited, but would require resource consent as a Discretionary Activity under the PDP. As noted earlier however, HASHAA's purpose is increasing housing supply, so an assessment that weighs up these competing matters is required.
- 79 UGBs have several purposes, not just protecting the 'edge' of urban areas. They also seek to ensure a distinction between urban and rural land uses, whether near town edges or not, and seek to discourage urban development in the countryside. It is noted that many of the approved SHA's are located outside of the proposed UGB of the PDP. These include; Arrowtown Retirement Village, Queenstown Country Club, Onslow Road and parts of Bridesdale, Arthurs Point and Shotover Country SHAs.
- 80 The determination of whether or not it is acceptable to locate residential development within the ONL needs to be assessed in detail as part of any resource consent application. The masterplan is currently showing approximately 9 of the residential units are located in the ONL (of both the ODP and PDP).
- 81 The developer is committed to a comprehensive and well considered design response that seeks to respond sensitively to the built and landscape character of the area. The acceptability of the proposed setbacks and mitigation measures will be assessed in detail as part of the resource consent application. Particular attention will need to be paid to the relationship with the ONL and the neighbouring residential properties to the west.
- 82 Conferring SHA status for the site only enables the potential for development. SHA status, in itself, and does not guarantee applications for qualifying developments will be approved. Planning matters (including UGBs, character / amenity and landscape issues) are a relevant and explicit consideration at the resource consent application stage as second, third and fourth tier considerations under HASHAA.

Options

- 83 Option 1: Accept in principle, the establishment of the Bullendale SHA subject to the negotiation of a Stakeholder Deed, further infrastructure assessment (including shared pedestrian/cycle links and connections to the reserves network) and confirmation from Department of Conservation and Aukaha.

Advantages:

- 84 Helps contribute to achieving the purpose of the HASHAA, advancing the principles and priority actions in the Housing Accord, and helps the Council to achieve the housing targets in the Housing Accord by enabling new housing aimed at first home owners to be constructed.

- 85 Generates a number of social and economic benefits (both short term and long term) such as the creation of jobs during the construction phase and long term benefits relating to the increased provision of the supply of a range of houses;
- 86 Contributes to affordable housing in the Wakatipu Basin;
- 87 Provides the opportunity for a Stakeholder Deed to be negotiated ensuring that the proposal is consistent with the Lead Policy and can be appropriately serviced, thus reducing the overall risks to Council; and
- 88 The proposal is considered to be generally consistent with the Council's Lead Policy, due to the majority of the site being located within the proposed UGB and the proposed Low Density Residential zone of the PDP. It is a logical extension of the Arthurs Point SHA.

Disadvantages:

- 89 The proposal has the potential to set a precedent for increased levels of residential density for sites along Arthurs Point Road. The site is not unique or distinguishable from many other sites that are located in this area and the granting of this SHA could lead to a precedent of further increased levels of residential development in this area.
- 90 Aspects of the proposal are considered to be inconsistent with the ODP and PDP, due to it promoting an increased level of density above the level promoted in the District Plans. In addition, part of the site is located outside the UGB and being zoned Rural General and Rural, in locations where the scale and density of development is not anticipated.

91 Option 2: Not recommend the proposed Special Housing Area to the Minister

Advantages:

- 92 Would help preserve District Plan integrity by avoiding a density of development that is inconsistent with the density stipulated in both the ODP and PDP.
- 93 Would avoid creating a precedent for an urban development that is not unique or distinguishable from many other sites in Arthurs Point.

Disadvantages:

- 94 Would forgo the opportunity of potentially providing housing option in the Wakatipu Basin area and potentially adversely impacting on Council's ability to meet its commitments under the accord.
- 95 Would forgo the short term and long term social and economic benefits offered by the proposed (outlined above).

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

Significance and Engagement

97 This matter is of high significance, as determined by reference to the Council's Significance and Engagement Policy because:

- **Importance:** the matter is of high importance to the District. Housing supply and affordability is a significant issue for the District;
- **Community interest:** the matter is of considerable interest to the community
- **Existing policy and strategy:** The proposal is considered consistent with the Housing Accord, and is generally consistent with the Council's Lead Policy. Some aspects of the proposal are generally consistent with the provisions of the ODP and PDP because urban development is anticipated on the residentially zoned portion of the site. However, the proposal also promotes increased levels of density to those anticipated by both the ODP and PDP, and proposes residential development on Rural zoned land that is located outside the UGB and within the ONL. This is not entirely consistent with either the ODP or PDP.
- **Capability and Capacity:** In principle it is accepted that the site can be serviced by existing infrastructure but further modelling is required in terms of water supply and waste water.

Risk

98 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 is because of economic, social, environmental and reputational risks.

99 This matter relates to this risk because the supply of housing is central to the current and future development needs of the community. In this instance, it is considered that the social and economic benefits towards the provision of housing and land packages that are targeted at first home owners are met. The subsequent resource consent assessment process under the HASHAA also provides the opportunity for further mitigation of risk.

Financial Implications

100 Under the HASHAA, developers are required to provide the necessary infrastructure to service their developments. Council negotiates Stakeholder Deeds to ensure the necessary infrastructure is provided.

Council Policies, Strategies and Bylaws

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

- Lead Policy for SHAs;
- The Operative District Plan;
- The Proposed District Plan;
- Growth Management Strategy 2007;
- Housing Our People in our Environment Strategy;
- Economic Development Strategy;

- 2016/2017 Annual Plan and the Long Term Plan; and
- Mayoral Housing Affordability Taskforce Report.

102 This matter is partly included in the 10-Year Plan/Annual Plan, due to the fact that some level of development is anticipated on the site. Further investigation will confirm whether or not any upgrades are required.

Local Government Act 2002 Purpose Provisions

103 The proposed resolution accords with Section 10 of the Local Government Act 2002, in that it fulfils the need for good-quality performance of regulatory functions.

104 The recommended option:

- a. 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 utilising the HASHAA to enable increased levels of residential development on the proposal site;
- b. Can currently be implemented through current funding under the 10-Year Plan and Annual Plan;
- c. Is considered to be generally consistent with the Council's plans and policies; and
- d. Would alter the intended level of infrastructural service provision undertaken by or on behalf of the Council.

Consultation: Community Views and Preferences

105 HASHAA does not set any statutory responsibilities in terms of consultation on the establishment of SHAs. However, the Council has sought public feedback / comment regarding the proposed SHA, which it has done for all SHA proposals. In addition, should the SHA be established, the consent authority may request the written approval of adjoining land owners if they are deemed to be affected and may undertake a limited notification resource consent process.

106 The persons who are affected by or interested in this matter are neighbours adjoining the proposed SHA site, and more generally the wider Wakatipu Basin community. There is also likely to be some wider community interest in the EOI in Queenstown, given the high cost of housing across the District.

107 The Council has also provided for community comment/feedback process on the EOI, consistent with how other EOIs were considered. The process calls for feedback to Councillors and closes on 7 December 2017. Feedback will be collated and provided to Councillors and made public prior to the Council meeting on 14 December 2017.

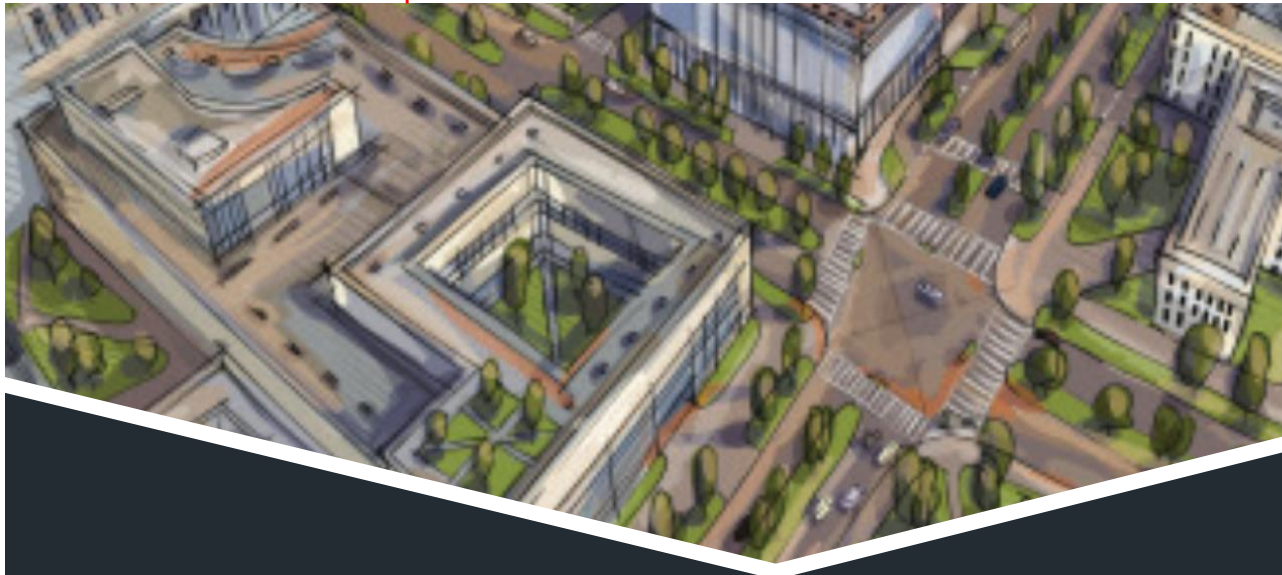
Legal Considerations and Statutory Responsibilities

108 HASHAA is the relevant statute with its purpose detailed in paragraph 6 of this report.

- 109 As stated previously, HASHAA provides limited guidance as to the assessment of potential SHAs, beyond housing demand and infrastructure concerns. HASHAA is silent on the relevance of planning considerations; however the Council's legal advice is that these are relevant considerations and this has been confirmed by the recent High Court decision. The weight to be given to these matters is at the Council's discretion, having regard to the overall purpose of HASHAA. These matters have been considered in this report.
- 110 The Council will need to consider the consistency of any decision to recommend this SHA to the Minister and its decision in July 2015 to notify the PDP which maintains the sites as Low Density Residential / Rural Zone. However, the majority of the proposal site is located within the proposed UGB and it adjoins an existing urban area being Arthurs Point. The proposal is considered to be generally consistent with the Lead Policy, the accord and the purpose of the HASHAA.
- 111 In this instance the provision of houses outweighs the adverse effects of proceeding with a development that promotes increased levels of development anticipated by the ODP and PDP.
- 112 The Proposal would help achieve the purpose of HASHAA.

ATTACHMENTS

- A Bullendale Expression of Interest
- B Agency Response – Otago Regional Council
- C Agency Response – Ministry of Education
- D Agency Response – New Zealand Transport Agency



STRATEGIC PROBLEM SOLVING FOR INNOVATIVE OUTCOMES



Bullendale Developments Limited

Expression of Interest:

Arthurs Point Special Housing Area Extension

November 2017

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Appendices

Appendix 1 – Computer Freehold Register

Appendix 2 – Urban Design Assessment

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Executive Summary

Bullendale Developments Limited, in association with Frank Tomasi and family (current owners of the land), submits this Expression of Interest (EOI) for the site legally described as Lot 2 DP 12913, for consideration as an extension to the existing Arthurs Point Special Housing Area (SHA).

The EOI comprises a master-planned residential development scheme. The scheme comprises a medium density proposal consisting of townhouses on compact sections.

The proposed SHA extension has been designed to deliver a seamless development extension from the existing SHA development on the adjoining land (legally described as Lot 1 DP 12913). Roding connections stitch the sites together, as does a consistent urban design approach. It is consistent with Council's Implementation Policy on Special Housing Areas, and the statutory considerations under the Housing Accords and Special Housing Areas Act 2103.

Of particular note, the SHA will:

- Provide significant additional housing supply to Queenstown in a timely manner;
- Provide increased diversity of housing options to the Queenstown market;
- Provide new housing that is priced at a 'market affordable' price point, through the use of small section sizes and compact and efficient housing designs;
- Be underpinned by a comprehensively designed, cohesive master plan based on best practice urban design principles;
- Be adequately serviced by infrastructure.
- Reinforce an evolving 'village' node of development at Arthurs Point, located adjacent to the Queenstown Bus Service bus stop.

Bullendale Developments Limited commit to the 10% Community Housing contribution as specified in Council's Implementation Policy on Special Housing Areas.

Most importantly, Bullendale Developments Limited have demonstrated, with the Bullendale development currently well into construction, that they will deliver well designed housing solutions to a high standard at 'market affordable' price points. This should give Council the confidence that Bullendale will continue to deliver much needed housing into the Queenstown market efficiently and in a timely manner.

1. The Bullendale Proposal

1.1 The Bullendale Team

The Tomasi Family

The Tomasi Family are the owners of the land.

Mr Gianfranco (Frank) Tomasi is a leading figure in Australia's peak electrical industry body the National Electrical and Communications Association (NECA) and was awarded an Order of Australia in the 2013 Australia Day Honours List. Mr Tomasi has a strong and long standing background in the Australian electrical industry. Mr Tomasi's electrical contracting interests have in the past contracted in New Zealand providing support to major mining operations. Mr Tomasi has owned the Arthurs Point site since 2006.

The March Family

The March Family is well known for their involvement in New Zealand's mining industry.

The family's mining story began in 1983, with their first mining venture in the Kawarau River in Gibbston Valley. The March's went onto establish robust mining operations in the nearby Shotover River in Skippers Canyon - an area renowned for its isolation, cold climate and flooded rivers. They mined there until recently when they shifted to a large and successful open cast operation in Southland's Waikaka Valley.

Momentum Projects – Development Manager

Mr Fairmaid is the director of Momentum Projects and is one of New Zealand's leading project managers. Mr Fairmaid has considerable experience in land and property development and is involved in multiple residential developments across the South Island.

Mr Fairmaid's primary focus is on moving projects forward smoothly and efficiently for his clients, to ensure their build is completed on time and as planned. In partnership with the March Family, Mr Fairmaid has been instrumental in driving the successful execution of the Bullendale housing development currently progressing in the Arthurs Point SHA.

1.2 The Arthurs Point SHA Extension Site

The existing Arthurs Point SHA comprises the site with the legal description of Lot 1 DP 12913. The land is currently being developed, with completion of all stages anticipated by 2020.

This EOI proposes extending the existing SHA westwards, to incorporate the land legally described as Lot 2 DP 12913. The title for the site is attached as **Appendix 1**.

Similar to the land on the existing SHA site, the site slopes up gently / moderately from the Arthurs Point frontage to the top of the site (the site slope steepens through its mid to upper portions). Much of the

upper slope of the site is vegetated with wilding pines (to be removed).

An existing house is located on the property, just below the mid portion of the site. This house would be demolished to facilitate the proposed development.

While the site has characteristics more akin to a rural residential property, the lower half of the site is zoned Low Density Residential in both the Operative and Proposed Queenstown Lakes District Plans. Development of the site will form a natural development linkage between the development underway on the established Arthurs Point SHA, and the established residential subdivision in Arthurs Point.

Several residential properties adjoin the western boundary of the site. Like the subject site, these properties are zoned Low Density Residential. These properties contain large areas of mature trees, and trees running along the common boundary of the subject site provide a good level of screening between the properties.

1.3 Proposed Urban Design and Development Approach

The urban design approach to the masterplanning of the site is comprehensively set out in **Appendix 2** to this EOI.

The proposed development will attain vehicular access from the roading network being developed on the land to the east of the site in the existing SHA development. This means that the development will not require a further vehicle access from Arthurs Point Road. Within the development, the following proposed roads are to be vested:

- Lane – serving 20 residential dwellings or less, legal width 9m with target operating speed 20km/hr. This allows for parking and pedestrians to share the carriageway with vehicles.
- Local roads – serving 200 residential dwellings or less, legal width 15m with a target operating speed 30km/hr. These roads require footpaths both sides and indented car park bays.

A full unit typology is enclosed in the masterplan documentation in Appendix 2. The masterplan illustrates a total 91 dwellings of which 50 (55%) are in the walk-up terraced apartment configuration and the balance are low-level semi-detached and free-standing dwellings. While a developed concept for resource consent may reduce the percentage or number of Walk-up Terraces, this typology was designed for (but not utilised in Bullendale) dual-key self-contained ancillary units – and implementing this innovation would maintain an equivalent yield. Consequently the 91 dwelling outcome represents a ‘deliverable’ yield to underpin the EOI but the levels of 1 or 2 bedroom dwellings is hard to cement, suffice to say it will be significant.

The design utilises all of the same housing types as are being used in Bullendale, and will have maximum building heights of 4 storeys, or 3 storeys above the basement/ground level car park. This is not only to maintain a visual coherence but also because these have been proven to be desirable and cost-effective to deliver for first home buyers.

The walk-up terraced apartment buildings have been sited with consideration for cost-effective extension of the wood-chip fuelled central heating system being considered for Bullendale. This innovation will be a significant contributor to reducing utility costs and delivering a high-quality living

environment for apartment dwellers – contributing to affordability outcomes.

The area of reserves/open space for the development equates to a total area of 1,500m² of the development site. Bullendale is undertaking ongoing consultation with Council's Reserves team.

1.4 Proposed Architectural Approach

Foley Architects undertook the architectural design for the Bullendale development. Foley will be reengaged to develop the house designs for the SHA extension site.

As outlined above, similar dwelling types will be utilised for the SHA extension. In addition, the architectural 'language' will be similar, with some opportunity for subtle variations.

2. Statutory and Council Policy Considerations for the Assessment of Potential Special Housing Areas

2.1 Housing Accords and Special Housing Areas Act

In terms of establishing Special Housing Areas (as distinguished from assessing Qualifying Development applications within established SHA's) the key statutory matters are set out in Section 16(3) of HASHAA:

The Minister must not recommend the making of an Order in Council under this section unless the Minister is satisfied that—

- (a) adequate infrastructure to service qualifying developments in the proposed special housing area either exists or is likely to exist, having regard to relevant local planning documents, strategies, and policies, and any other relevant information; and*
- (b) there is evidence of demand to create qualifying developments in specific areas of the scheduled region or district; and*
- (c) there will be demand for residential housing in the proposed special housing area.*

While the matters relate to the Minister of Housing's decision making functions, it follows that Council must be satisfied as to these matters in order to recommend a SHA to the Minister.

With regard to the question of 'adequate infrastructure', the majority of the site subject to development is zoned Low Density Residential which contemplates the potential for comprehensive residential development at relatively high densities. Council asset plans would have taken into account the future potential development of this and other under-developed sites in Arthurs Point, and development contributions will be charged against any development to fund future infrastructure upgrades in the area. Only a very small area of development will extend above the boundary between the Low Density Residential zone and the Rural zone, and as this part of the development is contiguous with the development below, contained within the Low Density Residential zone, there will be seamless provision of infrastructure.

Aurum Consultants have undertaken an assessment of water, stormwater and wastewater infrastructure capacity to service the development. Their report is attached as **Appendix 3**. While the masterplan shows a yield of 91 dwellings, Aurum have taken a conservative view, assuming the development of 100 dwellings.

Aurum conclude:

'Based on the existing services within close proximity to the proposal it is understood capacity is available to adequately cater for this development.'

Meanwhile, Jason Bartlett Consulting have undertaken a transport assessment to confirm that roading infrastructure in the locality is adequate to cater for the proposed development. The traffic assessment report is attached as **Appendix 4**. The assessment concludes:

'It is considered that the existing transport infrastructure, including the construction of consented infrastructure at Bullendale, will be able to accommodate the additional transport demands of the proposed Tomasi SHA.'

David Bell of BG Consultants has advised that there are no geotechnical issues with establishing foundations at the lower part of the site consisting of the alluvial terrace. Further investigation is required for the upper part of the site for the dwelling foundations and roading due to the Coronet Peak Landslide, although it is noted that infrastructure can realistically be installed (refer to **Appendix 5**).

With regard to the matters of demand, sales data over the past two years shows strong ongoing demand for housing in Queenstown. The Queenstown Housing Accord between Council and central government is predicated on the strong evidence of population growth and high levels of housing demand in the district.

Section 15 of HASHAA sets out the criteria that may be prescribed for 'Qualifying Developments' in SHAs. The criteria include maximum building heights, maximum number of storeys, minimum number of dwellings. With regard to these matters, the following criteria are proposed:

Maximum Building Height: 27m

Maximum Number of Storeys: 4

Minimum Number of Dwellings: 3

2.2 Queenstown Lakes District Council's 'Housing Accords and Special Housing Areas Act 2013 Implementation Policy' (24 November 2016)

Council's Implementation Policy sets out 8 Objectives that frame Council's overall approach to the Housing Accord and Special Housing Areas. The objectives are outlined below and commented on.

1. Recommendation of special housing areas facilitates an increase in land for housing supply.

As the lower half of the site (over which the majority of the development is occurring) is already zoned Low Density Residential, SHA status in and of itself does not in itself facilitate a significant increase in land *area* for housing supply. However, SHA status for the land allows for greater design flexibility and housing yield, through levels of density higher than what might be contemplated by the Low Density Residential zoning. In addition, the streamlined consenting process associated with SHA status assists significantly with the risk profile of development, which enables the development to be brought forward with greater speed and confidence.

2. *Special housing areas are established in appropriate locations, where there is evidence of demand for residential housing.*

As outlined above, The Queenstown Housing Accord is predicated on the fact that there is evidence of strong demand for residential housing existing in the District.

The proposed SHA is considered to be in an appropriate location. The majority of the land that is being developed has a zoning of Low Density Residential under the Proposed District Plan, and is located within the Queenstown Urban Growth Boundary in the Proposed District Plan. A minor proportion of the development is proposed to occur just above the boundary of the Low Density Residential zone, within a very small area of the Rural zone.

The development of the site as a coordinated 'extension' to the existing development occurring on the established Arthurs Point SHA site immediately to the east is logical and desirable.

The site has excellent access to Queenstown, either by private motor vehicle or bus.

3. *The establishment of special housing areas accords with the Council's overall strategic direction for urban development in the District.*

The establishment of the SHA accords with the Council's overall strategic direction for urban development in the District. The majority of the proposed development sits within the Queenstown Urban Growth Boundaries shown in the Proposed Queenstown Lakes District Plan, and is consistent with the expectations for urban growth and form espoused in the Strategic Direction and Urban Development chapters of the Proposed Plan. Only a minor proportion of the proposed development extends a short distance above the Urban Growth Boundary and into the Rural Zone. Overall, this is considered a minor and non-consequential policy divergence.

4. *Adequate infrastructure exists or is likely to exist to service qualifying developments in special housing areas.*

As outlined above, adequate infrastructure exists to service any qualifying development that may occur in the SHA.

5. *Qualifying developments within special housing areas take a proactive approach to improving housing affordability issues by providing an appropriate mix of housing options including housing for owner occupiers, first home buyers, accommodation for workers, and facilitating the provision of community housing.*

The masterplan for the development builds on the development approach advanced on the adjoining land to the east in the existing SHA, whereby compact townhouses are delivered on compact sections to deliver 'market affordable' housing. These housing typologies have wide ranging and flexible applicability, providing options for owner occupiers, first home buyers, and 'workers'. Furthermore, Bullendale have engaged in preliminary discussions with the Queenstown Community Housing Trust.

6. *There is community feedback as part of the establishment of proposed special housing areas.*

Council will manage a process of community feedback following submission of this Expression of Interest.

7. *The development of special housing areas will achieve high quality urban design outcomes.*

The SHA development vision is underpinned by strong urban design principles. Urban Designer Bruce Weir (The Property Group) has advanced an urban design structure for the site, which seeks to enhance community wellbeing through a design that:

- Fosters strong connectivity within the development and with other adjacent developments and wider Arthurs Point;
- Provides for a permeable transport network;
- Provides for diversity and housing choice;
- Utilises green spaces and lanes to provide good amenity for residents.

8. *Development of housing in special housing areas occurs as quickly as practicable.*

Development within the proposed SHA is planned to be delivered promptly, building on the team and resources that have been mobilised for the development currently occurring on the existing SHA site to the east.

2.3 Council Criteria for Assessing Special Housing Area Proposals

Section 3 of the Council's Lead Policy sets out the criteria that council will use to assess SHA proposals, in addition to the statutory considerations.

The criteria are addressed under the headings below:

1. **Location**

This criterion relates to Council's categorization of land in the District, into 3 categories:

a. Category 1 includes areas that are considered suitable for establishment as special housing areas. These areas have been identified or zoned in the Proposed District Plan for residential development or intensification and/or are located within the proposed urban growth boundary. Category 1 areas are listed in Attachment A.

b. Category 2 includes areas that may be suitable for establishment as special housing areas, subject to further assessment against this policy. This category can only be updated following resolution by full Council, which includes the addition and removal of areas from this category. The Council will not accept proposals or EOIs from landowners or developers to include areas on this schedule. Category 2 areas are listed in Attachment A.

c. Category 3 includes areas that are not considered suitable for establishment as special housing areas. Category 3 areas are listed in Attachment A.

Attachment A of Council's Implementation Policy outlines that the following zoned areas within the Queenstown Urban Growth Boundaries of the Proposed District Plan are Category 1 locations:

• Low Density Residential Zone; • Medium Density Residential Zone; • High Density Residential Zone; and • Business Mixed Use Zone. This excludes any land that is located within the Queenstown Airport Air Noise Boundary and Outer Control Boundary.

The majority of the proposed SHA is zoned Low Density Residential under the Proposed District Plan. As noted above, a minor proportion of the proposed development is located just outside of the Urban Growth Boundary, which is considered to have minimal impact.

2. Strategic Direction

The Lead Policy criterion states:

The Council will consider proposed special housing areas in light of its overall strategic direction for development in the District. This includes ensuring that urban development occurs in a logical manner:

- to promote a compact, well designed and integrated urban form;*
- to manage the cost of Council infrastructure; and*
- to protect the District's rural landscapes from sporadic and sprawling development.*

This includes establishing special housing areas within existing urban areas, or proposed urban areas in the Proposed District Plan, including those that are anticipated to fall within urban growth boundaries.

The proposed SHA is generally consistent with this criterion. The majority of the proposed development is zoned residential, and located within Queenstown's Urban Growth Boundary, in the Proposed District Plan. The slight extension into the adjoining Rural zone is of limited consequence, and due to the steep slope of the upper reaches of the site will not lead to sprawling development beyond this point.

The proposal is assessed against the Strategic Direction (Chapter 3) objectives and policies of the Proposed District Plan, and as outlined below, considered to be consistent with these.

1. Develop a prosperous, resilient and equitable economy.

Affordable housing is central to the development of a prosperous, resilient and equitable economy. The proposal will contribute to the provision of affordable housing which will help achieve these economic outcomes.

2. *The strategic and integrated management of urban growth.*

The proposal is an extension of the consented (and under construction) Arthurs Point SHA located to the east of the site. The proposal mimics the general site layout, varying unit typology, and amenities, to represent an integrated and cohesive residential development that will be developed over time (i.e. in stages). The residential development is relatively compact in form and concentrated at the lower slopes of the sites adjacent to Arthurs Point Road. This also enables ease of access and connection to public infrastructure.

The majority of the proposed development is located within the Queenstown Urban Growth Boundary, and integrated urban development is further promoted by virtue of the site's location on a public transport route, near a bus stop. Along with other large scale development under construction or planned at Arthurs Point, the Queenstown Bus Service will receive significant patronage support from development at this node.

3. *A quality built environment taking into account the character of individual communities.*

The proposal residential development of the site will seamlessly integrate with the adjoining approved (and under construction) Bullendale SHA to the east. As proposed, the unit layout, typology, character and onsite amenities are an extension of the consented/existing Bullendale development. The sympathetic building heights and scale of the development will not dominate the local environment, rather integrate with the mixed residential/visitor accommodation character of the area. Further the inclusion of affordable units provides a more inclusive community.

4. *The protection of our natural environment and ecosystems.*

The proposed development is focused around the lower part of the sloped site, closest to Arthurs Point Road and where the development will seamlessly integrate with the adjoining Bullendale development to the east. The upper and steeper parts of the slope remain protected from development. The site is not located on or adjacent to any sensitive natural environments. Accordingly, there are no adverse effects on the natural environment (that are not adequately mitigated) or on any known notable ecosystems.

5. *Our distinctive landscapes are protected from inappropriate development.*

As outlined above, the majority of the proposed development is for the lower parts of the site directly adjacent to Arthurs Point Road. Part of the proposed development will extend by a small margin into the Outstanding Natural Landscape, however this represents a small encroachment into this landscape that, in the context of the overall contiguous development, is not considered to be inappropriate development.

6. *Enable a safe and healthy community that is strong, diverse and inclusive for all people.*

The variety of unit typology provides for and accommodates a diverse community. The development intends to provide a variety of site and unit sizes, and varying unit/dwelling height, which creates an individual yet cohesive residential environment. The incorporation of affordable housing as part of the development also achieves this. Strong consideration and analysis of onsite amenity (i.e. providing parks, open spaces) of the development and private spaces of the units ensures a safe and enjoyable environment for residents.

Overall, the proposal is consistent with these objectives and policies and therefore achieves the strategic direction of the Proposed District Plan.

3. Infrastructure

This matter has been addressed under the relevant objective above.

4. Affordability

The Lead Policy criterion states:

Housing affordability is a key issue for the Queenstown Lakes District. The Council is committed to ensuring that as development takes place across the District, the provision of affordable housing is incorporated as part of each development. The Council is particularly interested in ensuring that affordability is retained overtime. The Council expects landowners and developers to identify appropriate mechanisms to ensure that housing developed in a special housing area addresses the district's housing affordability issues. The Council considers that an appropriate mix of housing is necessary in the district, including housing for owner-occupiers, first home buyers, and accommodation for workers. Examples of mechanisms to achieve affordability may include:

- *a range of appropriately sized sections (including smaller sized sections of 240-400m²);*
- *a mixture of housing typologies and sizes is also desirable;*
- *the nature of any covenants (or similar restrictions) imposed on sections;*
- *methods to reduce property speculation of vacant sections; and*
- *methods to retain affordability in the medium to long term. Housing developed in special housing areas will be expected not to be used solely for visitor accommodation and landowners and developers should identify an appropriate legal mechanism for securing this outcome.*

The advancement of the proposed SHA proposal has placed these matters at the centre of design considerations. The proposal focuses on an 'Affordability by Design' approach. Central to this is the

provision of compact townhouses sited on compact sections.

Property speculation of vacant sections will be avoided as the whole development will be delivered by the developer, as opposed to a model whereby single or multiple vacant sections are sold to individual parties, and potentially speculated on.

5. Affordable housing

As outlined above, a strong 'Affordability by Design' approach to the proposed master planning of the development scheme has been undertaken.

Bullendale Developments Limited confirms that it will satisfy the affordable housing requirements of the Lead Policy. The precise details of any agreement will be worked through carefully with Council and the Community Housing Trust.

6. Community feedback

The Council will seek community feedback on all proposed special housing areas. This will include the Council seeking advice from the New Zealand Transport Agency, Ministry of Education, Otago Regional Council, Local Iwi and any other parties considered to be relevant to the consideration of a special housing area.

7. Quality and design outcomes

The Council will expect all qualifying developments in special housing areas to achieve high quality urban design outcomes. The Council's development quality expectations are set out in Attachment C.

The SHA proposal is considered to meet and even exceed the Council's design expectations.

It is noted that in reviewing the recent Bullendale SHA qualifying development, preeminent Urban Designer Garth Falconer stated:

Overall the applicant's urban design assessment and the architectural set are clear and comprehensive and outline the way in which stage three of Bullendale is indeed developing to be an exemplar development.

The Proposed SHA extension will build on the approach taken in the Bullendale development, to continue and build on the exemplar approach.

8. Timely development

The Council wishes to see evidence that the special housing area proponent is motivated to obtain resource consent before the repeal of HASHAA and to implement the resource consent in a timely

manner, such that the development assists in addressing the District's housing supply and affordability issues.

Assuming the SHA is established, Bullendale is strongly motivated to obtain resource consent before the repeal of HASHAA. This is for Bullendale's own commercial reasons, but also reflects the fact that obtaining a SHA represents a 'Use it or Lose it' scenario of development rights, as the density and therefore yield of development contemplated in the SHA is significantly higher than that contemplated by the site's Low Density zoning under the Proposed District Plan.

Council should gain confidence in Bullendale's commitment to building the housing proposed in this SHA with their performance in promptly delivering housing on the existing Arthurs Point SHA site.

3. Conclusion

Bullendale appreciates Queenstown Lakes District Council's consideration of this EOI.

We consider that the proposed SHA will contribute significantly to the social, economic and environmental wellbeing of the Queenstown community, by delivering affordable housing to the community in an appropriate location, underpinned by strong urban design principles.

Anita Vanstone

Subject: FW: Proposed SHA - Bullendale Expression of Interest - ORC initial comment
Attachments: ArthursPt3.jpg; ArthursPt2.jpg; ArthursPt.jpg

From: Warren Hanley [<mailto:warren.hanley@orc.govt.nz>]
Sent: Wednesday, 22 November 2017 4:16 PM
To: Anita Vanstone
Subject: Proposed SHA - Bullendale Expression of Interest - ORC initial comment

Hi Anita,

Thank you again for the opportunity for ORC to provide some feedback. I've gone to ORC staff and received the following comments. If you have any questions or want clarifications/further information, please feel welcome as always to come back to me.

Walking Provisions:

Otago has a joint Regional Land Transport Plan with Southland. It has a number of policies for ensuring all modes of transport are recognised and provided for. For new developments, it is important to provide for footpaths on both sides of internal roads, and direct walking tracks from the back of the development to the main road please – not ones that wind around. In part this is to support people being able to connect with other forms of transport, such as public transport, effectively. Connectivity between neighbouring developments is also important to provide for either at the time, or ensuring there is provision for future connectivity. ORC's Transport plans can be found here: <https://www.orc.govt.nz/plans-policies-reports/transport-plans>

Natural Hazards:

Without more detailed site information, further detailed comment is difficult to provide. However, ORC's Natural Hazards team provided the following:

The proposed site is partly covered by a very large landslide complex (part of the Coronet Peak Landslide), and partly on old terraces of the Shotover River.

There are likely to be few geotechnical or hazard issues with the lower part of the site on the old terraces.

Based on the concept plans, there are not proposed to be many dwellings located on the steeper landslide area, however there is some development proposed to be on the toe of the landslide. There is also the potential for sites in front of the landslide to be affected if it advanced onto the terraced area.

Large complex landslides flank much of the Wakatipu Basin area, and there is little data about their history or activity. It appears the landslide on the site has advanced onto the river terraces, implying it has moved since the terraces were formed, probably sometime since the last glacial period (~15,000 years ago).

The attached figures show the site highlighted, with the adjacent landslide complex shaded yellow. There is clear evidence for landslide activity on the broader slope, but when this occurred or whether it is ongoing is unknown as far as I know. There appears to be a more recently active lobe of the landslide covering part of the proposed site, as shown outlined red in the attached figure.

These are the questions that more detailed site investigation would need to address, in addition to susceptibility to reactivation after an earthquake. The potential for rockfall or debris flows to impact the

site is another consideration. Note that landslide features like this have been built upon in other parts in the broader Queenstown area.

There may be some additional comment from our passenger transport team but as yet I haven't received this – they have been busy with the set-up of Orbus in Queenstown. But in the interests of meeting the deadline I wanted to provide this feedback to you now.

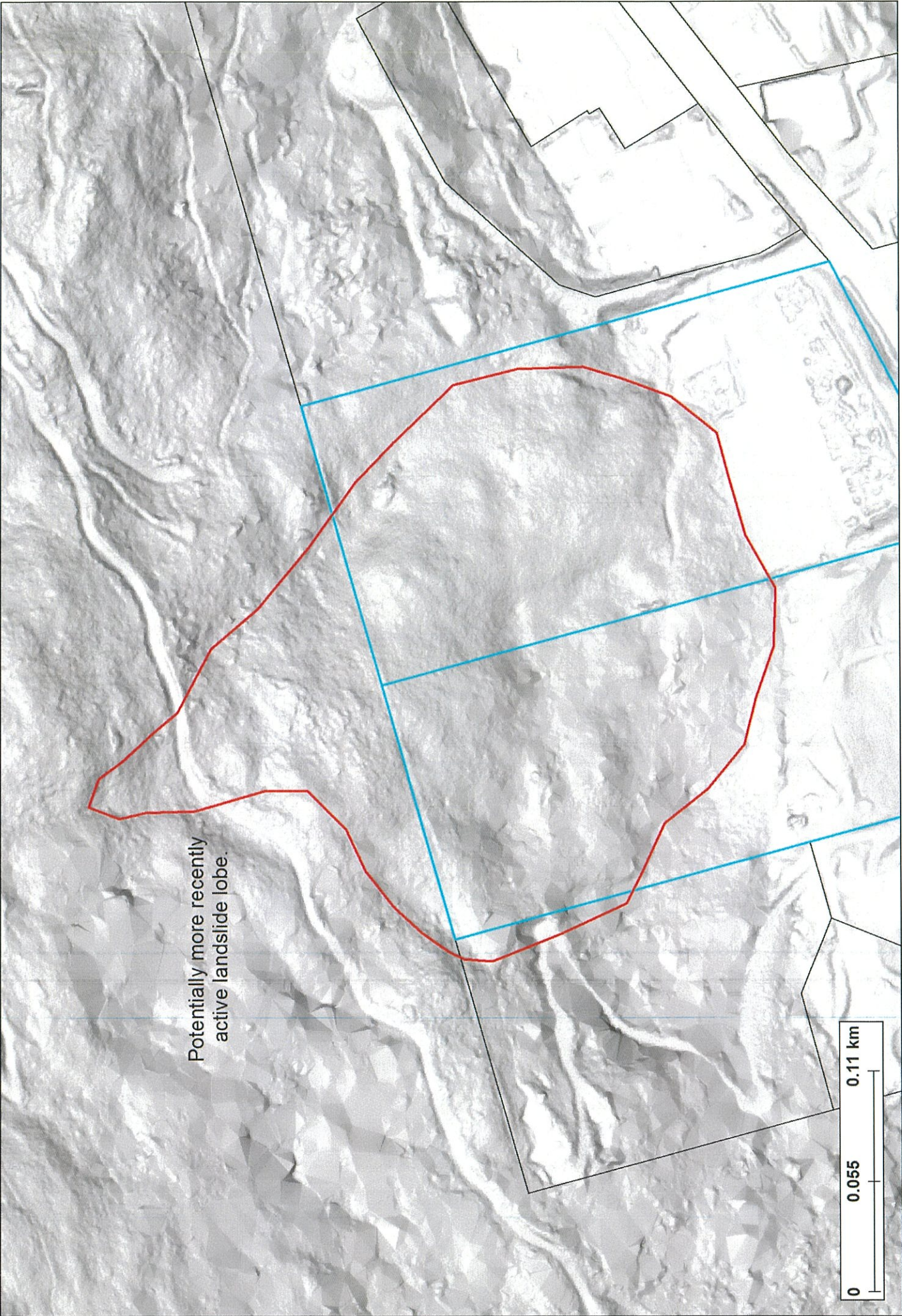
Regards

Warren.

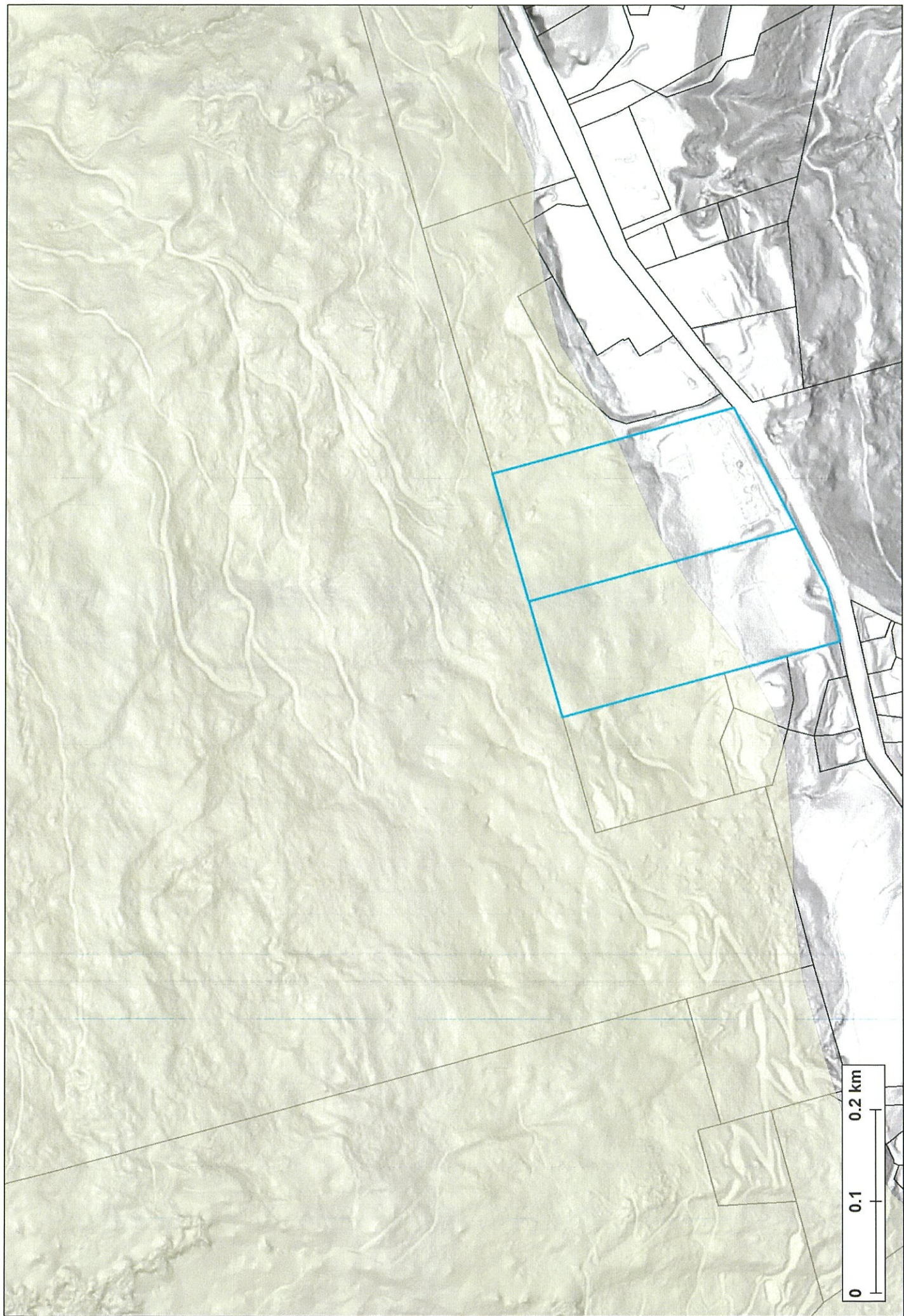


Warren Hanley
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Potentially more recently
active landslide lobe.







22 November 2017

Anita Vanstone – Senior Planner
Queenstown Lakes District Council,
Private Bag 50072
Queenstown 9348
New Zealand

Tēnā koe Anita

Expression of Interest – Bullendale - Proposed Special Housing Area

Thank you for your email of 8 November 2017 seeking the Ministry of Education's feedback on the proposed Bullendale Special Housing Area (SHA). The Expression of Interest is for a total of 92 dwellings.

We expect that that the proposed Bullendale SHA, with a total of 92 dwellings would have a minor impact on the Queenstown School. Similarly, given the scale of the proposal, the impact on Wakatipu High School is also considered minor. We are planning for the expansion of Queenstown School and Wakatipu High School in response to the ongoing residential development within the catchments of both these schools.

I would like to acknowledge the opportunity provided for the Ministry of Education to give feedback to Queenstown Lakes District Council as part of the information it considers in making decisions about Special Housing Areas. I look forward to this continuing in the future as both organisations plan to meet the needs of the community within this District.

Nāku noa, nā

Julie Anderson
Director of Education Otago Southland
Sector Enablement and Support

17 November 2017

Anita Vanstone
Queenstown Lakes District Council
Private Bag 50072
QUEENSTOWN 9348

Via Email

Dear Anita

Bullendale – Proposed Special Housing Area – Comments

Thank you for providing details of the above proposal to the NZ Transport Agency for comment. We understand that the proposal relates to a residential development that includes the following:

- 92 residential units
- Internal roading, parking and footpaths; and
- Reserves.

The development will extend westwards from the existing SHA at Arthurs Point. Access to the site will be from Bullendale Drive which intersects with Arthurs Point Road.

The majority of the proposed SHA is located within the Queenstown Urban Growth Boundary and within a developed area which is serviced by existing bus links. We are supportive in principle of SHA's in the Arthurs Point area and on the basis of the information currently available to us, we are satisfied that the proposal is unlikely to have any immediate adverse effects on the safety, efficiency and functionality of the transport network.

We note that there are shared lanes down to the road-edge pathway/cycleway to deliver pedestrian connectivity through and out of the site to the north. However, there are no specific footpaths or cycle links along Arthurs Point Road and the nearest bus stop is located approximately 200m east of Bullendale Drive at Coronet Peak Hotel. There is a widened sealed shoulder on Arthur Point Road and it is likely that this will be used for walking and cycling. We therefore suggest there should be some consideration as to whether there is an opportunity to extend the cycle/pedestrian path further to the east to connect to the bus stop. Having a cycle/pedestrian path connected to the bus stop will assist the Queenstown Bus Service in increasing its patronage support from this residential development which will contribute to the sustainable management of the transport network.

Please do not hesitate to contact me if you have any further queries or require further information.

Yours sincerely



Tony MacColl
Principal Planning Advisor