

QLDC Council  
12 September 2019

Report for Agenda Item | Rīpoata moto e Rāraki take 4

Department: Planning & Development

Title | Taitara Mayoral Housing Taskforce update

PURPOSE OF THE REPORT | TE TAKE MŌ TE PŪRONGO

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- 1 The purpose of this report is to provide an update on progress resulting from the Mayoral Housing Taskforce.

EXECUTIVE SUMMARY | WHAKARĀPOPOTOTANGA MATUA

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- 2 The Mayoral Housing Taskforce made six recommendations in its October 2017 report on housing affordability in the Queenstown Lakes District. This report seeks to provide a final update Council on the implementation of the recommendations, and to acknowledge the contributions of the taskforce members to this work.

RECOMMENDATION | NGĀ TŪTOHUNGA

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That Council:

1. **Note** the progress made in implementing the recommendations of the Mayoral Housing Taskforce;
2. **Request** that officers draft a Homes Strategy and Action Plan as part of this ongoing implementation process; and
3. **Write** to Mayoral Housing Taskforce members to thank them for their input, and provide them with a final update on progress in implementing their recommendations.

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29/08/2019

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3/09/2019

## CONTEXT | HOROPAKI

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- 1 The Queenstown Lakes District is experiencing unprecedented levels of growth in terms of population, visitors, and economic growth. In the last two decades it has become the most expensive place in New Zealand to live<sup>1</sup>. At the same time the population has more than doubled to approximately 39,500<sup>2</sup>. Housing choice and housing affordability have not kept up and as a result many residents struggle to find suitable, affordable, secure homes.
- 2 In response, the Mayoral Housing Affordability Taskforce (the Taskforce) was established in April 2017 by Mayor Jim Boulton to explore methods for tackling housing affordability and availability in the district. The Taskforce membership was drawn from local housing stakeholders from a wide range of backgrounds including, government, finance, business, real estate, construction and social service sectors.
- 3 The Taskforce had a clear vision: helping committed residents of the Queenstown Lakes District into decent affordable housing with secure tenure. It also had a clear goal: all of our workforce will be able to own or occupy a home in our District at a cost that allows them to live within their means by 2048, with an initial target of 1000 Community Affordable homes with secure tenure by 2028.
- 4 The Taskforce released a report in October 2017 outlining recommendations and actions to implement the visions and goals of the Taskforce for housing in the community (the Report)<sup>3</sup>. The Council endorsed the Report, and agreed to uphold actions within it.
- 5 To achieve the goal, the Taskforce developed a set of six recommendations:
  - Invest in scaling up the Queenstown Lakes Community Housing Trust (the Trust or QLCHT)
  - Build a range of affordable market offerings;
  - Provide more land, intensification and inclusionary zoning;
  - Adjust the Visitor Accommodation settings;
  - Address household income support;
  - Build a strategy for long term community support.
- 6 The last updates to Council on Taskforce progress were in May 2018 and October 2018.

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<sup>1</sup> [Infometrics data 2019](#), residential value and rental data

<sup>2</sup> [QLDC Growth Population Projections Dec 2018](#)

<sup>3</sup> See: <https://www.qldc.govt.nz/assets/Uploads/Council-Documents/Mayoral-Housing-Affordability-Taskforce/3.-Mayoral-Housing-Affordability-Taskforce-Report-October-2017.pdf>

## ANALYSIS AND ADVICE | TATĀRITANGA ME NGĀ TOHUTOHU

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- 7 Since the publication of the report, the Mayoral Taskforce has had some notable successes establishing a great base for housing into the future of the district. There is much more still to do, but some of the key achievements over the past two years are discussed below.

### Key achievements

#### **Scaling up the Queenstown Lakes Community Housing Trust**

- 8 The partnership between the Trust and QLDC was confirmed and strengthened in October 2017 when Council confirmed the Trust as its preferred partner for receiving contributions obtained by Council to aid in the Trust's delivery of retained affordable housing in the district.
- 9 This scale of the relationship was confirmed by the signing of an updated Relationship Framework Agreement in March 2019 defining the roles and responsibilities of Trust and Council in their partnership and shared goal of achieving affordable homes for the community.

#### **Create a new home offering – the Secure Home programme**

- 10 Recommendation one of the Report called for the creation of a market-appropriate affordable home offering. This gave rise to the Secure Home Programme which has received national interest in the approach, and is a new benchmark in the affordable housing sector for delivering secure tenure, affordable homes. The high level details of the programme are:
- The land is owned by the Trust in perpetuity and leased at a concessional rate to the home owner
  - The housing unit is purchased by the home owner, with the value increase being capped at an annual CPI rate or equivalent, with the housing unit only able to be sold back into the QLCHT's pool of buyers
- 11 Six new homes have been successfully placed into the Secure Home programme since its launch in March 2019, with more in the pipeline for the next projects coming online.
- 12 In addition to the Secure Home, the innovative Shared Home Equity Product (SHEP) was also researched and approved in principle for use.

#### **Provide more land**

- 13 On April 18 2019 the Council resolved to pass 3.6 ha Council land at Jopp St, Arrowtown to the Queenstown Lakes Community Housing Trust (the Trust) to be used for 65 affordable housing units, retaining the land in perpetuity for affordable housing, delivering homes for the people of Arrowtown.
- 14 Council recommendations under the Housing Accords and Special Housing Areas Act 2013 (HASHAA) and the local LEAD policy have aided in delivering up to an additional 2,259 land

units to the market, and up to an additional 176 to the Trust for the development and delivery of retained affordable housing<sup>4</sup>.

- 15 On 26 October 2017 the Council resolved to provide 5% of the proceeds of the eventual sale of the land at the Lakeview site to be used for affordable housing.

### **Intensification**

- 16 Development approved under the SHA process has delivered more development than what would have been provided for under the either the Operative or Proposed District Plan.
- 17 The Proposed District Plan stages one and two have loosened provisions allowing for greater opportunity for development through methods such as:
- High Density Residential Zone: Maximum building height increased from 2 to 3-4 storeys in Queenstown and recession line breaches have been relaxed;
  - Medium Density Residential Zone: New residential zone proposed that increases residential densities. Three of the zoned areas are brownfield and two are greenfield;
  - Low Density Residential Zone: Significant areas in Wanaka have been proposed to be re-zoned from Rural and a “gentle density” approach allows infill housing development by enabling a second dwelling on sections less than 900m<sup>2</sup>;
  - Large Lot Residential: New zone that allows increased residential densities as a buffer zone between higher density residential areas and rural areas. This zone is located in Wanaka only; and
  - Business Mixed Use Zone (Gorge Road, Queenstown and Anderson Heights, Wanaka): A new zone that promotes residential development and building heights have increased from 3 to 6 storeys.

### **Adjust the visitor accommodation settings**

- 18 Recommendation two called for adjustments to visitor accommodation controls in the district. In response, Council initiated changes to the Proposed District Plan to limit new short term visitor accommodation operations, particularly for entire houses, while also continuing to allow for existing operations. This attempt was successful in part allowing for some consenting control for future short term house-based visitor accommodation. Monitoring the outcomes of this work will determine how successful this particular approach is in practice.

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<sup>4</sup> These figures include the most recent Special Housing Area, Coneburn, which was approved by the Minister and gazetted on August 29, 2019. Between 450 and 600 land units have been approved, including between 45 to 60 to the Trust.

### **Work in progress**

- 19 Tackling the affordability crisis is a long term project, the following are being addressed but will be part of housing affordability work over the months and in some cases, years to come.

### **Addressing household income support**

- 20 Household income support is a central government function, and Council has worked over the past two years increasing the profile of need in the district with appropriate central government agencies. The Mayor wrote to the Ministers directly in November 2018 raising the issue of the outdated accommodation supplement and the subsequent impacts on those in our community most in need. This has also received recent attention with other community stakeholders raising the issue to central government through a letter writing campaign.
- 21 Understanding the social need in our region is an ongoing challenge, in part due to the lack of recent census data to deliver more current information on the demographics of our region.

### **Incorporate inclusionary zoning into the District Plan**

- 22 Steps are underway considering a variation to the Proposed District Plan addressing housing affordability, and the intention is to bring this work to Council in 2020. In particular, work is focusing on a planning tool, inclusionary zoning, which connects the creation of affordable homes to the construction of market rate commercial and residential development. It is a common technique overseas in areas with high market housing prices to address low and middle income housing. Other work streams that underpin this work include exploring incentives to assist in the development of affordable housing, as well as reviewing consents fees, development contributions and rates relief.

### **Building a strategy of community support – the Draft Homes Strategy**

- 23 As part of the work building towards a housing strategy and district plan affordable housing provisions, council officers went out to the community under the banner of “My Place” to hear perspectives on housing in the district. There was overwhelming community support that housing is an issue to be addressed. The sessions also highlighted the diverse viewpoints in different parts of the district around the types of housing challenges being faced.
- 24 One strand of work from this consultation process is the development of a draft Homes Strategy addressing the issues in our housing system.
- 25 The key community messages from the My Place workshops have informed the proposed guiding principles underpinning the upcoming draft Homes Strategy.

The QLDC will:

- play an active leadership role to enable innovative housing solutions across the housing continuum without being a direct provider of housing;
- base housing policy decisions and interventions on robust evidence;
- continue to build on existing partnerships with central government, iwi, developers, Non-Government Organisations (such as the Queenstown Lakes Community Housing Trust) and the community, and will seek new partnerships;
- contribute to creating inclusive, diverse and resilient communities with good standards of living and wellbeing.

### **Summary**

26 From the Taskforce report, great baseline progress on housing affordability has been made relative the tools available to local government. Of particular note:

- the robust relationship between Council and the Trust delivering homes for the community,
- the provision of land for retained affordable housing through the LEAD Policy, and
- the establishment of the Secure Home Product

All work together to create an innovative approach nationally in the delivery of retained affordable homes.

### **Future Implementation**

27 Despite these gains, the housing issues faced in the district aren't going away and a continued focus for this work is essential to deliver perpetually affordable, secure and accessible homes for our community.

28 From the housing affordability goals established by the Mayoral Taskforce the work now is turning to ongoing implementation. A key piece of this work in the near future will be establishing an updated housing strategy in 2020. The Homes Strategy will build on the foundations set by the Taskforce to achieve a framework for more affordable housing options across the district.

## **CONSULTATION PROCESS | HĀTEPE MATAPAKI:**

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

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

30 The persons who are affected by or interested in this matter are residents/ratepayers of the Queenstown Lakes district community and residents of the wider region who rely on the Queenstown Lakes as a regional hub.

31 The Council has consulted on housing affordability and will continue to do so with the release of a draft Homes Strategy in the coming months.

#### > MĀORI CONSULTATION | IWI RŪNANGA

32 Kāi Tahu is viewed as a key stakeholder in the upcoming Homes Strategy work.

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

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33 This matter relates to the Strategic/Political/Reputation It is associated with RISK00039 Failure to deliver the strategic plan within the QLDC Risk Register. This risk has been assessed as having a moderate inherent risk rating.

34 The acceptance of this report will support the Council by allowing us to retain the risk at its current level. This shall be achieved by acknowledging the housing crisis, the work that has been achieved, and what still needs to be done from a Mayoral Housing Affordability Taskforce perspective.

#### FINANCIAL IMPLICATIONS | NGĀ RITENGA Ā-PŪTEA

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35 There is no budget, cost implications or resource requirements resulting from the decision requested in this paper.

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

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

- Vision Beyond 2050; in particular:
  - ‘thriving people – whakapuāwai hapori’
  - ‘opportunities for all – heōhaka taurikura’
- The QLDC Ten Year Plan/Long Term Plan
- Lead Policy for Special Housing Areas
- The Mayoral Housing Affordability Taskforce report
- The Housing our People in our Environment (HOPE) Strategy

37 This matter is included in the Ten Year Plan/Annual Plan under the Environmental Management section (page 56) where it states that Council will establish a framework for securing and retaining affordable housing.

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

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38 The recommended option:

- Will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses by acknowledging the

community contribution that Taskforce members made through volunteering of time and knowledge.

- Can be implemented through current funding under the Ten Year Plan and Annual Plan;
- Is consistent with the Council's plans and policies; and
- Would not alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or transfer the ownership or control of a strategic asset to or from the Council.