

QLDC Council

27 April 2023

Report for Agenda Item | Rīpoata moto e Rāraki take [1]

Department: Strategy & Policy

Title | Taitara : Queenstown Lakes District Joint Housing Action Plan – public feedback approval

Purpose of the Report | Te Take mō te Pūroko

The purpose of this report is to initiate community consultation for the draft Queenstown Lakes District Joint Housing Action Plan (hereafter draft 'JHAP').

Recommendation | Kā Tūtohuka

That the Council:

1. **Note** the contents of this report;
2. **Approve** the draft Queenstown Lakes District Joint Housing Action Plan 2023-28 for public feedback; and
3. **Authorise** the General Manager Strategy and Policy to make design and minor editorial changes prior to release for clarification and to incorporate any additional feedback received from Te Ao Marama and Aukaha.

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3 April 2023

Reviewed and Authorised by:



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3 April 2023

Context | Horopaki

Affordability is one of the biggest challenges for the district, particularly in relation to the complex matter of housing

1. Queenstown Lakes District is one of the fastest growing areas in Aotearoa New Zealand. It is a popular place to live, work and visit. Housing affordability remains a key challenge for the district, with the median cost of housing currently at \$1.186M in Queenstown and \$1.268M in Wānaka and \$1.74M¹ in Arrowtown. The average rent is approximately \$566 per week, which is 9% above the national average.² Coupled with below average incomes, the current average property value is 13.1 x average household income, compared to New Zealand average of 7.8.³
2. Housing affordability has significant implications for the wellbeing of the people of the district and has a direct impact upon workforce attraction and retention. In addition, workers are finding it difficult to secure rental accommodation due to the high rental rates, and because of the competing uses, such as short-term letting. As a result, housing is a matter of high importance to the community and has a high level of public and media interest.
3. The housing challenge in the district is complex and well-recognised, but interventions and solutions take time to come to fruition. The collaboration of a range of local, regional and central government bodies, community groups, Kāi Tahu and developers is needed to achieve positive outcomes.

Queenstown Lakes District Council is taking action but can't tackle the issue alone

4. Building on a strong legacy of previous strategies and plans (beginning with the Housing our People in our Environment (HOPE) Strategy 2005), significant work has been undertaken over recent years to fully understand the scale and nature of the challenge, activate key stakeholders, build a sound evidence base and explore innovative interventions. Further information in relation to this can be found in the report from the Mayoral Housing Affordability Task Force Reports (2017-19), The Housing Accord (2017), the Queenstown Lakes Homes Strategy (2021)⁴ and the Queenstown Lakes Spatial Plan 2021 (Spatial Plan).⁵
5. In 2007, the Queenstown Lakes District Council recognised an issue in the lack of affordable housing and acted upon it by initiating the formation of the Queenstown Lakes Community Housing Trust (hereafter 'QLDHT'). The trust has a range of housing programmes, each designed to assist eligible low to moderate income households, who contribute to the social, economic

¹ Urban Development Dashboard – Ministry of Housing and Urban Development and Ministry for the Environment ([Urban Development \(shinyapps.io\)](https://www.shinyapps.io/)) (April 2023)

² Source: Infometrics, December 2022 (April 2023)

³ Source: Infometrics, December 2022 (April 2023)

⁴ <https://www.qldc.govt.nz/your-council/council-documents/strategies-and-publications/affordable-housing>

⁵ A detailed site history of housing work can be found in the 29 July 2021 Council Report for the Homes Strategy – public consultation permission <https://www.qldc.govt.nz/your-council/council-documents/agendas-minutes/full-council#2021>

and environmental wellbeing of this district and are genuinely struggling to commit to the area because of the housing affordability issue.

6. The QLCHT has delivered secure, affordable homes to 244 households. Approximately 30% (including the Jopp Street land) of its capital funding has been provided by Council through land, financial contributions and annual operating grants. This includes significant direct Council contributions (Jopp Street and Suffolk Street in Arrowtown) and a financial contribution (staged) from the sale of land at Lakeview. On top of this, Council has facilitated approximately \$25M of inclusionary housing contributions to the QLCHT. Overall, this equates to approximately 85% of the QLCHT's capital funding (includes land/funding received directly from Council and contributions that have been facilitated by Council).
7. The process for the Inclusionary Housing Plan Change (an action agreed in the Homes Strategy and signalled in the Spatial Plan) is also currently underway, with further submissions closed. Land or a financial contribution would be collected by Council and provided to the QLCHT (or another Community Housing Provider) to create an ongoing funding stream for the provision of affordable housing.
8. Other significant initiatives underway to help address the district's housing supply, diversity and affordability include the following:
 - the Te Pūtahi Ladies Mile Masterplan (accepted for processing under the streamlined planning process); the Spatial Plan's Priority Development Area work; and
 - Working closely with the Chamber of Commerce and a network of community groups to build an employer's toolkit to help address the accommodation shortage.
9. Places benefit when central and local government work together with community, iwi, business, and industry to deliver a shared vision for the community. The initiatives developed through the draft JHAP will require a collaborative approach across the entire network of housing actors in the district to achieve better community outcomes. Housing is a complex issue that cannot be solved by any one agency or actor alone.

The Joint Housing Action Plan is an output of the Queenstown Lakes Spatial Plan 2021

10. The development of the Queenstown Lakes District Joint Housing Action Plan (JHAP) is one of the six priorities of the joint work programme for the Grow Well Whaiora Partnership (Priority Initiative 5). A joint working group was established consisting of officers from Te Tūāpapa Kura Kainga | Ministry of Housing and Urban Development, and Kāinga Ora, and the Queenstown Lakes Community Housing Trust to find solutions and commit to undertaking these together. The development of the draft JHAP was jointly funded by both QLDC and Kāinga Ora.
11. The draft JHAP has been reported through the Partnership Steering Group and Political Governance group. It was collectively agreed that an increase of housing supply alone would not address the Queenstown Lakes District's housing affordability issues and that a number of mechanisms are required to be utilised.

The draft JHAP builds on the momentum of the Queenstown Lakes District Homes Strategy 2021

12. The Queenstown Lakes District Homes Strategy 2021 was developed by QLDC officers with a focus on what QLDC and the QLCHT could do to improve housing affordability in the district. The draft JHAP builds on the direction and actions contained in the 2021 Homes Strategy, with a particular focus on improved outcomes for low to middle income individuals and households. The draft JHAP will now supersede the Homes Strategy 2021 as all actions from the Homes Strategy are now reflected in the JHAP. They are either positioned as joint actions for delivery, or listed on page 20 of the draft JHAP as actions for QLDC to deliver separately.

The draft JHAP has been developed using a partnership approach

13. The development of the draft JHAP has taken place over an 8-month period and was developed utilising an investment logic mapping (ILM) methodology. This is an early-stage technique that assists in developing and documenting the logic that underpins a potential investment decision, before specific solutions are identified, and before a decision is made.

Community input and feedback will be essential for the next draft of the JHAP

14. The next step is to seek community comment / feedback on the draft JHAP. It is proposed for this engagement to take place over a 5-week period from the week commencing 1 May 2023 and closing on the 9 June 2023. Some targeted engagement is also proposed, which will seek feedback from key developers, key employers, community groups and utilise the networks of existing organisations, such as the Chamber of Commerce. The feedback collected will be summarised and used to further develop the JHAP.

Analysis and Advice | Tatāritaka me kā Tohutohu

Draft vision, objectives, solutions and measures

15. The joint vision of the draft JHAP is for “*Well-designed neighbourhoods and improved housing outcomes for homeowners and renters in order to develop thriving communities*’. It has been developed between the Grow Well Whaiora partners to create a cohesive approach towards housing for the future across Queenstown Lakes District.

16. The draft JHAP aligns with Kāi Tahu’s values framework in alignment with the Spatial Plan and identifies three key values for the plan:

- ***Whanaukataka*** Family and community focussed
- ***Haere whakamua*** Future focussed
- ***Tikaka*** Appropriate action

17. A specific outcome for Kāi Tahu is for “*whānau to afford to be able to live and work in the district*”. These values and outcomes have helped inform the strategic direction for the draft JHAP.

18. The draft objectives are:

'Anyone who chooses to live here can access quality, stable, affordable housing now and into the future.'

and

'Housing solutions to deliver better economic, social, cultural, and environmental outcomes to our community and New Zealand Inc.'

19. The draft JHAP is split into following 9 solutions;

- i. Form a clear evidence-based understanding of the district's housing issues and regularly monitor key indicators.
- ii. Realise opportunities to purchase and develop land for the provision of affordable housing in the Queenstown Lakes District.
- iii. Partners will work collaboratively to investigate opportunities to utilise a range of legislation and other tools to enable affordable housing choices in the Queenstown Lakes District.
- iv. Continue to assist in supporting QLCHT and other providers through various means.
- v. Influence and incentivise current developers and attract new developers from outside the region to provide affordable housing.
- vi. Work with the community to find solutions to rental shortage with a particular focus on housing for the workforce.
- vii. Further develop public/private partnerships to deliver affordable housing and choice.
- viii. Implement plan changes and review district plan to enable more affordable housing.
- ix. design and implement structure plans with community.

20. These solutions have been unpacked into a series of draft actions for partners, QLDC, and stakeholders to undertake together in the Queenstown Lakes District to develop mixed tenure and typology housing to meet the needs of the community. It is necessary for all partners to have a shared understanding of the complexity and nuance of housing issues in the district.

21. Key Performance Indicators (KPIs) have been drafted that are measurable, attributable, and meaningful so that all stakeholders know whether value has been delivered. Measures were discussed (including current baselines and target values) and how the benefits will be tracked and recorded. It is proposed for these success measures are to be monitored annually so that the partnership can measure progress in achieving the vision of the draft JHAP.

22. It is noted the implementation of the JHAP will sit with the QLDC's Strategic Planner – Housing (recruitment process currently open).

23. This report identifies and assesses the following reasonably practicable options for assessing the matter as required by section 77 of the Local Government Act 2002.

24. Option 1 Approve the draft Queenstown Lakes District Joint Housing Action Plan for public feedback, subject to any minor amendments.

Advantages:

- It is a partnership response and commitment to address the housing issue across the district.
- There is an opportunity to start implementing the actions as soon as possible.
- QLDC can realise its commitment to delivering Priority Initiative 5 of the Spatial Plan.
- It provides the community with the opportunity to input into the draft JHAP.

Disadvantages:

- There are no discernible disadvantages to this option.

25. Option 2 Do not approve the draft Queenstown Lakes Joint Housing Plan for public feedback.

Advantages:

- The partnership can take the opportunity to re-visit the plan and potentially amend to reflect Council's position.

Disadvantages:

- This decision could result in misalignment between QLDC and the Grow Well Whaiora partners that have been part of the development process so far.
- QLDC will not yet realise its commitments to the Spatial Plan.
- It is likely to result in delays to actioning the draft JHAP.
- The partnership will lose the positive momentum created during the development process.
- The district will not yet be able to demonstrate a unified, collaborative approach, which may impact the ability to drive change and secure further funding.

26. This report recommends **Option 1** for addressing the matter because it has been developed in partnership with the Grow Well Whaiora partners. Housing is one of the key challenges currently facing our district and QLDC cannot tackle the challenge alone. The draft JHAP is a step towards creating a cohesive approach towards housing for the future in Queenstown Lakes District. It has been in the spirit of collaboration, representing a genuine commitment to change.

Consultation Process | Hātepe Matapaki

Significance and Engagement | Te Whakamahi I kā Whakaaro Hiraka

27. This matter is of low significance, as determined by reference to the Council's Significance and Engagement Policy because the decision is to consult on the draft JHAP. However, it is appreciated that housing is a significant issue for the community as a matter of interest.

28. The persons who are affected by or interested in this matter are residents / ratepayers of the Queenstown Lakes District community, Kāi Tahu, Grow Well Whaiora partners, and the business community.

29. The Council will engage with the community over a 4-week period, from the week commencing 1 May to the 9 June 2023. Feedback used will be summarised and used to finalise the JHAP. The

final version will be presented to Council for adoption, and the Grow Well Whaiora Partnership for endorsement.

Māori Consultation | Iwi Rūnaka

30. As an output of the Spatial Plan, Aukaha and Te Ao Marama have had oversight of the draft JHAP through the Grow Well Whaiora Partnership. The draft JHAP has been discussed at both the Grow Well Whaiora Steering and Political Governance Group meetings on which both Murihiku and Ōtākou rohe are represented. The draft of the JHAP has also been provided to both Aukaha and Te Ao Marama for review / comment but the final comments have not yet been received
31. It is requested that delegation be provided to the General Manager – Strategy and Policy to undertake to make design and minor editorial changes prior to release of the draft for engagement and to incorporate any additional feedback received from Te Ao Marama and Aukaha.

Risk and Mitigations | Kā Raru Tūpono me kā Whakamaurutaka

32. This matter relates to the Strategic/Political/Reputation. It is associated with *Risk 0056 – Ineffective provision for future planning and development needs of the district within the district* within the QLDC Risk Register. This risk has been assessed as having a moderate inherent risk rating.
33. The approval of the recommended option will support the Council by allowing us to implement additional controls for this risk. This shall be achieved by seeking public input on housing policy directions which are intended to positively affect future housing supply and affordability.

Financial Implications | Kā Riteka ā-Pūtea

34. There are no immediate financial implications with work expected to be undertaken within existing budgets. Future budgetary need will be determined through the usual planning channels.

Council Effects and Views | Kā Whakaaweawe me kā Tirohaka a te Kaunihera

35. The following Council policies, strategies and bylaws were considered:
- Vision Beyond 2050: in relation to the district's goal of *'thriving community'* and *'opportunities for all'*.
 - Queenstown Lakes Spatial Plan 2021
 - 2022 Climate and Biodiversity Plan
 - 2021 Ten Year Plan
 - Queenstown Lakes Proposed District Plan
 - Draft Economic Diversification Plan
 - 2021-2031 Queenstown Lakes Homes Strategy
36. The recommended option is consistent with the principles set out in above mentioned policies.

37. This matter is included in the Ten Year Plan/Annual Plan on page 81 of Volume 1, as part of the Queenstown Lakes Spatial Plan implementation.

Local Government Act 2002 Purpose Provisions | Te Whakatureture 2002 o te Kāwanataka ā-Kiaka

38. Section 10 of the Local Government Act 2002 states the purpose of local government is (a) to enable democratic local decision-making and action by, and on behalf of, communities; and (b) to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future. A partnership approach is required to address the housing challenges across the QLD. The JHAP aims to ensure that a range of actions are undertaken to increase housing choice and affordability. As such, the recommendation in this report is appropriate and within the ambit of Section 10 of the Act.

39. The recommended option:

- 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 significantly alter 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.

Attachments | Kā Tāpirihaka

A	Draft Queenstown Lakes District Joint Housing Action 2023-28
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