

QLDC Council
16 December 2021

Report for Agenda Item | Rīpoata moto e Rāraki take : 11

Department: Planning & Development

Title | Taitara Adoption of the Queenstown Lakes Homes Strategy and Action Plan

PURPOSE OF THE REPORT | TE TAKE MŌ TE PŪRONGO

- 1 The purpose of this report is to update Councillors on the feedback received on the draft Queenstown Lakes Homes Strategy and Action Plan and to make recommendations to the Council regarding its adoption.

EXECUTIVE SUMMARY | WHAKARĀPOPOTOTANGA MATUA

- 2 The draft Queenstown Lakes Homes Strategy and Action Plan was released for public consultation between 16 August and 26 September 2021.
- 3 The consultation attracted a variety of responses from property owners and renters throughout the District. The overarching feedback received from respondents was supportive of the Strategy.
- 4 This report summarises the themes of the feedback received, and responds to the feedback and makes recommendations.
- 5 The overall recommendation is that the Council adopts the Strategy with no changes.
- 6 Consultation on inclusionary zoning options was undertaken at the same time as the Homes Strategy consultation through an online survey called “Planning For Affordable Housing”. The consultation included the opportunity for respondents to provide feedback on a set of draft inclusionary zoning planning provisions. The feedback received on the draft planning provisions is being collated in a separate report to Council, as it will be considered in the context of a s32 analysis for a plan change. However, the feedback on inclusionary zoning received through the Planning For Affordable Housing survey has been summarised in this report, and the feedback is generally supportive of inclusionary zoning as a method to address housing affordability.

RECOMMENDATION | NGĀ TŪTOHUNGA

That Council:

1. **Note** the contents of this report and in particular the summary of survey responses, submissions received and recommendations; and
2. **Adopt** the Queenstown Lakes Homes Strategy and Action Plan; and

3. **Authorise** the General Manager Planning and Development to approve final design and minor editorial changes prior to publication.

Prepared by:



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3/12/2021

Reviewed and Authorised by:



Tony Avery
General Manager Planning and
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3/12/2021

CONTEXT | HOROPAKI

- 7 On 29 July 2021, the Council approved the draft Queenstown Lakes Homes Strategy and Action Plan [**the Strategy**] for public consultation. The 29 July 2021 Agenda paper¹ outlines the context of the Strategy by explaining the significant housing challenges facing the Queenstown Lakes District, the previous work undertaken to address housing issues, and the rationale for having a Strategy.
- 8 The intent of the Strategy is to improve the housing system for the residents of the district, building on a foundation of previous Council commitments, research, and efforts².
- 9 Public consultation on the draft Strategy occurred between 16 August and 26 September 2021, whereby the consultation was publicised through print, digital, and radio channels. Respondents were invited to make written submissions through the 'bang-the-table' platform on Council's website, and via email or post. Duty policy planners were available to respond to enquiries during the consultation period.

ANALYSIS AND ADVICE | TATĀRITANGA ME NGĀ TOHUTOHU

- 10 The following paragraphs and figures summarise the key feedback received through the consultation.
- 11 A summary document of the survey responses received on the Homes Strategy is available [here](#) on the Council website, and emailed submissions are published [here](#).
- 12 A summary document of the survey responses on the Planning For Affordable Housing is available [here](#), and emailed submissions are published [here](#).

Statistical breakdown of key survey responses: Homes Strategy Survey

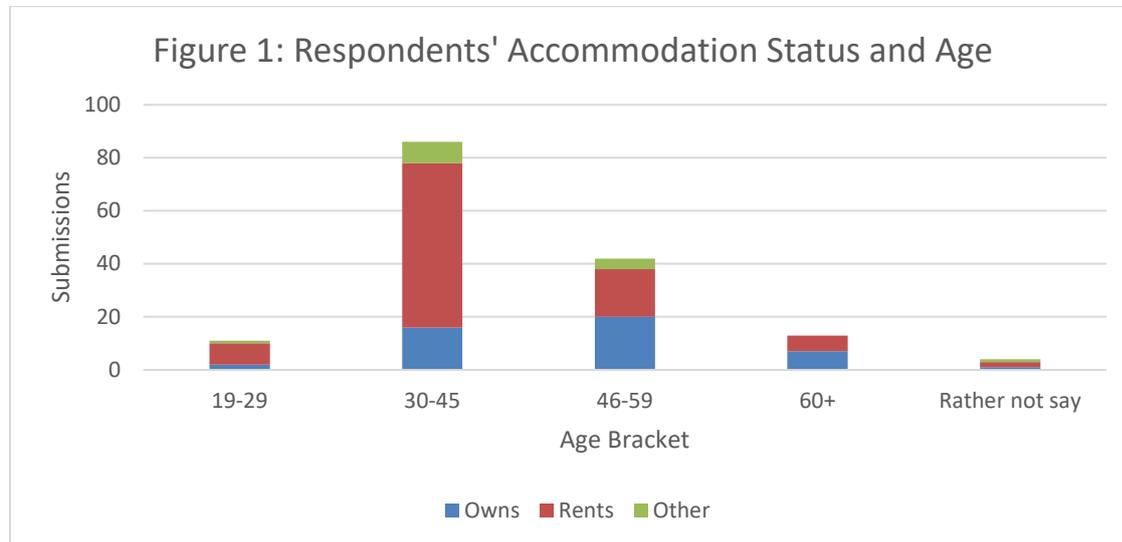
- 13 Thirty-nine people completed the online survey providing feedback on the Homes Strategy, providing a smaller dataset compared to the Planning for Affordable Housing Survey discussed below. Key statistics from the survey are as follows (rounded to the nearest whole number):
 - 62% of respondents supported the Strategy; 26% were neutral; and 13% opposed the Strategy.
 - 69% of respondents strongly supported increases to affordable housing options; 13% supported; 10% were neutral; and 8% were opposed or strongly opposed.
 - 60% of respondents supported the draft Action Plan; 31% were neutral; and 10% were opposed.
- 14 The written feedback received through this survey and the Planning for Affordable Housing survey is included in the summary at paragraph 22 below.

¹ QLDC Council Agenda Report 29 July 2021, prepared by Katie Russell, Policy Planner.

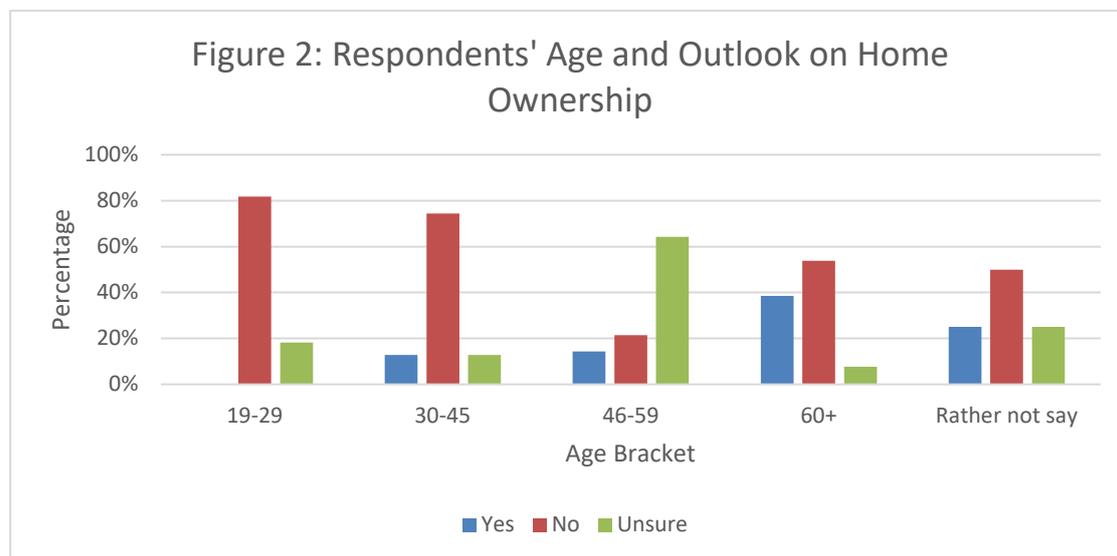
² IBID, paragraph 18.

Statistical breakdown of key survey responses: Planning for Affordable Housing Survey

15 The survey attracted 156 responses through the online survey form. Responses were received from a range of age groups, with the largest group of respondents being in the 30-45 age bracket. Most respondents live in rental accommodation (see *Figure 1* below).



16 Respondents were asked about their outlook for home ownership, whereby the survey asked ... “do you think home ownership is attainable in the Queenstown Lakes District”. *Figure 2* below shows the responses received by age categories, showing that the respondents in the 19-29 and 30-45 age brackets have a poor outlook for home ownership. Outlook is higher in the 60+ category of respondents.

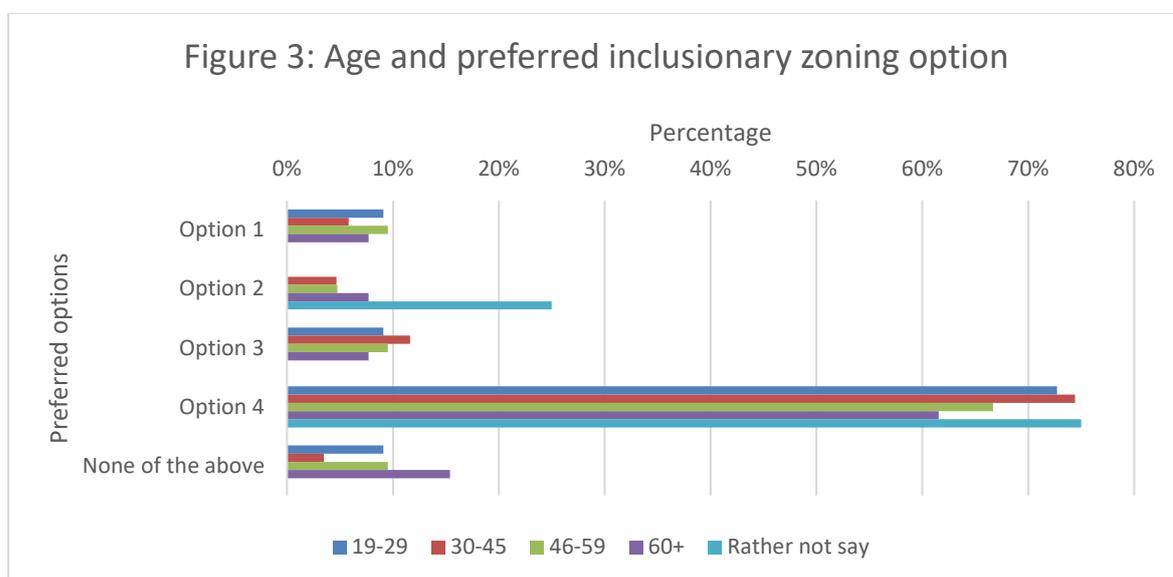


17 Respondents were asked to choose which of the four possible inclusionary zoning options they support most, from the following four options:

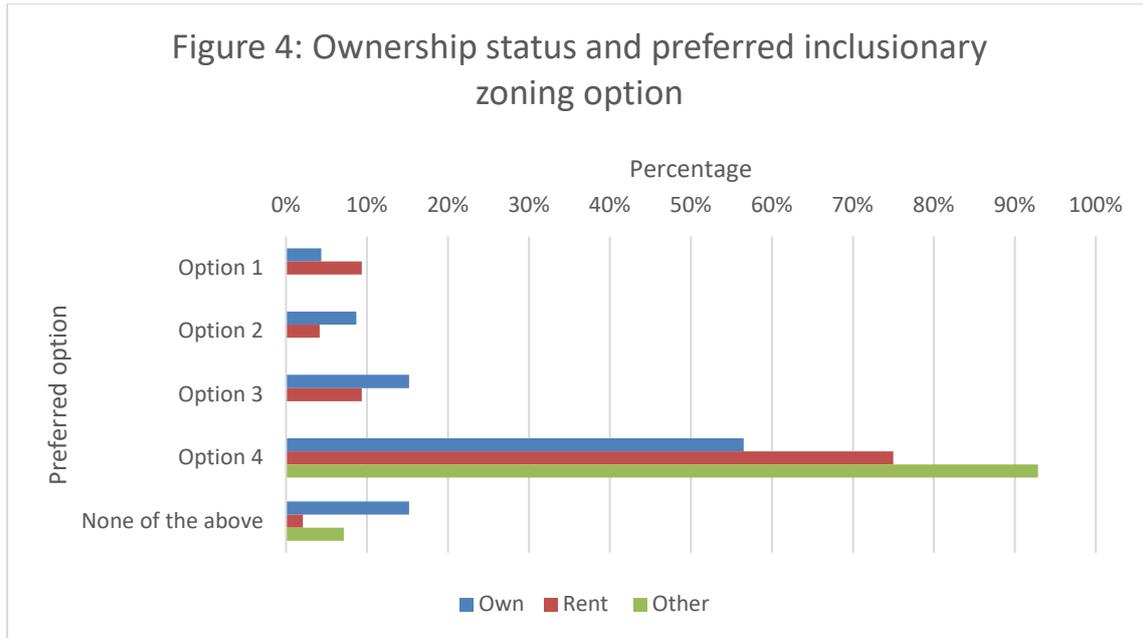
- Option 1: Update the district plan to reduce and remove controls that affect affordability, and at the same time, negotiate with developers to provide retained affordable housing when Council is able;

- Option 2: Update the district plan to provide bonus/incentive to developers for the provision of retained affordable housing;
- Option 3: Update the district plan to implement a mandatory requirement for developers to include some retained affordable housing – applied to new developments only; or
- Option 4: Update the district plan to implement a mandatory contribution to include some retained affordable housing – for both new developments and redevelopments.

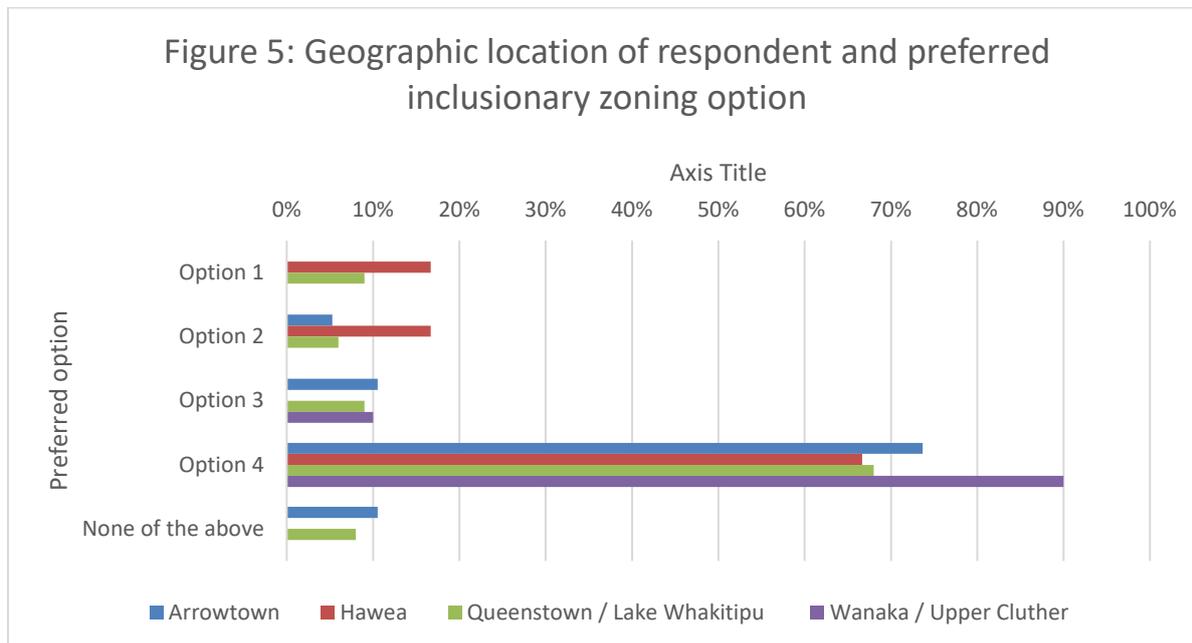
18 The overwhelming response across all age brackets was support for Option 4, as shown in *Figure 3*.



19 The preferred option data has also been charted in terms of the property ownership status of respondents, shown in *Figure 4* below. The figure shows that respondents who own property still overwhelmingly support Option 4, however there is a more distributed preference when compared to respondents who are renting.



20 The preferred option data has also been charted in terms of the geographic location of the submitter³, shown in *Figure 5* below:



21 Respondents were also asked what the biggest challenge for home ownership is, and 85% of respondents stated that affordability is the biggest challenge, followed by supply (13%) and choice (1.5%).

³ Noting that, whilst responses were received from throughout the district, lower numbers were received from Wānaka/Upper Clutha (20) and Hāwea (6), compared to Queenstown/Wakatipu (100) and Arrowtown (19).

Key themes in respondents’ written comments, feedback and suggestions

22 Submitters were invited to provide written comments via the online submission forms in the Homes Strategy Survey and the Planning For Affordable Housing Survey. Submissions were also received via email⁴⁵.

23 The written submissions have been considered, and key themes have been identified. These themes are summarised in the left-hand column of *Table 1* below, and advice to Councillors is provided in the right-hand column. The Outcomes and Actions referenced in the advice column are quoted from Part 3 of the Strategy (at pages 23-26), included as **Attachment A**.

24 *Table 1: Summary of respondents’ written feedback*

WRITTEN FEEDBACK THEMES	COMMENT AND RECOMMENDATIONS
<p>More housing diversity is needed:</p> <ul style="list-style-type: none"> - Give consideration to housing for pensioners – single level, low maintenance, freehold pensioner housing with easy access to amenities and public transport. Retirement village units are lucrative for business, but very expensive for residents and their beneficiaries. - Encourage development that increases diversity of housing stock. - Apartments should be fit for purpose for long-term tenancies. - Increase flexibility for tiny homes, second dwellings (residential flats), co-share housing and worker accommodation. 	<p>Comment:</p> <p>Outcome 2 of the Strategy seeks to ensure that a range of housing choice exists for everyone, and to achieve this outcome the actions include methods that will enable the Council to have an evidence-based understanding of housing needs. These needs will include pensioner housing, accessible housing, tiny homes, seasonal worker accommodation, and long-term rental accommodation.</p> <p>One of the actions for Outcome 2 is to investigate options to address vacant zoned residential land and empty homes, including the rating system.</p> <p>Recommendation:</p> <p>No changes to the Strategy are recommended.</p>

⁴ A total of twenty submissions on the Strategy were received via email.

⁵ Email submissions on the draft inclusionary zoning options will be presented to Councillors in a separate report in early 2022. The feedback received through submissions will be considered in the s32 analysis that details the costs, benefits and appropriateness of the inclusionary zoning plan change.

WRITTEN FEEDBACK THEMES	COMMENT AND RECOMMENDATIONS
<ul style="list-style-type: none"> - Specifically address the lack of affordable housing for seasonal workers. - Restrict the ability for developers to provide large sections; or tax/rate large sections punitively as a disincentive. 	
<p>Provide and retain green space and protect our natural environment:</p> <ul style="list-style-type: none"> - Retain existing green space. - Create more recreational spaces. - Protect the natural environment. 	<p>Comment:</p> <p>The Council has recently adopted an updated Parks and Open Spaces Strategy 2021, a Future Parks and Reserves Provision Plan 2021, and a revised Development Contributions Policy. One of the key changes adopted by the Council is to increase the requirements for provision of reserves land and financial contributions in future residential growth (green-field) areas. Parks and reserves serving existing urban areas are more challenging to retrofit for a growing and changing population, however the updated strategies and policies highlight the importance of retaining existing parks, and investment in renewal and upgrades of parks located in existing urban areas to accommodate growth.</p> <p>Regarding future urban expansion, the QLDC Spatial Plan Whaiora 2021 [Spatial Plan] is the Council’s strategic planning document to guide the location of future expansion of the urban environment. However in the short to medium term the Spatial Plan prioritises work on enabling intensification of development in our existing urban environment as the priority. This is in line with outcomes sought by the National Policy Statement on Urban Development [NPS-UD] policy 5, which Council is required to implement by mid-2022. The Homes Strategy focusses on actions to facilitate better housing outcomes within the urban environment.</p>

WRITTEN FEEDBACK THEMES	COMMENT AND RECOMMENDATIONS
	<p>The Strategy complements work undertaken to implement the 2019-2022 Climate Action Plan, which is currently being reviewed.</p> <p>Recommendation:</p> <p>No changes to the Strategy are recommended.</p>
<p>Support and encourage decreased car reliance and use:</p> <ul style="list-style-type: none"> - Affordable housing should be in locations close to areas of employment and in locations that can accommodate growth without increasing vehicle traffic and dependence. - Encourage walkable urban centres. 	<p>Comment:</p> <p>Reducing car reliance is a key consideration in urban planning. A key objective of the NPS-UD is to achieve well-functioning urban environments, this includes focusing intensification in accessible locations (policy 5 NPS-UD). A district plan change to implement policy 5 will be notified in mid-2022.</p> <p>The Spatial Plan is the blueprint for future intensification and urban expansion over the next 30 years. It will be reviewed in 2024 and will become a statutory document, meaning that it will have significant weight for Council decision-making on the type and location of future growth in the District. Reducing reliance on private vehicles is a key consideration of the Spatial Plan.</p> <p>Initiatives to support private vehicle emissions reduction are a key component of the Climate Action Plan. The Strategy, Spatial Plan, and implementation of the NPS-UD also work together to achieve this outcome.</p> <p>Recommendation:</p> <p>No changes to the Strategy are recommended.</p>
<p>Limit short term letting and unoccupied homes</p> <ul style="list-style-type: none"> - Increase investment in monitoring and enforcement of Proposed District Plan [PDP] rules. 	<p>Comment:</p> <p>One of the actions in Outcome 2 is to “Scale up monitoring and enforcement of existing rules managing short-term holiday home letting”.</p>

WRITTEN FEEDBACK THEMES	COMMENT AND RECOMMENDATIONS
<ul style="list-style-type: none"> - Tighten short term letting rules. - Dis-incentivise unoccupied dwellings. 	<p>The changes to the PDP heard in Stage 2 of the District Plan review included new planning provisions seeking to limit short term letting (defined as ‘residential visitor accommodation’ in the PDP). The provisions are currently in an Environment Court appeal process. The new provisions seek to establish more effective methods of monitoring short term letting activities.</p> <p>One of the actions under Outcome 2 is to investigate options to address vacant zoned residential land and empty homes (such as by using the rating system as a disincentive).</p> <p>Recommendation:</p> <p>No changes to the Strategy are recommended.</p>
<p>Develop programmes promoting good tenant and landlord practices</p>	<p>Comment:</p> <p>Outcome 3 seeks that homes in the district are healthy, warm and sustainable, and one of the actions is to “enhance and improve connection with the Tenancy Services Compliance and Investigations Team to aid in improvements to rentals which are below acceptable thresholds”.</p> <p>Outcome 2 seeks that a range of housing choice exists for everyone, and one of the actions is to prepare “regular monitoring reports on housing tenure challenges for residents and visa-holders in the district”.</p> <p>Recommendation:</p> <p>The actions in the Strategy focus in on key issues for people renting in the district. No changes to the Strategy are recommended.</p>
<p>Better monitoring is needed</p>	<p>Comment:</p> <p>One of the actions in Outcome 2 is to “Supply housing data regularly and continue to improve data on building in the district” to</p>

WRITTEN FEEDBACK THEMES	COMMENT AND RECOMMENDATIONS
	<p>achieve a range of housing choice geared towards community need. Another is to “develop district housing targets based on data demonstrating community need”.</p> <p>Another of the actions in Outcome 2 is to “Scale up monitoring and enforcement of existing rules managing short-term holiday home letting”.</p> <p>Recommendation:</p> <p>The actions in the Strategy focus in on key gaps in monitoring in the District. They complement the data-gathering and analysis on housing and business capacity required by the NPS-UD. The Strategy as drafted focusses on the key monitoring required to assist with addressing housing challenges.</p> <p>No changes to the Strategy are recommended.</p>
<p>Increase resident participation in decision-making</p>	<p>Comment:</p> <p>Outcome 2 of the Strategy seeks to ensure that a range of housing choice exists for everyone, and to achieve this outcome the actions include methods that will enable the Council to have an evidence-based understanding of housing needs. Methods to capture information about housing needs will include opportunities for further public participation.</p> <p>The Council’s Significance and Engagement Policy 2021 sets out parameters for Council’s community engagement. It includes significant flexibility for consultation using a variety of communication channels, including methods for engagement with groups that the Council doesn’t hear from often.</p> <p>Recommendation:</p> <p>No changes to the Strategy are recommended.</p>

WRITTEN FEEDBACK THEMES	COMMENT AND RECOMMENDATIONS
<p>Infrastructure needs to go in first, then more housing, but limit expansion at the same time</p>	<p>Comment:</p> <p>Zoning of land in the district plan is the key tool for setting expectations around density and associated infrastructure requirements. Future changes to district plan zoning will be influenced by the Spatial Plan. The Spatial Plan takes a long-term approach to planning for growth, which enables strategic investment in infrastructure for future growth areas.</p> <p>Infill development can require retrofitting of infrastructure, and some infrastructure is not able to be easily retrofitted (e.g. road widths). The NPS-UD has strong emphasis on enabling residential capacity through intensification, as well as planning for strategic expansion of urban environments through spatial planning.</p> <p>Recommendation:</p> <p>No changes to the Strategy are recommended.</p>
<p>Accessible housing should be specifically provided for</p>	<p>Comment:</p> <p>Outcome 2 seeks that a range of housing choice exists for everyone, and includes an action to shift housing supply towards community need. This can include consideration of community need for accessible housing.</p> <p>Accessible housing/universal design is not currently required by the PDP, and is governed by the Building Code. However, universal design principles are incorporated into the PDP Business Mixed Use Design Guide 2021, which is a recent addition to the PDP. There is currently emphasis on ensuring accessibility is considered in conjunction with mixed use development, particularly at the interface with the public realm, and there may be gap in the delivery of accessible housing in the district. This can be determined through the delivery of Outcome 2.</p>

WRITTEN FEEDBACK THEMES	COMMENT AND RECOMMENDATIONS
	<p>Recommendation:</p> <p>No changes to the Strategy are recommended, however it is noted that data collection on housing needs will need to include increasing our understanding of accessible housing needs.</p>
<p>Limit additional requirements that may add to the cost of building, or add to Council costs</p> <ul style="list-style-type: none"> - Avoid adding further regulation or requirements through the district plan in an attempt to deliver varied or higher quality housing stock that adds to the cost of development. - Avoid Council spending on activities such as programmes promoting good tenant/landlord practices when these are otherwise publicly-available. 	<p>Comment:</p> <p>The costs and benefits of any changes to the PDP resulting from the Strategy will be required to be considered through the plan change process (s32 of the RMA).</p> <p>It is evident from submissions received that there is demand for advisory services that the Council can play a role in. The costs for Council would need to be carefully considered and programmed through the Annual and Long Term Plans.</p> <p>Recommendation:</p> <p>No changes to the Strategy are recommended.</p>
<p>Use land currently occupied by Queenstown Airport for housing</p>	<p>Comment:</p> <p>The Strategy does not seek to identify specific sites or locations for future residential growth or intensification. This is undertaken through the Spatial Plan and through changes to the PDP.</p> <p>Recommendation:</p> <p>No changes to the Strategy are recommended.</p>

25 As outlined in *Table 1* above, in response to the key themes raised by respondents, no changes are recommended to the Strategy. The key matters raised by respondents are within the ambit of the Strategy’s actions or are addressed through other Council strategies and plans. Further consideration of the matters raised in submissions can occur when implementing the Strategy.

Options

26 Option 1: Adopt the Strategy as notified.

Advantages:

- 27 This option responds to both the Mayoral Housing Affordability Taskforce ambitions, as well as Vision Beyond 2050 aspirations, and the direction set through the Spatial Plan.
- 28 It responds to an issue (housing) which is regularly expressed as a tangible problem for residents through a variety of polling mediums such as the Quality of Life Survey and the Ten Year Plan, and as expressed through the public feedback on the draft Strategy summarised in this report.
- 29 It demonstrates bold leadership and sends a message to our communities, partners and central government the direction in housing being sought by QLDC.

Disadvantages:

- 30 Delaying adoption of the Strategy would enable Councillors to consider the email submission on the draft inclusionary zoning planning provisions. However, the email submissions are currently being summarised and considered for the s32 report for a future plan change. Councillors will be briefed on the email submissions in early 2022 in the context of that plan change.

Option 2: Do not adopt the Strategy as notified.

Advantages:

- 31 This option would provide the opportunity for further refinements to the Strategy, and provide Council the opportunity for additional input prior to adoption.
- 32 This option would enable Councillors to consider feedback on the draft inclusionary zoning provisions.

Disadvantages:

- 33 This option would delay progress on implementing the Strategy to address the wider housing objectives for QLDC.

Recommendation

- 34 This report recommends **Option 1** for addressing the matter as there is clear support for the Strategy as notified. The Strategy, coupled with other identified work occurring across Council, addresses the themes and issues identified in the feedback received in submissions. The Strategy, included as **Attachment A**, has been adjusted to remove the words 'draft' and to describe the consultation (at pages 8 and 30 of the Strategy, as attached).

> SIGNIFICANCE AND ENGAGEMENT | TE WHAKAMAHI I KĀ WHAKAARO HIRAKA

- 35 This matter is of medium significance, as determined by reference to the Council's Significance and Engagement Policy.
- 36 The persons who are affected by or interested in this matter are the community and housing stakeholders regionally and nationally. Consultation has occurred, with a relatively high number of responses received. This illustrates the high level of community engagement on issues relating to housing.
- 37 The Strategy has been informed by many conversations with internal and external stakeholders starting from 2019 and builds on previous consultation work on housing.

> MĀORI CONSULTATION | IWI RŪNANGA

- 38 Council staff provided the draft Strategy to both Aukaha and Te Aō Marama prior to public consultation and received feedback from Aukaha. Local community organisation Mana Tahuna was also consulted. Further outreach was conducted during the community engagement period, however no submissions were received from an Iwi authority.

RISK AND MITIGATIONS | NGĀ RARU TŪPONO ME NGĀ WHAKAMAURUTANGA

- 39 This matter relates to the Strategic/Political/Reputation. It is associated with Risk 00056 – *Ineffective provision for future planning and development needs of the district within the district* in the QLDC Risk Register. This risk has been assessed as having a moderate inherent risk rating.
- 40 The approval of the recommended option will address the risk by allowing Council to implement additional controls for this risk. This shall be achieved by setting strategic objectives and actions to address future housing supply and affordability.

FINANCIAL IMPLICATIONS | NGĀ RITENGA Ā-PŪTEA

- 41 There are no additional resources required for this financial year with work expected to be undertaken within existing budgets. Resources and budget to deliver the actions outlined in this strategy will be sought through future budget processes.

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

- 42 The following Council policies, strategies and bylaws were considered:
- Vision Beyond 2050; in relation to the district's goals of a '*thriving community*' and '*opportunities for all*'
 - Spatial Plan Whaiora 2021
 - Proposed District Plan
 - 2019-2022 Climate Action Plan

- Parks and Open Spaces Strategy 2021
- Reserves Provision Plan 2021
- Development Contributions Policy 2021
- QLDC Significance and Engagement Policy 2021
- Housing Our People in our Environment (HOPE) Strategy; considered in relation to affordable housing interests in the District
- Mayoral Housing Affordability Taskforce Report; considered in relation to affordable housing interests in the District

43 The recommended option is consistent with the principles set out in the named policy/policies.

44 This matter is broadly included in the Ten Year Plan/Annual Plan.

LEGAL CONSIDERATIONS AND STATUTORY RESPONSIBILITIES | KA TURE WHAIWHAKAARO, ME KĀ TAKOHAKA WAETURE

45 No specific legal advice has been sought for the Homes Strategy and Action Plan. Internal and external legal advice has been sought on actions which relate to inclusionary zoning.

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

46 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 seeking to address housing challenges that many households in the district are facing;
- 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.

ATTACHMENTS | NGĀ TĀPIRIHANGA

A	Queenstown Lakes Homes Strategy / Te Rautaki Kāika o Queenstown Lakes 2021-2031
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