

**BEFORE THE INDEPENDENT HEARINGS
PANEL IN QUEENSTOWN**

IN THE MATTER

of the Resource Management Act 1991 (the
Act)

AND

IN THE MATTER

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

**STATEMENT OF EVIDENCE OF JULIE SCOTT ON BEHALF OF QUEENSTOWN LAKES
COMMUNITY HOUSING TRUST**

Dated 18 December 2023

INTRODUCTION

1. My full name is Julie Margeret Scott. I am the Chief Executive of the Queenstown Lakes Community Housing Trust (“the Housing Trust”). I joined the Housing Trust in 2007.
2. I hold the qualification of a Bachelor of Science from Otago University. During my 16 years with the Housing Trust I have assisted in the creation and implementation of several housing assistance programmes; overseen the development of ten affordable housing projects; participated as a key member on Queenstown Lakes District Council’s (“QLDC”) 2017 Mayoral Housing Taskforce along with other housing forums in the district; provided guidance and mentoring to other organisations throughout the country looking to establish community housing; regularly presented at a national level to the wider industry; assisted central government on the design and rollout of its Progressive Home Ownership fund; and negotiated service contracts with central government for Public Housing in the district.
3. To the extent I consider myself to be an expert in the housing needs of the Queenstown Lakes District, and the operation of the Housing Trust in its ongoing efforts and initiatives to meet those needs, this evidence is within my area of expertise, except where I state that I am relying on the evidence of another person, and I have not omitted to consider any material facts known to me that might alter or detract from the opinions I express.
4. I am authorised to give this evidence on behalf of the Housing Trust.

SCOPE OF EVIDENCE

5. The Housing Trust lodged a submission to the Variation (submission number 41). The Housing Trust supports the variation, subject to some refinements to the rules package, as more particularly set out in its submission.
6. I have structured my evidence to address the following topics:
 - The role of the Housing Trust
 - Housing Affordability
 - Rationale for inclusionary housing and its evolution in Queenstown
 - Relationship between QLDC and the Housing Trust
 - The benefits of regulation

THE QUEESNTOWN LAKES COMMUNITY HOUSING TRUST

7. The Housing Trust was established in 2007 following community wide consultation into finding solutions for the district's growing housing affordability issue.
8. The Housing Trust is an independent, not for profit, registered Community Housing Provider (CHP) which answers to a range of stakeholders, including the QLDC.
9. The Housing Trust's key objective is ensuring residents of the Queenstown Lakes District have access to decent, affordable and secure tenure housing at a cost within their means. Its activities are governed by a Trust Deed administered by a Board of six trustees, and regulated by the Community Housing Regulatory Authority.
10. Housing affordability and availability is one of the key challenges our district faces. Since the establishment of the Housing Trust, 16 years ago, the demand for assistance through the various programmes we operate has increased markedly.
11. The Housing Trust provides a range of housing programmes including Public Housing Rental (under contract to Ministry of Housing and Urban Development "MHUD"), Affordable Rentals, Senior Housing, rent-to-buy and assisted ownership. This is an important aspect to the Housing Trust's model and provides an enabling process for households to transition along the housing continuum.

HOUSING AFFORDABILITY

12. Housing affordability is an issue particularly endemic to international resort towns throughout the world. Cities like Whistler, Aspen and Queenstown are typical tourism destinations which share similar challenges with significant numbers of low-median income earners and high housing costs.
13. The Queenstown Lakes consistently has one of the highest median house and rental prices in New Zealand. The problem is amplified by the higher cost of living in Queenstown while wages remain on par with the rest of the country. This has led to a challenge for the community to attract and retain workers.

14. The Housing Trust currently has 1144 eligible households on our waiting list, with over 300 new registrations in the past 12 months alone. 83% of these households are currently residing in the wider Whakatipu basin, with 17% in the Upper Clutha area.

RATIONALE FOR INCLUSIONARY HOUSING AND ITS EVOLUTION IN QUEENSTOWN

15. The Housing Trust firmly believes that when a value uplift occurs through development or rezoning – a social licence which is enabled through statutory planning processes - then a set percentage of that enabled development should be set aside for the purpose of providing affordable housing. This contribution needs to be complemented by a form of effective retention mechanism to ensure affordability remains in perpetuity. This is a process known as Inclusionary Housing (IH).
16. The Housing Trust has received some \$48m in land and/or cash from developers via one form or another of IH mechanisms over the past 20 years. This capital has been used to deliver affordable housing to 272 households across the Queenstown Lakes district. QLDC has facilitated the negotiations and delivery of these contributions since the first stakeholder deed was signed in 2003.
17. The Housing Trust has been able to leverage these IH contributions by generating additional capital and favourable finance facilities through central Government, Community Trusts and market banks, which in turn has enabled it to scale up the delivery of affordable housing.
18. An example of this is the Toru apartments transaction in 2021, where the Housing Trust purchased 50 (of 78) 1-and 2-bed units from a private developer using capital acquired through inclusionary housing contributions. It was then able to allocate 26 of the units into assisted ownership with support of a \$6.3 million interest-free, 15-year loan from MHUD, along with 15 units into Public Housing under a 25-year Income Related Rent Subsidy through the Ministry of Social Development. The balance of the units were either sold on the open market to assist with financing the project, or retained as Affordable Rentals. Deemed to be the first true mixed-tenure, high density development in New Zealand, it's widely considered that without the Housing Trust's initial purchase of 50 apartments, it's unlikely this project would have succeeded in being developed.

19. Over the past 17 years, the Housing Trust has received grants, operating supplements, and interest-free loans from Government totalling \$16m, with a further \$20m interest-free loans currently under contract with the MHUD. The Housing Trust is considered a trustworthy CHP with a proven track record of delivering affordable housing in the district. With 140 homes built to date, the Housing Trust has a 96 homes currently under construction and dozens more in the design phase.
20. The Housing Trust currently has net assets of \$64m. This strong balance sheet is in large part due to IH contributions received since the establishment of the trust.

RELATIONSHIP BETWEEN QLDC AND THE HOUSING TRUST

21. The relationship between QLDC and the Housing Trust is governed by a Relationship Framework Agreement (RFA) which determines how the two parties will work together to deliver affordable housing and in particular how IH (and Council) contributions must be used by the Housing Trust. For example, any land transferred to the Housing Trust through the IH process (or Council-owned land) can only be used for purpose of affordable housing, i.e. approved housing programmes which are included in appendices to the RFA.
22. The Housing Trust undertakes quarterly reporting to QLDC confirming all IH contributions received in the past quarter and their respective statuses. For example, in the in the most recent quarter, 46 sections have been received in Lake Hāwea with 28 currently under construction and 18 in the design phase.
23. Due to existing Stakeholder Deeds that are committed to providing IH contributions, the Housing Trust has a visible pipeline of future land coming to it, and can plan accordingly. Importantly, this allows the Housing Trust to provide anticipated timeframes for future housing to the hundreds of households on the waiting list - and with this, it provides them hope for a better future in the district. It allows the households time to budget and plan and to arrange their finances with our banking partners.

THE BENEFITS OF REGUALTION

24. The historical piecemeal and voluntary-style approach of IH mechanisms means the pipeline beyond the current deeds is uncertain and prohibits the Housing Trust from being able to effectively plan over a long-term. QLDC currently lacks a clear regulatory process to implement IH.
25. The Housing Tryst considers the Variation will provide an enduring mechanism for ensuring there is a permanent pipeline of community housing for residents of our district into the future.
26. The Housing Trust fully supports the principles of inclusionary housing and the manner in which these have been embodied in the Variation. The amendments proposed in the s42A report to the rules framework satisfactorily address the concerns raised in the Housing Trust's submission.

Julie Scott

18 December 2023.