

Full Council

24 October 2024

Report for Agenda Item | Rīpoata moto e Rāraki take [5]

Department: Property & Infrastructure

Title | Taitara: Elderly Housing Portfolio Management

Purpose of the Report | Te Take mō te Pūroko

The purpose of this report is to consider removing all of the elderly housing units from the Schedule of Assets as detailed in the Queenstown Lakes District Council (QLDC) Significance and Engagement Policy 2024 and transferring the elderly housing portfolio to the Queenstown Lakes Community Housing Trust (QLCHT).

Recommendation | Kā Tūtohuka

That the Council:

1. **Note** the contents of this report;
2. **Note** that the proposal to remove the elderly housing units from the Schedule of Assets and to transfer the elderly housing portfolio to the Queenstown Lakes Community Trust was consulted on in conjunction with the Long Term Plan 2024-2034;
3. **Agree** the recommendation of the Elderly Housing Hearing Panel (26 August 2024) to remove the Elderly Housing units from the Schedule of Assets;
4. **Approve** the removal of all of the elderly housing units from the Schedule of Assets as detailed in the QLDC Significance and Engagement Policy 2024;
5. **Approve** the transfer of the elderly housing portfolio to the Queenstown Lakes Community Housing Trust; and
6. **Delegate** the authorisation to undertake the transfer of the elderly housing portfolio to the Chief Executive.

Prepared by:



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Title: Property Projects Manager
30 September 2024

Reviewed and Authorised by:



Name: Tony Avery
Title: General Manager, Property & Infrastructure
1 October 2024

Context | Horopaki

1. Queenstown Lakes District Council (QLDC) owns a total of nine elderly housing units, five in Wānaka and four in Arrowtown. The Wānaka units are on freehold land. The Arrowtown units are on endowment land.
2. In October 2018, QLDC adopted recommendations from the Housing Affordability Taskforce (HAT). “Invest in scaling up the Queenstown Lakes Community Housing Trust so that it is able to contribute strongly to the goal of delivering 1,000 affordable homes with secure tenure by 2028.” (Later extended to 2038).
3. In 2019, the Relationship Framework Agreement was executed between Council and QLCHT. This was later updated in August 2022.
4. In September 2020, a proposal was received from QLCHT requesting the elderly housing units be transferred from QLDC to QLCHT .
5. QLDC’s Long Term Plans 2018-2028 and 2021-2031, and the Annual Plan 2020-2021 included intentions to undertake separate consultation proposing transferring control of the elderly housing portfolio. The plan stated that the Council intended to retain ownership of the land and buildings.
6. In June 2021, QLDC brought the property management functions in-house, which included the elderly housing portfolio. The elderly housing units are currently managed by staff within the property team at QLDC. The buildings are maintained as part of the facilities building and grounds maintenance budget.
7. In November 2021, Council approved maintenance and healthy homes upgrades for the five units in Wānaka.
8. In March 2022, QLDC transferred 3.7Ha of land on Jopp Street, Arrowtown to QLCHT as a fee simple title. At least six of the 68 properties being built are to be designated as elderly housing, with completion scheduled for 2025 (Tewa Banks Development).
9. In August 2022, property assessments were completed on all elderly housing. It was noted that the properties are in an ‘aged and weary condition’. The properties must be healthy homes compliant by June 2024.
10. In November 2022, QLCHT purchased land at 45 McDougall Street, Wānaka which is adjacent to the five Council owned elderly housing units. This would allow QLCHT to build a total of twelve units across the two sites, should they acquire the Council owned units.
11. Legal investigations found in June 2023 that the Arrowtown properties are not on Reserve land. The land was gifted to QLDC by the Crown in 1956 for the municipality of Arrowtown. The elderly housing units are on a fee simple title.
12. QLCHT provided an updated proposal in August 2023.

13. In May 2024 Council adopted the Elderly Housing Statement of Proposal. The document details the proposed transfer methodology to the QLCHT, this covers the differing underlying land statuses of the Wanaka and Arrowtown properties.
14. Consultation on this topic was undertaken in conjunction with the Long Term Plan 2024-2034 consultation, this took place in June-July 2024. A total of thirteen (13) submissions were received from the consultation, all of which were in support of the proposal. Further details are given below in the Analysis and Advice section.
15. In August 2024 the hearing panel was convened. Councillors Guy, Wong and Cocks formed the hearing panel, and considered the submissions and objections received. The hearing panel decided to recommend the removal of all elderly housing units from the Schedule of Assets, and the transfer the elderly housing portfolio to the QLCHT.
16. In September 2024 the QLDC Significance and Engagement Policy 2021, was replace by the QLDC Significance and Engagement Policy 2024. All prior documents had referenced the 2021 policy. All reference to the policy going forwards will be to the 2024 version, this includes this report. There is no material change for this proposal.

Analysis and Advice | Tatāritaka me kā Tohutohu

17. Thirteen (13) public submissions have been received. One submitter spoke at the 26 August 2024 hearing, being Julie Scott of QLCHT.
18. Of the submissions, the positions and associated number are as follows:

Position	Number of Responses
Support	13
Grand Total	13

19. The following general themes were contained in the submissions, all of which were in support of the proposal:
 - Support transferring the units to the QLCHT
 - Support the work of the QLCHT
 - Provide affordable housing options for older people
 - Provide additional wraparound services for tenants
 - Suggestion of leasing and sale to the QLCHT at a discount as opposed to peppercorn lease and a transfer of the units
20. The Hearings Panel has given full consideration to the submissions/objections received and determined the extent to which the submissions/objections have been allowed or accepted or disallowed or not accepted. The hearing panel has decided to recommend the removal of all elderly housing units from the Schedule of Assets as detailed in the QLDC Significance and Engagement Policy 2024 and transfer the elderly housing portfolio to the QLCHT.

21. All submitters and submissions have been considered equally, and this included equal consideration of written and oral submissions.
22. 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.
23. Option 1 Approve the removal of all elderly housing units from the Schedule of Assets and transfer the elderly housing portfolio to the QLCHT.

Advantages:

- The properties would be managed by an organisation that is equipped to qualify and manage such tenancies.
- The tenants will benefit from better quality, modern accommodation, and a befitting level of care from a relevant organisation who have additional benefits of being able to access Government grants Income-Related Rent Subsidy (IRRS).
- The properties will remain under permanent community ownership.
- QLDC will save on long-term maintenance and management costs.
- QLDC would be contributing towards the goal of 1,000 homes by 2038 as part of the Mayoral Housing Affordability Taskforce.

Disadvantages:

- The land could not be utilised for anything else.
- QLDC would surrender control over part of its residential portfolio.
- Transferring the title would be considered a Disposal of Asset.

24. Option 2 To not remove all elderly housing units from the Schedule of Assets, and not transfer the elderly housing portfolio to the QLCHT.

Advantages:

- QLDC would retain ownership of the land and properties.
- The properties would not be removed from the Schedule of Assets as detailed in the QLDC Significance and Engagement Policy 2024.

Disadvantages:

- QLDC will be responsible for the costs of all ongoing and long-term maintenance as specified in the 2021 Building Assessments.
- QLDC will be unable to match the proposal from QLCHT to provide modern housing.

- QLDC is unable to provide effective management of such tenancies.
- Will inhibit QLDC from contributing towards the goal of 1,000 homes by 2038 as part of the Mayoral Housing Affordability Taskforce.

25. This report recommends **Option 1** for addressing the matter because it will help enable the long-term management and development of additional affordable housing units for the district's communities and remove the costs and management responsibilities from QLDC. QLDC are well placed to provide for a growing demographic of elderly population, often considered vulnerable.

Consultation Process | Hātepe Matapaki

Significance and Engagement | Te Whakamahi I kā Whakaaro Hiraka

26. This matter is of high significance, as determined by reference to the Council's Significance and Engagement Policy 2024 because the elderly housing units are listed as a strategic asset as defined by section 5 of the Local Government Act 2002. Any decision relating to the sale or transfer or sale of shareholding of any strategic asset is assessed as a matter of high impact and will trigger a Special Consultative Procedure (as defined by section 82 of the Local Government Act 2002) as it involves a high level of community interest for the public.

27. The persons who are affected by or interested in this matter are the residents/ratepayers of the Queenstown Lakes District, the residents of elderly housing units and the QLDC.

28. The Council has been liaising with residents of the units and the QLDC.

Māori Consultation | Iwi Rūnaka

29. The Council has not undertaken any specific consultation with Iwi Māori on this matter.

Risk and Mitigations | Kā Raru Tūpono me kā Whakamaurutaka

30. This matter relates to the Community & Wellbeing risk category. It is associated with RISK10021 Ineffective operations and maintenance of property or infrastructure assets within the QLDC Risk Register. This risk has been assessed as having a very high residual risk rating.

31. The approval of the recommended option will allow Council to retain the risk at its current level. This will be achieved by passing ownership and maintenance of the assets on to an agency better set up to manage the residents and maintenance of the units.

Financial Implications | Kā Riteka ā-Pūtea

32. There are no immediate financial implications relating to the removal of the asset from the Schedule of Assets as detailed in the QLDC Significance & Engagement Policy 2024.

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

33. The following Council policies, strategies and bylaws were considered:

- Significance and Engagement Policy 2024
- Elderly Persons Housing Policy
- Local Government Act 2002
- Joint Housing Action Plan

34. The recommended option is consistent with the principles set out in the named policies.

35. This matter is included in the Long Term Plan and Annual Plan. QLDC's Long Term Plans 2018-2028 and 2021-2031 and the Annual Plan 2020-2021 included intentions to undertake separate consultation proposing transferring control of the elderly housing portfolio. The plan stated that the Council intended to retain ownership of the land and buildings.

Legal Considerations and Statutory Responsibilities | Ka Ture Whaiwhakaaro me kā Takohaka Waeture

36. The consideration process follows that required by section 83 of the Local Government Act 2002 (LGA).

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

37. 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. As such, the recommendation in this report is appropriate and within the ambit of Section 10 of the Act.

38. The recommended option:

- Can be implemented through current funding under the Long Term 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	Minutes of hearing of submissions held on 26 August 2024
B	Elderly Housing Statement of Proposal