



NAPIER
CITY COUNCIL
Te Kaunihera o Ahuriri

Napier Civic Building
231 Hastings Street
t +64 6 835 7579
e info@napier.govt.nz
www.napier.govt.nz

OFFICIAL INFORMATION RESPONSE (PREBENSEN DRIVE REPORT AND MINUTES)

Thursday 8 September 2022

Official Information Response (Prebensen Drive
Report and Minutes)

1. PROPOSAL FOR DEVELOPMENT 398 PREBENSEN DRIVE FOR HOUSING REPORT & MINUTES

Items Included:

1. 11 November 2021, Future Napier Committee Agenda Report and attachments,
2. 11 November 2021, Future Napier Committee Minutes and attachments,
3. 9 December 2021, Ordinary Council Meeting Minutes extract, and
4. 9 December 2021, Ordinary Council Meeting Minutes Attachments.

Attachments

- 1 Proposal for Development of 398 Prebensen Drive for Housing [↓](#)

1. PROPOSAL FOR DEVELOPMENT OF 398 PREBENSEN DRIVE FOR HOUSING

<i>Type of Report:</i>	Procedural
<i>Legal Reference:</i>	N/A
<i>Document ID:</i>	1393937
<i>Reporting Officer/s & Unit:</i>	Georgina King, Urban Design Lead
Reason for Exclusion	<i>Section 7(2)(h) Enable the local authority to carry out, without prejudice or disadvantage, commercial activities.</i>

1.1 Purpose of Report

To confirm that Lot 2 DP 420058, being part of 398 Prebensen Drive, is suitable for development into housing.

Officer's Recommendation

The Future Napier Committee:

- a. **Endorse** the Design Blueprint plan (*Doc Id 1396294*) proposed for part of Lot 2 DP 420058, 398 Prebensen Drive including:
 - i. The housing typologies, housing density, overall development layout and urban design outcomes.
- b. **Approve**, in principle, the divestment of part of Lot 2 DP 420058, 398 Prebensen Drive, to Kāinga Ora based on
 - i. complying with the Design Blueprint,
 - ii. achieving the ratio of housing tenure, and
 - iii. reaching market value for the land
- c. **Delegate** authority to the Chief Executive to negotiate the terms of sale, including price, and to sign all related legal documentation to conclude the sale.

1.2 Background Summary

On 22 April 2021, Council confirmed that part of 398 Prebensen Drive (Lot 2, DP 420058) was suitable for residential development comprising a mix of social, affordable and open market housing. Council requested that a proposal be brought back which achieved an appropriate mix of housing typologies, was based on a suitable development layout that meets good urban design outcomes, and would meet market value.

Kāinga Ora (KO) are the Government's umbrella body mandated to deliver social housing for our community. KO's philosophy is centred on delivering quality urban developments that connect homes with jobs, transport, open spaces and the facilities that communities need. This includes accelerating the availability of build-ready land, and building a mix of housing including public housing, affordable housing, homes for first home buyers, and market housing of different types, sizes and tenures.

Kāinga Ora has a mandate to develop and build public and supported housing, not to build housing to market. In light of this Council entered into discussions with KO to investigate developing part of 398 Prebensen Drive (Lot 2, DP 420058) based on a

Design Blueprint model, as a means of realising Council's preferred ratio of housing tenure, ensuring the development will be undertaken in a timely manner, that market valuation for the land, being a ratepayer asset, is achieved, and to mitigate the risk of Developers 'land banking' this land for future development.

On 12 August 2021, Council further resolved to support an Expression of Interest (EOI) to the Infrastructure Acceleration Fund (IAF) for housing to be developed on this land parcel, allowing for this EOI to consider housing across the entirety of the site, subject to public consultation over the Aquatic Centre's future.

On 15 October 2021, Council was advised that the submission to the IAF was not successful, and as such the parcel of land able to be divested is the smaller land parcel located to the south of the proposed Aquatic Centre, approximately 4.1 hectares.

1.3 Issues

1. In the first instance Council needs to realise the value of the land, being a ratepayer asset.
2. Council must be comfortable in allowing Kāinga Ora (KO) to buy the land without putting it up for sale on the open market.
3. Council needs to have confidence that the ensuing development meets its aspirations – good urban design outcomes, the right social / affordable housing mix, and that the land is properly serviced.
4. KO must be able to make the development work. Consideration needs to be given, for example, as to whether the intent of requiring Affordable Housing as part of this development could be achieved through other mechanisms, such as on selling 'build-ready' sites to KO pre-approved Developers (such as K3 or KiwiBuild) who will deliver a mix of housing, including affordable housing or homes targeting progressive home ownership.
5. KO must understand their role in this development and commit to complying with the Design Blueprint, and working with Council to achieve the housing outcome Council requires.

1.4 Significance and Engagement

Council's CE and Officers have been working with KO to develop the Design Blueprint for this housing development. KO approached Te Taiwhenua o Te Whanganui ā Orotu as part of this process, and a series of wananga between all three parties have taken place. The Design Blueprint proposed today is the outcome of this collaboration and has been endorsed by all Parties.

On Te Taiwhenua o Te Whanganui ā Orotu's request Council presented to their Board on the IAF applications, and the housing development opportunity at Tamatea Drive. Ambitions around mixed housing typologies, housing tenure alternatives, and progressive home ownership were highlighted as key outcomes for Māori.

1.5 Implications

Financial

As discussed the market valuation underpinning the divestment of the land asset is appropriate protection of Council and ratepayer financial interest. This will be achieved by Council and KO obtaining individual valuations for the proposed 4.1ha (approx.) land parcel, based on the development opportunity set out in the Design Blueprint in the first

instance. Both Parties then enter into negotiations to reach a mutually acceptable sale price for the land.

Market valuation offers both Kāinga Ora and Council certainty going forward, and is the simplest transaction. On the other hand, should Council elect to place the land on the open market, there are no guarantees of ownership, and consequently desired outcomes that have been negotiated to date around housing tenure and mix of typologies are unlikely to be achieved.

Social & Policy

Councils' need to advance affordable housing opportunities has been well traversed and indeed Council has been looking for opportunities such as this to advance its social and policy agenda.

Risk

There is risk in how various sectors of the public will perceive the Councils involvement in the development, including the neighbouring community, and other developers in particular. Mitigating that risk is that, on balance, Council cannot afford to 'do nothing' to address the affordable housing / housing crisis, and if not here then where?

Selling the land to KO also mitigates the risk of the land being 'land banked' by private Developers, thus ensuring that housing is undertaken in a timely manner to help alleviate the current housing crisis. A delivery timeframe can be agreed as part of the Sale and Purchase negotiations and written into the Further Terms of Sale, legally binding KO to this commitment.

The current legal status of the Lot 2 DP 420058, 398 Prebensen Drive land parcel is complex, with several redundant covenants and easements on the title which need to be removed. Work is being undertaken presently to rationalise the land parcel and remove all unnecessary impediments from the title.

1.6 Options

The options available to Council are as follows:

- a. To sell the land to Kāinga Ora at market valuation, based on the Design Blueprint, the agreed ratio of State housing tenure, development timeframes, and the agreed housing typologies as defined in the drawings.
- b. To fore go the opportunity at this stage. (ie. do nothing).
- c. Sell on the open market.

1.7 Development of Preferred Option

Kāinga Ora's proposal to purchase approximately 4.1ha of Lot 2 DP 420058, 398 Prebensen Drive (subject to sub division and clean title issue) is outlined below:

- KO come to an agreed price with NCC (based on pro-rata square metre market value)
- Due diligence is undertaken to confirm development feasibility (3.5 months)
- Design Blueprint is confirmed between KO and NCC with agreement on the overall site layout and lot numbers
- Subdivision of the land into super lots for the different housing outcomes
- KO to undertake infrastructure development to service the super lots for social and market housing (including a component of affordable housing)
- KO to deliver the social housing super lot, approx. 30 % of the proposed development through our Construction & Innovation teams, these houses remain in KO ownership

- KO-UDD (Urban Development Delivery) working with pre-approved developers, iwi and Maori Housing Providers (such as K3 Kahungunu Property) to sell the remaining super lots with Development Agreements (DAs) via contracts requiring delivery of market and affordable outcomes on the land or KO delivers direct to market
- KO-UDD encourages the inclusion of innovative home ownership options as part of the KiwiBuild Scheme, such as shared equity, progressive home ownership and rent- to-buy

1.8 Attachments

- A Design Blueprint and Housing Typologies
- B Kainga Ora acquisition proposal

15th October 2021

Napier City Council
215 Hastings Street
Napier South,
Napier 4110

To Georgina King, Urban Design Lead, NCC

Kāinga Ora Acquisition Proposal

Background:

Napier City Council has approached Kāinga Ora with a concept plan to explore interest in acquiring the subject land and developing social housing on the site.

The land is part of a larger NCC land holding and constitutes approx, 5.75ha of land located approx. at 398 Prebensen Drive, Tamatea. This 5.75ha of land includes a 1.65ha service corridor which Council has applied to the Infrastructure Acceleration Fund (IAF) to enable the removal and relocation of significant infrastructure services. If Council is unsuccessful in their application the total land parcel available for development will be reduced to approximately 4ha.

The current title holds a collection of redundant covenants and easements which need to be removed from title, as well as the Waka Kotahi expressway designation which needs to be 'rolled back' to align with the actual expressway boundary. The proposed site is not yet sub-divided.

Kāinga Ora welcomes the opportunity to participate in the development. Kāinga Ora brings together the people, capabilities and resources of KiwiBuild, Housing New Zealand, and its development subsidiary HLC. This enables a more joined-up approach to delivering the Government's housing and urban development priorities. These priorities include addressing homelessness and making homes more affordable for New Zealanders.

Kāinga Ora's philosophy is centred on delivering quality urban developments that connect homes with jobs, transport, open spaces and the facilities that communities need. This includes accelerating the availability of build-ready land, and facilitating building a mix of housing including public housing, affordable housing and homes for first home buyers.

Through acquisition of a part or the entire proposed development site, Kāinga Ora is aiming to achieve better social, cultural and economic outcomes; provide many of our Napier families with a warm, dry and safe place to stay and help others to get into homeownership.

Kāinga Ora has a mandate to develop and build public and supported housing only, not to build housing to market.

Acceleration Fund Application, sub division and clean title issue) is outlined below:

- Kāinga Ora come to an agreed price with NCC
- Due diligence is undertaken to confirm development feasibility (3.5 months)
- Design Blueprint is confirmed between Kāinga Ora and NCC with agreement on the overall site layout and lot numbers
- Subdivision of the land into super lots for the different housing outcomes
- Kāinga Ora to undertake infrastructure development to service the super lots for social and market housing (potentially including a component of affordable housing)
- Kāinga Ora to deliver the social housing super lot, approx. 30 % of the proposed development through our Construction & Innovation teams, these houses remain in Kāinga Ora ownership
- Kāinga Ora-UDD (Urban Development Delivery) working with pre-approved developers, Iwi and Maori Housing Providers to sell the remaining super lots with Development Agreements (DAs) via contracts requiring delivery of market and affordable outcomes on the land or Kāinga Ora delivers the land direct to market
- Kāinga Ora-UDD encourages the inclusion of innovative home ownership options as part of the KiwiBuild Scheme, such as shared equity, progressive home ownership and rent- to-buy

NOTE: Affordable options should achieve Kāinga Ora's objectives of delivering pathways to home ownership and security of tenure, as well as creating a balanced community.

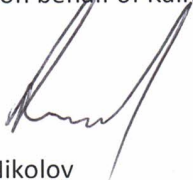
Homes that are not part of the required 'affordable' percentage is aimed at reducing the median house price

Our urban design teams are committed to work closely and in partnership with Napier City Council, local Iwi and the community to understand how best to meet current housing needs and inform residents and stakeholders at every stage of our development plans.

Kāinga Ora's interest and success in delivering the proposed outcomes as described are strictly conditioned on the outcome of thorough due diligence, project feasibility, NCC partnership during development, and Council's view of the current market value of the subject land.

The Kāinga Ora team would welcome the opportunity to receive feedback and further align our proposal if required in order to meet Council's vision for the site in terms to achieving best outcomes for the Napier community.

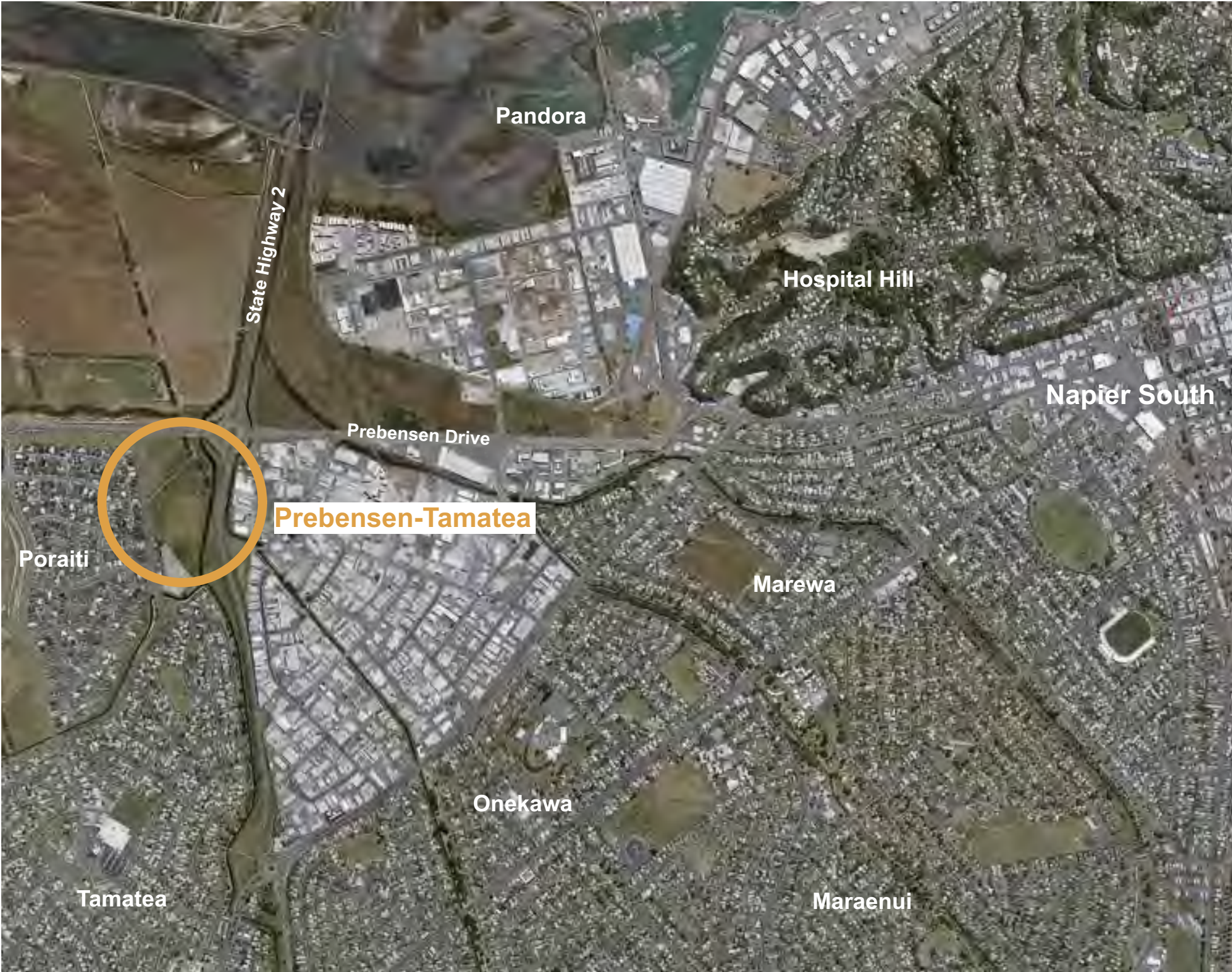
Signed on behalf of Kāinga Ora



Peter Nikolov
Senior Strategic Land Supply Manager
Commercial Group

Prebensen-Tamatea - Napier

Development Housing | #21037 | Poraiti, Napier | for Kāinga Ora - Homes and Communities | Stage 1 Redefined | 20/10/21



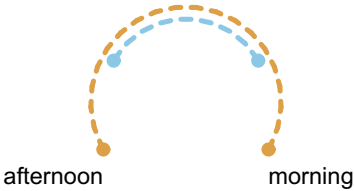
Page	Rev.	Title	
SK00	D	Masterplan	Cover
SK09	D	Masterplan	Stage 1 - Option 3

Masterplan
Stage 1 - Option 3
Lot 1



Stage 1 Option 3	Area (Ha)	Estimated Yield (250m2 lots)
Superlot 1A	0.45	18
Superlot 1B	0.14	6
Superlot 2	0.76	30
Superlot 3	0.21	8
Superlot 4	0.37	15
Superlot 5	0.68	27
Totals	2.61	104
Gross Area (Ha)	4.40	
Roads (Ha)	1.69	
Pump/Reserve (Ha)	0.11	
Net Developable Site Area (Ha)	2.61	
Net Density dw/Ha	40	
Net Density m2/dw	250	

• Superlot 2 area is the full amount shown (common green area is an indicative only).



Legend - Proposed

- Parcel Boundaries (existing)
- Proposed Development Site
- Existing Contour (1m)
- HiRB setback (gutter side)
- HiRB setback (gable end side)
- Yard Setback (3m front / 1m side/rear)
- Outdoor Living Space (min.6m dia.)
- Vehicles
- Pedestrian
- Superblock
- Private Lot
- Common Lot
- Cycle / Pedestrian Connections
- Tree - proposed

Disclaimer: These drawings have been prepared from partial information solely for high-level analysis and demonstration of urban design principles and priorities of Kāinga Ora. Other parties cannot rely on the information contained on these drawings in any way and should conduct their own investigations of the sites to determine feasibility. Standard building designs



job
Prebensen-Tamatea - Napier

drawing name
Stage 1 - Option 3

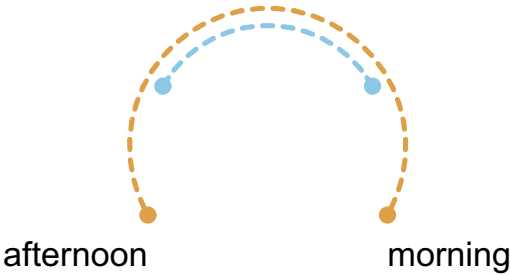
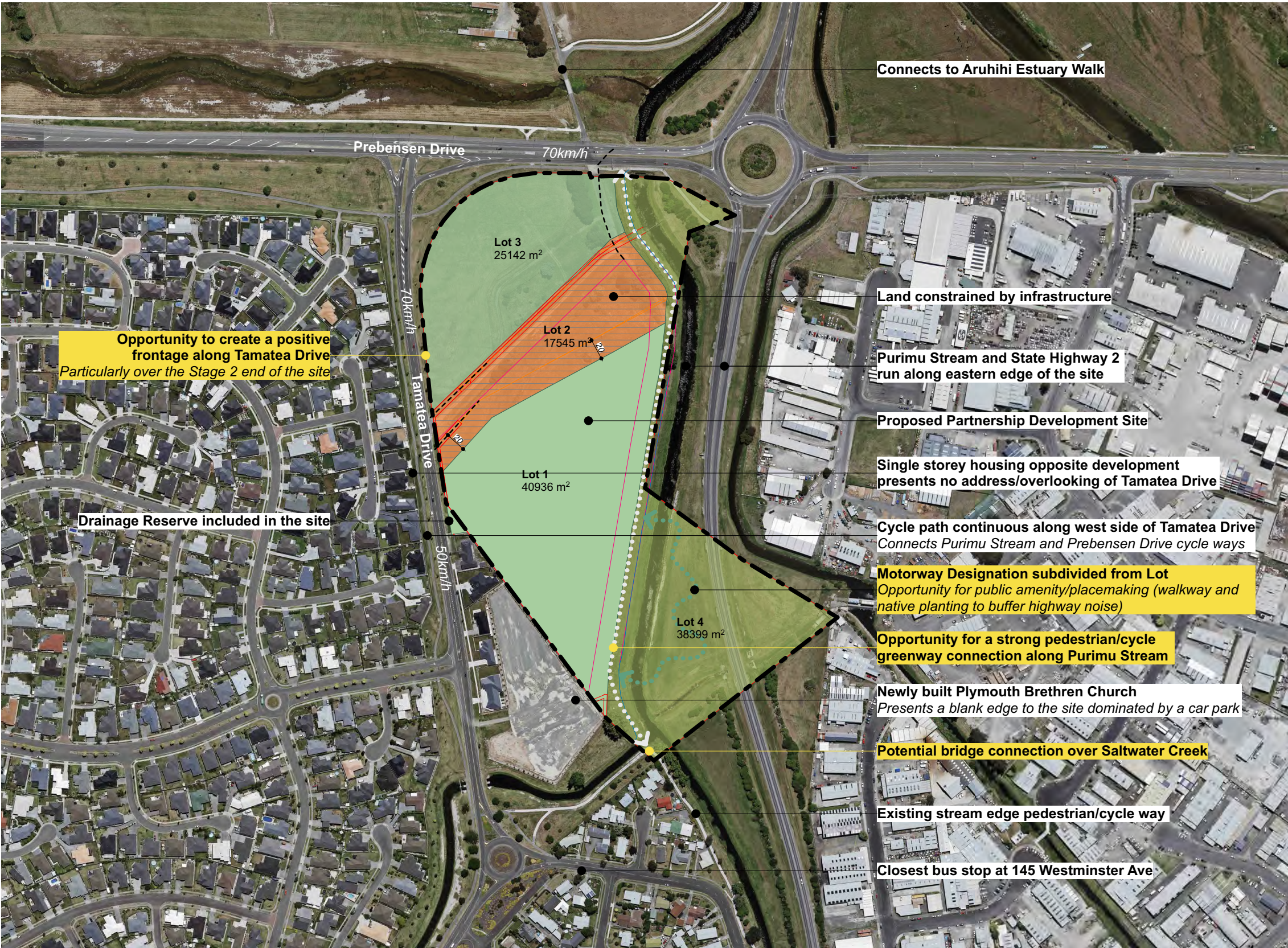
job no.

SK09

D	Issue	Revision	20/10/22
			De

Sills van Bohemen
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Masterplan
Site Analysis



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job
Prebensen-Tamatea - Napier

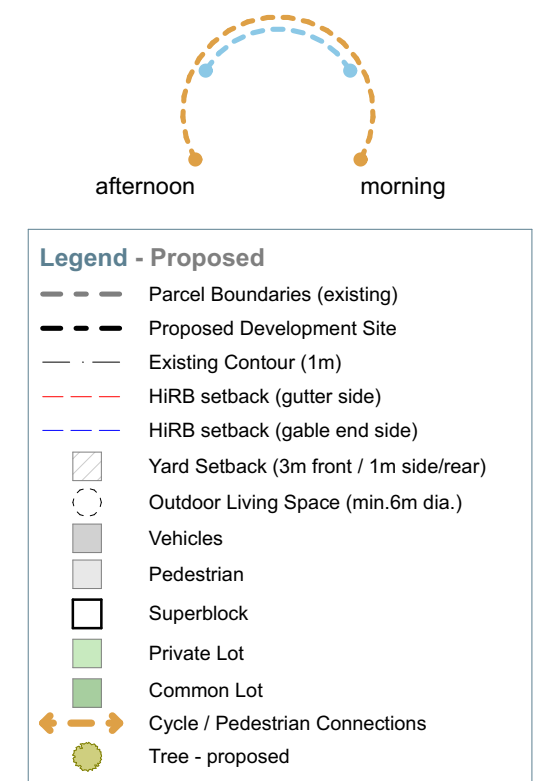
date of issue
27/08/22

drawing name
Site Analysis
scale
1:1000
original size
A3

job no.
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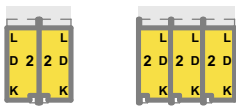
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C		27/08/22
Issue	Revision	De
Sills van Bohemen		
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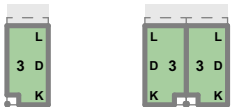
Masterplan
Kāinga Ora Building
Typologies

Building - Typologies - Two Storey Homes



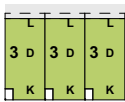
Kāinga Ora
2 bed Duplex / Triplex
2 storey
2-Bed
1 Dwelling

GFA
Unit: 82m²



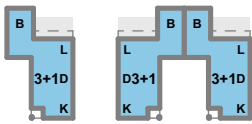
Kāinga Ora
3 bed Standalone / Duplex
2 storey
3-Bed
1 Dwelling

GFA
Unit: 116m²



Kāinga Ora
3 bed Terrace
2 storey
3-Bed
1 Dwelling

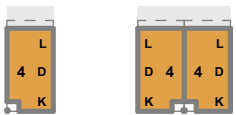
GFA
Unit: 125m²



Kāinga Ora
3+1 bed Standalone / Duplex
2 storey
3+1 = 4-Bed
1 Dwelling

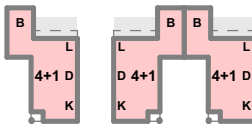
GFA
Unit: 138m²

Accessible



Kāinga Ora
4 bed Standalone / Terrace
2 storey
4-Bed
1 Dwelling

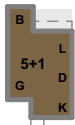
GFA
Unit: 135m²



Kāinga Ora
4+1 bed Standalone / Duplex
2 storey
4+1 = 5-Bed
1 Dwelling

GFA
Unit: 158m²

Accessible

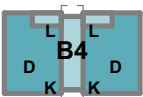


Kāinga Ora
5+1 bed Standalone
2 storey
5+1 = 6-Bed
1 Dwelling

GFA
Unit: 173m²

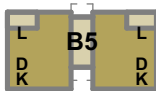
Accessible

Building - Typologies - 2 Level Walkups



Kāinga Ora Walk-up
2 storey
4 x 2-Bed
4 Dwellings
Accessible Ground Floor (2 apartments)

GFA
Unit: 73m²
Balcony: 8m²
Common: 48m²



Kāinga Ora Walk-up
2 storey
4 x 2-Bed
4 Dwellings
Accessible Ground Floor (2 apartments)

GFA
Unit: 78m²
Balcony: 9m²
Common: 46m²

Building - Typologies - Regional Housing



Kāinga Ora
1 bed Standalone
1 storey
1-Bed
1 Dwelling

GFA
Unit: 51.5m²

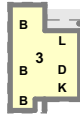
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Kāinga Ora
2 bed Standalone
1 storey
2-Bed
1 Dwelling

GFA
Unit: 75.5m²

Accessible

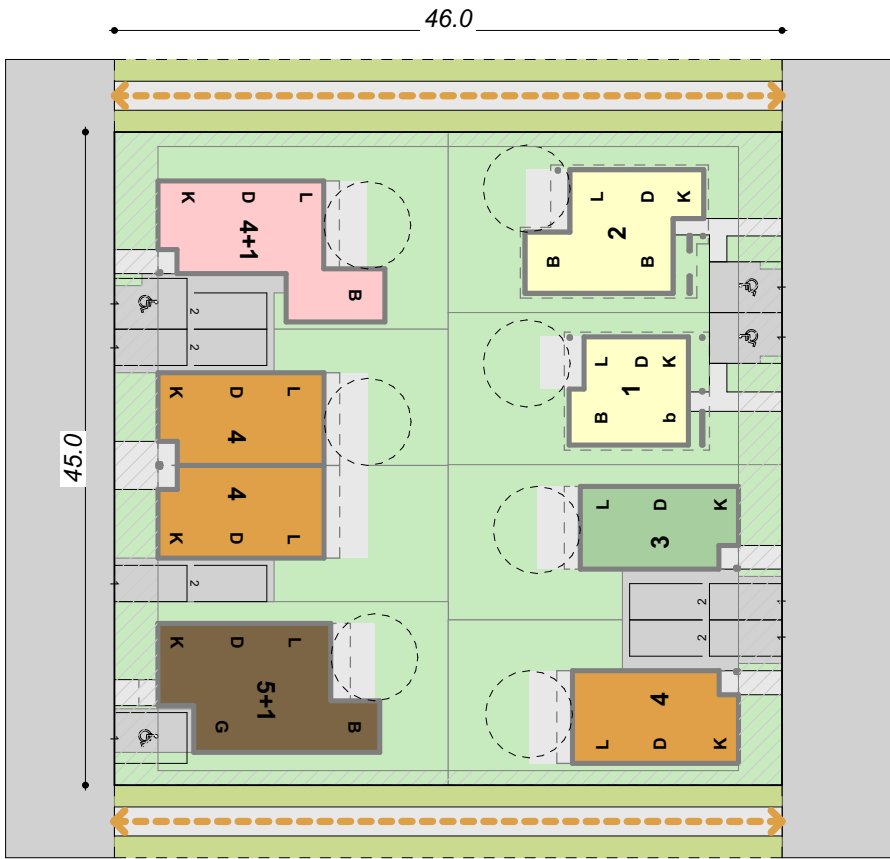


Kāinga Ora
3 bed Standalone
1 storey
3-Bed
1 Dwelling

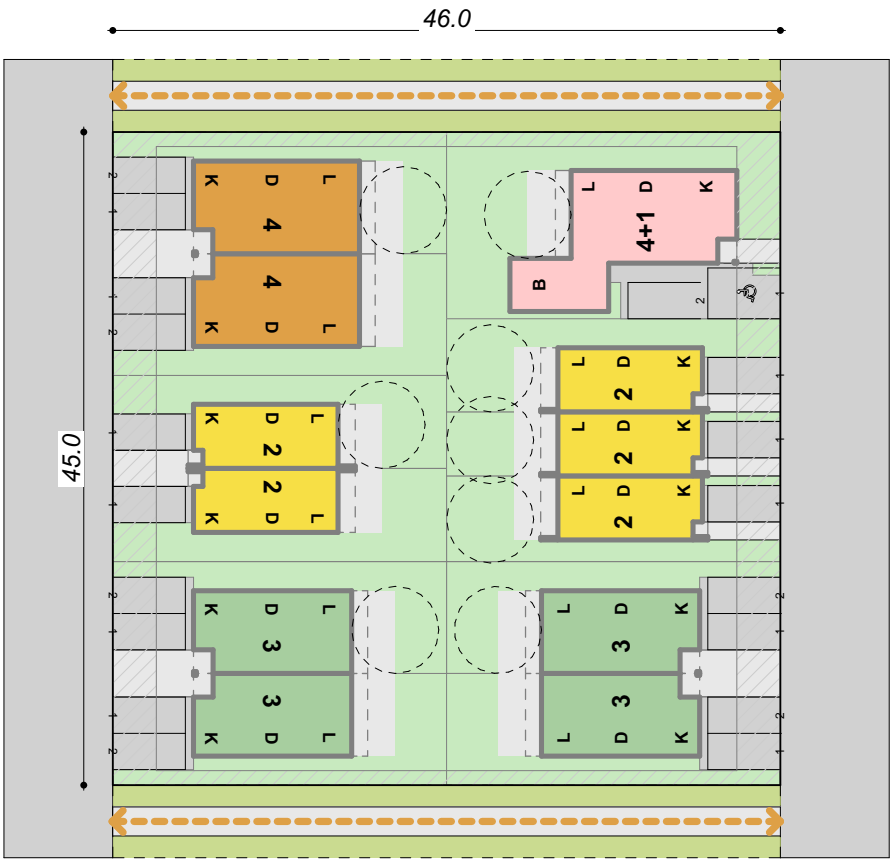
GFA
Unit: 106m²

Accessible

Masterplan
Possible Superlot
Arrangements



Example 1
2070 m²
8 dwellings
1:500



Example 2
2070 m²
12 dwellings
1:500

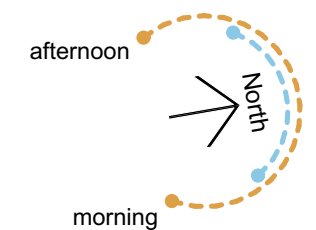
afternoon

morning

Legend - Proposed

- Parcel Boundaries (existing)
- Proposed Development Site
- Existing Contour (1m)
- HiRB setback (gutter side)
- HiRB setback (gable end side)
- Yard Setback (3m front / 1m side/rear)
- Outdoor Living Space (min.6m dia.)
- Vehicles
- Pedestrian
- Superblock
- Private Lot
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- Cycle / Pedestrian Connections
- Tree - proposed

Masterplan Option 2 Indicative Subdivision



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job
Prebensen-Tamatea - Napier

date of issue
21/08/2024

drawing name
Option 2 Indicative Subdivision

scale
1:1000

original size
A3

job no.
24007

dwg no.
SK11

C	Revision	27/08/24
Issue	Revision	Da
Sills van Bohemen		
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NAPIER
CITY COUNCIL
Te Kaunihera o Ahuriri

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231 Hastings Street
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CONFIDENTIAL

FUTURE NAPIER COMMITTEE

Public Excluded Minutes

Meeting Date: Thursday 11 November 2021

Time: 2.06 – 2.55pm

Venue Large Exhibition Hall
Napier War Memorial Centre
Marine Parade
Napier

Livestreamed via Council's Facebook site

Present **Chair:** Deputy Mayor Brosnan
Members: Mayor Wise, Councillors Boag, Chrystal, Crown,
Mawson, McGrath, Price, Simpson, Tapine, Taylor and Wright

In Attendance Chief Executive (Steph Rotarangi)
Director City Services (Lance Titter)
Director City Strategy (Richard Munneke)
Director Community Services (Antoinette Campbell)
Director Corporate Services (Adele Henderson) *via zoom*
Acting Director Infrastructure Services (Debra Stewart)
Director Programme Delivery (Jon Kingsford)
Acting Manager Communications and Marketing (Julia Atkinson)
Manager Property (Bryan Faulknor)
Urban Design Lead (Georgina King)
Manager Regulatory Solutions (Rachael Horton)

Administration Governance Advisors (Carolyn Hunt and Anna Eady)

Apologies

Councillors Mawson / Boag

That the apology from Councillor Browne be accepted.

Carried

AGENDA ITEMS

1. PROPOSAL FOR DEVELOPMENT OF 398 PREBENSEN DRIVE FOR HOUSING

Type of Report:	Procedural
Legal Reference:	N/A
Document ID:	1393937
Reporting Officer/s & Unit:	Georgina King, Urban Design Lead
Reason for Exclusion	<i>Section 7(2)(h) Enable the local authority to carry out, without prejudice or disadvantage, commercial activities.</i>

1.1 Purpose of Report

To confirm that Lot 2 DP 420058, being part of 398 Prebensen Drive, is suitable for development into housing.

At the Meeting

The Urban Design Lead, Ms King spoke to the report providing an overview of the options available to Council in regard to the land at 398 Prebensen Drive having confirmed in April that the land was suitable for residential development comprising a mix of social, affordable and open market housing. The options were:

- To sell the land to Kāinga Ora at market valuation, based on the Design Blueprint, the agreed ratio of State housing tenure, development timeframes, and the agreed housing typologies as defined in the drawings.
- To forego the opportunity at this stage. (ie. do nothing).
- Sell on the open market.
-

In response to questions from Councillors it was clarified that:

-
- As directed by Council in April 2021 the blue print was around intensity of mixed housing for social, affordable and state housing.
 - Sale of the land to Kainga Ora would achieve the desired housing and outcomes.
 - The blueprint would ensure no landbanking and the terms of the sale would include a set period of time for the development.
 - The process for obtaining market valuation would be for Kainga Ora and Council to seek independent valuations and between the parties a sale price would be negotiated.
 - In regard to Council undertaking the development as it had done for the Parklands Subdivision it was noted that the initial paper to Council had identified there was no internal capacity to undertake this work due to incumbent workloads and forecast capital expenditure.
 - Process was undertaken to develop mixed housing tenure with a mix of typologies ratios of 30% social, 30% affordable and 30% open market.
 - Underground services were accessible to the boundaries of the site and within the site the developer would undertake this work.
 - It was noted that for the aquatic centre development proposal on the site, residents were provided an opportunity to give feedback. Concern that residents in Parklands and the Church are unaware of the proposed housing project and Council prides itself on consultation.
 - The site is zoned for residential dwellings and the proposal would be for building houses, therefore what would any consultation relate to?

Action: Officers to report back on the public information and consultation process undertaken during the development of the Parklands Subdivision.

Committee's recommendation

Councillors Brosnan / McGrath

The Future Napier Committee:

- a. **Endorse** the Design Blueprint plan (*Doc Id 1396294*) proposed for part of Lot 2 DP 420058, 398 Prebensen Drive including:
 - i. The housing typologies, housing density, overall development layout and urban design outcomes.
- b. **Approve**, in principle, the divestment of part of Lot 2 DP 420058, 398 Prebensen Drive, to Kāinga Ora based on
 - i. complying with the Design Blueprint,
 - ii. achieving the ratio of housing tenure, and
 - iii. reaching market value for the land
- c. **Delegate** authority to the Chief Executive to negotiate the terms of sale, including price, within the two valuations and to sign all related legal documentation to conclude the sale.
- d. **Noting** that the valuation process will be independent of the blueprint design.

Carried

Councillors Mawson, Price, Simpson, Taylor and Wright abstained from voting on this Motion

The meeting closed at 2.55pm



Approved and adopted as a true and accurate record of the meeting.

Chairperson

Date of approval

CONFIDENTIAL

ORDINARY MEETING OF COUNCIL

Public Excluded Minutes

Meeting Date: Thursday 9 December 2021

Time: 12.38pm – 1.26pm

Venue Large Exhibition Hall
Napier War Memorial Centre
Marine Parade
Napier

Present **Chair:** Mayor Wise
Members: Deputy Mayor Brosnan, Councillors Boag, Chrystal, Crown, Mawson, McGrath, Price, Simpson, Tapine and Taylor

In Attendance Chief Executive (Steph Rotarangi)
Director City Services (Lance Titter)
Director City Strategy (Richard Munneke)
Director Community Services (Antoinette Campbell)
Director Corporate Services (Adele Henderson)
Director Programme Delivery (Jon Kingsford)
Acting Director Infrastructure Services, (Debra Stewart)
Acting Manager Communications and Marketing (Julia Atkinson)
Pou Whakarae (Mōrehu Te Tomo)
Urban Design Lead (Georgina King)
Via Zoom Audio Visual Link:

- Manager Environmental Solutions (Cameron Burton)
- Team Leader Policy Planning (Dean Moriarity)
- Team Leader Governance (Helen Barbier)
- Māori Partnership Manager - Te Kaiwhakahaere Hononga Māori (Beverley Kemp-Harmer)

Administration Governance Advisors (Carolyn Hunt and Anna Eady)

Apologies

Council resolution	Councillors Mawson / Boag
	That the apology from Councillors Browne and Wright be accepted.
	Carried

REPORTS FROM FUTURE NAPIER COMMITTEE HELD 11 NOVEMBER 2021

1. PROPOSAL FOR DEVELOPMENT OF 398 PREBENSEN DRIVE FOR HOUSING

Type of Report:	Procedural
Legal Reference:	N/A
Document ID:	1393937
Reporting Officer/s & Unit:	Georgina King, Urban Design Lead
Reason for Exclusion	<i>Section 7(2)(h) Enable the local authority to carry out, without prejudice or disadvantage, commercial activities.</i>

1.1 Purpose of Report

To confirm that Lot 2 DP 420058, being part of 398 Prebensen Drive, is suitable for development into housing.

At the meeting

In response to the questions the following points were noted:

- Concern was raised in regard to why the item was being discussed in Public Excluded session and the meeting were advised that the reason given in the report for exclusion was under:
"Section 7(2)(h) Enable the local authority to carry out, without prejudice or disadvantage, commercial activities".
- Sale of the land is a commercial transaction.
- A total number of 103 houses was included in the design blueprint.
- Green space available for development was 20 hectares with further constraints of risk and designated use that would be required to work through to free up land for residential use.
- A map of land available for housing was circulated at the meeting (*Doc Id 1413614*) and reference made to documents circulated at the 22 April 2021 meeting (*Doc Id 1305797*) Council summary of land available and (*Doc Id 1305797*) further information).

-
- In regard to risks associated with choosing to sell on the open market as opposed to entering a transaction with Kāinga Ora it was noted that previous Council resolutions passed made it very difficult to achieve its outcome on the open market.
 - To achieve the mix of housing typologies Council wanted would be very difficult to achieve in an sale open market process where as entering into a direct transaction with Kāinga Ora that would be what it was focussed on.
 - Deliverability was the first reason the item was laid on the table, being able to enter into an agreement that would not land bank. The second main point of that previous Council resolution was to control the outcomes e.g. of the design, typologies etc. Public housing outside of Kāinga Ora is very difficult to deliver and going on the open market with one of the desired outcomes of public housing less achievable. The uncertainty that is placed on Kāinga Ora by going to the open market to pursue particularly, the public housing but also the affordable housing component makes it virtually unachievable for them. It was noted that this item was held in Public Excluded and therefore unless a decision was made the decision would not be released at this stage to the media. The report to Council in April 2021 defined the mix of social, affordable and market housing and the design blue print plan (Doc Id 1396294) included the typologies, housing density, overall development layout and urban design outcomes.
-

Councillor Mawson withdrew from the meeting at 1.04pm

- The final transaction with Kāinga Ora will definitely include typology of up to 30% social housing and no less than 30% affordable housing included as would be part of the contract in terms of sale.
- For clarification include in the resolution the wording; *achieving the ratio of housing tenure, being up to 30% Social Housing, a minimum of 30% affordable housing, with the balance for the open market*

Councillor Mawson rejoined the meeting at 1.07pm

- Only Kāinga Ora and housing providers housing can provide social housing or state housing versus affordable housing that is subsidised housing to keep the price of the house low to enable people to purchase.
- Affordable housing is the most difficult to achieve and why a minimum number is stated, otherwise there would only be public and why there are ratios for the development.
- Outcomes delivered in conjunction with Kāinga Ora will ensure the design outcomes and mix meets the community needs and have a sustainable long term contributor to the city.
- Some concern was expressed that the land sale is not transparent as the public are unaware and on the open market Kāinga Ora would still have the opportunity to purchase, and more than one interested party would have greater value.

**Council
resolution**

Mayor Wise / Councillor Crown

That Council:

- a. **Endorse** the Design Blueprint plan (*Doc Id 1396294*) proposed for part of Lot 2 DP 420058, 398 Prebensen Drive including:
 - i. The housing typologies, housing density, overall development layout and urban design outcomes.
-

-
- b. **Approve**, in principle, the divestment of part of Lot 2 DP 420058, 398 Prebensen Drive, to Kāinga Ora based on
 - i. complying with the Design Blueprint,
 - ii. achieving the ratio of housing tenure, being up to 30% Social Housing, a minimum of 30% affordable housing, with the balance for the open market; and
 - iii. reaching market value for the land
 - c. **Delegate** authority to the Chief Executive to negotiate the terms of sale, including price, within the two valuations and to sign all related legal documentation to conclude the sale.

Carried

Councillors McGrath, Price, Simpson, and Taylor voted AGAINST the motion.

Attachments

- 1 Housing map circulated at Council meeting 9 December 2021 (*Doc Id 1413614*)
 - 2 Council summary of land available (*Doc Id 1305797*)
 - 3 Further information circulated at 22 April 2021 Council meeting (*Doc Id 1413615*)
-



NAPIER
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Te Kaunihera o Ahuriri

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ORDINARY MEETING OF COUNCIL

Public Excluded Minutes Attachments

Meeting Date: Thursday 9 December 2021

Time: 10.00am – 1.26pm

Venue: Large Exhibition Hall
Napier War Memorial Centre
Marine Parade
Napier

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Attachment 3	Further information circulated at 22 April 2021 Council meeting (Doc Id 1413615)	6



Housing map

Name

- Activate Maraenui
- Ahuriri and Pandora Mixed Use
- City living for a vibrant CBD
- Growth in the hills - Taradale West
- Growth in the hills - Tironui Drv extension
- HPUDS - Riverbend
- HPUDS - South Pirimai
- HPUDS - The Loop
- Mission
- Parklands East
- Parklands West
- Pirimai School
- Te Awa
- Wharerangi Road

Doc ID 1305797

NAPIER CITY COUNCIL – SUMMARY OF COUNCIL OWNED LAND

In general, the vast majority of Council owned land is held for strategic purposes or subject to the Reserves Act 1977. In terms of land suitable for housing development, the only land of scale is the Lagoon Farm/Parklands/ Prebensen Drive (old Trotting Track) land.

The following summary sets out the main categories of land:

Description	Constraints and comments	Suitable for Housing Development Long Term	Suitable for Housing Development Medium to Short Term
Leasehold land Commercial – total 64 Properties – total 15ha	Subject to Leases in perpetuity. Council does not own the improvements. Most in industrial areas. Held as an investment to fund net cost of Inner Harbour and certain foreshore Reserves.	No	No
Leasehold land residential – 9 properties	Subject to Leases in perpetuity. Council does not own the improvements.	No	No
Te Pania Hotel Carpark	Long Term Lease.	No	No
Reserves/Sportsgrounds/ Cemeteries/Drainage Reserves and Greenbelts. Total 653 ha Includes Maraenui Golf Course land, Awatoto, vested in Council but subject to the Reserves Act and a lease. Similarity HB Lawn Tennis, Higgins Street.	Subject to the Reserves Act 1977. Revocation of Reserve status requires consultations and Minister approval.	No	No
Parking Land (Off road) 15 off street parking areas	Held for strategic purposes for off street parking.	No	No
Housing Villages (Social and Retirement)	Subject to a Strategic review		

Doc ID 1305797

Description	Constraints and comments	Suitable for Housing Development Long Term	Suitable for Housing Development Medium to Short Term
Mc Lean Park Properties 10 Houses in McVay Street and 2 in Vigor Brown Street	Held for non- specific strategic reasons. All tenanted at market rents. Could be investigated for removal and replacement of higher density housing	Yes	No
Infrastructure Land Pump Stations, Reservoirs, Wastewater Treatment. Includes 58ha of land held for future wetlands at Awatoto	Held for 3 waters infrastructure.	No	No
138 A and 210 Te Awa Avenue (2 residential sites with a house on each)	Aquired for Stormwater discharge purposes. 138 A represents a potential for disposal but already has a modern dwelling on. 210 is adjacent to the cross country drain infrastructure and held for strategic purposes.	N/A	N/A
Old Hospital Site, Napier Hill Recently purchased for a new reservoir.	Subject to masterplan to identify land required for reservoir. Balance of land available for development	Yes	No
Community Facilities e.g. Municipal Theatre, Halls, MTG etc. N B. Community Facilities on Marine Parade are on reserve land.	N/A	N/A	N/A
Civic and Library Buildings	Subject to master planning review re requirements for Library and Civic accommodation	No	No

Doc ID 1305797

Description	Constraints and comments	Suitable for Housing Development Long Term	Suitable for Housing Development Medium to Short Term
19 Humber Street and 49 to 51 Pandora Road <i>(Adjacent to Ahuriri Estuary and Pandora Pond)</i>	Strategic purchase for reserve development	No	No
Ahuriri Bowling Club land Balance of Tangaroa Street site if not purchased by current developer	Subject to further investigations	Yes	Yes
Lagoon Farm 289 ha	Subject to further investigations	Part possible	No
Parklands – Balance of undeveloped land		Yes	Yes
Prebensen Drive <i>(old Trotting Track)</i>	As outlined in the Agenda Item	Yes	Yes

Further information on the 12 matters raised by Council is as follows:

- 1 **Identify Council owned sites in Napier suitable for housing developments that have not been reserved for other purposes (e. roads, reserves, etc)**

Attached

- 2 **Define affordable and social housing respectively, and confirm Kāinga Ora policy on maximum levels of social housing as a percentage of the total housing development**

Social housing is defined as publicly funded rentals subsidised by local or national Government entities. In the main this is Kāinga Ora , however it also includes temporary accommodation run by MSD. Councils portfolio also fits into this the social housing category.

Affordable housing comprises rentals and home ownership. Less than 30% of your income is spent on housing (i.e. to service a mortgage, or private rental).

Affordable home ownership (i.e. Kiwibuild) is where the purchase or mortgage payments are within a certain parameter.

Kāinga Ora do not have a specific policy, as such, around the maximum percentage of social housing that works in one area / development. The total percentage for a single development is generally dependent on what a specific Council / Developer is willing to commit to reach an outcome that works for everyone. However, Kāinga Ora typically follow the formula of 30:30:30 in a single development when given the opportunity.

- 3 **Explore appropriate housing options for open market, affordable and social housing typologies**

The international 'rule of thumb' for appropriate housing 'make-up' is 30:30:30 (30% social: 30% affordable: 30% open market).

The composition of the housing typology / tenure for a larger scale parcel of land such as the Tamatea Drive parcel depends on a range of variables, including the surrounding neighbourhood, the scale of development and the ability to break into super-lots to allow for market or affordable housing. However the 30:30:30 international standard with a maximum of 30% social and a minimum of 30% affordable may be a useful guide for this property.

- 4 **Assess that the land on Tamatea Drive is suitable for residential housing**

The site is zoned residential and the specific land in question has never been earmarked for a possible aquatic centre. When the Aquatic centre was being mooted for the residual portion of the vacant land it was envisaged that housing would be an appropriate use for the surplus land. In summary the land remains appropriate for residential housing and should the adjacent land identified for the proposed aquatic centre site no longer be considered appropriate for that facility, the entire site would be appropriate for residential development. Master-planning of roads and housing layout

should therefore consider the whole site while focusing on the area not identified for "future" aquatic centre.

5 Identify the most appropriate housing type or mix in terms of open market, affordable and social typologies for the land on Tamatea Drive

The Subject land is mostly zoned Main Residential and is partly within a Greenfield Growth Area.

The Tamatea Drive parcel of land is in close proximity to existing residential neighbourhoods (Parklands and Tamatea), within walking distance of a large neighbourhood Shopping Centre (Tamatea Pak'n'Save/ Chemist / Eateries). It is bound by key transport routes (Prebensen Drive, Tamatea Drive, HB Expressway), and is within 3 minutes' drive of the airport and 8 minutes from Napier's CBD.

The site is currently zoned main residential. However, owing to its proximity to the HB Expressway, this land is considered less desirable than the adjacent residential development of Parklands.

Given Council's obligation to provide for 6.5% population growth through the District Plan by zoning residential land and by identifying future growth opportunities through the Heretaunga Plains Urban Development Strategy (HPUDS) process, the Tamatea Drive land parcel provides Council with a unique opportunity to help relieve the current housing crisis in the area.

The 3.5 ha land parcel (final developable land area to be determined) could provide as many as 100 additional homes for our community. This is based on Kāinga Ora's medium density housing formula of approximately 30 dwellings / 1ha (including housing typologies such as terrace housing, Papakāinga and duplex housing).

An appropriate housing 'make-up' i.e 30% social: 30% affordable: 30% open market would need to be developed for this site in line with the international rule of thumb.

6 Understand what the legal status of the landholding is

Status of Existing Landholding:

The Property Group Limited (TPG) are currently untangling the legal status of the Tamatea Drive land parcel (Subject Land). These due diligence investigations will consider the future use of the Subject Land and to understand and capture in one place all pertinent desktop information available.

Ultimately, this due diligence will identify:

- any unnecessary / incompatible land covenants and redundant easements registered on the titles so that these can be removed from the titles;
- the location of Council's existing infrastructure so that appropriate easements can be registered on the title (i.e. Unison network easement);
- land to be transferred into Waka Kotahi ownership, whilst ensuring Council retains ownership of the open stormwater drains beside the Expressway;

- which designations Waka Kotahi need to 'roll back' to align with the 'revised' Expressway boundaries; and
- land subject to the Reserves Act 1977, which is administered by the Department of Conservation (DOC). To dispose of a reserve, the reserve status will need to be revoked via DOC. TPG will provide further information regarding the reserve revocation process as part of this document.

7 Understand what Council's internal capacity/resourcing is to develop the land in a timely way

There is capability within Council's Design Services Team to undertake the urban design (layout, spatial arrangement, mix of housing typology), and infrastructure design (road / 3-waters / servicing design) for a residential subdivision – in line with that undertaken for Parklands.

However, Council Officers may not be able to execute the design work in a 'timely manner' due to incumbent workloads and forecast capital expenditure. This work is not identified in the LTP and it is therefore not recommended to use Council's internal services to develop the land.

8 Summarise the development scenarios for this land

Scenario One - Bare Land (Open Market)

Develop a Masterplan for the proposed development to be attached to the Sale and Purchase of the land (including Design criteria, Guidelines and Covenants for future subdivision of the land). This would include criteria to encourage affordable and social housing.

Undertake an Expression of Interest (EOI) tender process on the open market seeking Developers / Construction Companies / housing providers to submit their proposal for how they would develop the land, including purchase price of individual lots or larger blocks. The EOI requirement should include a concept design for the site: urban design/ layout, housing typologies, landscape architecture, roading, and low impact storm water solutions.

Sell entire block of land based on sale price and approved design criteria

Scenario Two - Bare Land – Agency Partnership (recommended)

- Develop a Masterplan for the proposed development to be part of the Sale and Purchase Agreement for the land. The Masterplan should include: layout and design criteria, guidelines and covenants for future subdivision of the land, housing typologies and criteria to provide affordable and social housing.
- Invite appropriate affordable Housing Provider(s) to submit their proposal for how they would develop the land, including purchase price.
- Sell the land parcel based on sale price (as a minimum 'at valuation'), accepted typologies and design and housing type (affordable social etc.) criteria

Scenario Three - Combination – Council is Developer plus Open Market

- i. Develop a Masterplan for the proposed development (Design criteria, Guidelines, Covenants for future subdivision of the land).
- ii. Obtain Resource Consent to subdivide the site based on the Masterplan.
- iii. Design infrastructure and service for each phase of development.
- iv. Implement physical works (construct roads, lots, and services).
- v. Concurrently undertake an EOI process seeking interest from Developers / Construction Company's/ housing providers to purchase either individual lots or larger blocks (including urban design outcomes, multiple housing typologies, landscape architecture, roading and low impact storm water solutions).
- vi. Sell individual lots / super-lots - select purchaser of each site based on the design which best aligns with Council's vision and the sale price

9 Include information on possible Government funding opportunities that Council could be eligible for to assist this land being developed into residential housing

There are a number of potential routes for central government assistance in the area of housing. These can be summarised as follows:

- Housing Acceleration Fund (\$3.8bn). This is focused on priority locations where high housing need has been identified including Kāinga Ora large scale projects. Cabinet will make decisions on the detailed design of the Fund components by 30 June 2021. Government will start detailed implementation discussions with councils from mid-2021: <https://www.hud.govt.nz/urban-development/the-housing-acceleration-fund/>. Kāinga Ora – Homes and Communities will administer this fund on behalf of the Ministry of Housing and Urban Development.
- Residential Development Response Fund (successor to Kiwibuild) (\$350m): <https://www.beehive.govt.nz/release/new-fund-support-housing-and-construction-sector>
- Te Puni Kōkiri support the development of new houses for whānau, usually on papakāinga – papakāinga workshops, papakāinga planning, infrastructure, and construction of rental homes: (\$28m): <https://www.tpk.govt.nz/en/whakamahia/maori-housing-support/what-funding-is-available>

10 Advise what can be undertaken at pace

- 'Tidy up' the legal status of the existing land parcel, and subdivision land packages for future development (Aquatic Centre, residential housing, etc);
- Obtain a new valuation for the revised land package;
- Prepare Design Guidelines and Covenants for land to be developed for residential housing, identifying desired housing typologies / density / design outcomes;
- Prepare criteria to encourage social or affordable housing; and
- Explore partnership options with Kāinga Ora.

Any land development undertaken by the Council will be unlikely to be timely and meet expectations in terms of the immediate housing crisis.

11 Explore an open EOI process to sell the land including how affordable and social housing opportunities could be advanced along with a well-designed housing development

The following housing opportunities could be explored by Council for future residential housing offerings on the land in question. These could either be 'required' as part of the land purchase and development (covenants / design blueprint), or 'advocated for' by Council.

- **Scenario Three - Combination – Council developer plus Open Market** Obtain Resource Consent to subdivide the site for residential development based on urban design outcomes & mixed housing typologies.
- *Develop Design Criteria and/or Design Guidelines for subdivision to be attached to titles*
- *Undertake infrastructure design / urban design / etc. for each phase of development*
- *Implement physical works (construct roads, lots, and services).*
- *Concurrently undertake an EOI process seeking interest from Developers / Construction Company's/ housing providers to purchase either individual lots or larger blocks (including urban design outcomes, multiple housing typologies, landscape architecture, roading, low impact storm water solutions).*
- *Sell land parcels - select purchaser of the site based on the design which best aligns with Council's vision and the sale price.*

12 Confirm that the land on Tamatea Drive is to be developed into residential housing

Based on point 4 Council needs to confirm that the Tamatea Drive land parcel is to be developed as a residential. This land use is an obvious alternative given the current zoning of the land (Main Residential) and with no other obvious alternative use. Should the Aquatic Centre development not be pursued on the adjacent site, further residential development can be contemplated in due course.