

Report released 26 May 2022

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ROTORUA LAKES COUNCIL

Mayor
Chairperson and Members
STRATEGY, POLICY AND FINANCE COMMITTEE

GUIDANCE ON LAND DISPOSAL

Report prepared by: Name/title of Officer

Report reviewed by: Jean-Paul Gaston, Deputy Chief Executive District Development

Report approved by: Geoff Williams, Chief Executive

**1. TE PŪTAKE
PURPOSE**

The purpose of this report is to provide an update to the Committee on the work being undertaken to date to enable the use of Council reserve land for temporary housing for a time-limited period, and seek approval in-principle from Council on the recommended next steps.

**2. HE TŪTOHUNGA
RECOMMENDATION**

1. That the report 'Guidance on Land Disposal' be received.
2. That the Committee notes the acute housing shortage adversely affecting the city and our community.
3. That the Committee notes the list of reserves under consideration.
4. That the Committee recommends to Council, that they support in principle the revocation and disposal of the listed reserve land for housing (subject to further assessment).
4. That the Committee notes a report will be presented in due course including further information on each reserve and the preferred legal mechanism for revocation and disposal.
5. That this report not be made publicly available.
6. That the minutes relating to this item be made publicly available when a formal decision has been reached. Noting that any subsequent decisions on whether to proceed with the revocation of any sites will require a public consultation process in line with the Reserves Act 1977.

3. TE TĀHUHU BACKGROUND

At its meeting of 27 May 2021 Council provided in principle support for the use of Council reserve land for temporary housing for a time-limited period, to assist in addressing urgent issues associated with homelessness and ongoing motel use in Rotorua while more permanent housing solutions were implemented.

Under the Reserves Act 1977 the use of reserves for housing is not permitted and specific legislation through either a Local Bill or a Government Bill would be required to give Council the power to use reserves for temporary housing.

Council's approval in principle was subject to Council staff undertaking further work in consultation with the Ministry of Housing and Urban Development (MHUD) and Kāinga Ora, and providing Council with a full proposal and options for consideration in due course. This additional work included identifying specific reserves to be considered for temporary housing and the appropriate legislative pathway to enable the use of reserves for temporary housing.

The information in the report details the outcome of this work and recommendations on next steps.

4. TE MATAPAKI ME NGĀ KŌWHIRINGA DISCUSSION AND OPTIONS

Assessment and Identification of Reserves

An assessment of reserves against the Open Space Level of Service Policy was undertaken to identify reserves that may be suitable for temporary housing. Key to this was identifying reserves that met one or more of the following criteria:

- There is excess reserve provision in the area
- There is no clear purpose or function of the reserve
- The size of reserve significantly exceeds the minimum size identified in the Policy and could be reduced without compromising recreation or open space values
- The provision of housing on part of the reserve would improve the safety and use of the reserve
- There is no viable options to improve the reserve to meet level of service standard.

This initial assessment process identified 13 reserves that may be suitable for housing and are listed in Attachment 1. Formal land status reports on these sites have been requested however initial investigations suggest that all of these sites were obtained through subdivision. Additionally there are no known legal obligations to Te Arawa in respect of the identified reserves including gifted reserves, Public Works Act requirements or Treaty Settlement obligations however this will be confirmed through the formal land status check.

Following advice from Council's legal advisors and MHUD, and with support from Minister Woods, a local Bill was initially considered the most appropriate legislative mechanism to enable the use of reserves for temporary housing, and the drafting the local Bill commenced.

However, in undertaking this process it has become clear that permanent disposal of these sites would achieve better longer-term community outcomes. This is both for the opportunities to improve open space and recreation outcomes, as well as we as creating permanent housing outcomes.

Ensuing a pipeline of new transitional and public housing in Rotorua is vital to addressing the severe housing shortage in Rotorua and disposing of these sites would also provide an opportunity to invest in other reserves within the area, improving the level of service and recreation and open space outcomes for the community.

Subsequently Council Officers are now recommending that the Committee consider the disposal of these sites for permanent housing solutions. This will require the classification of these reserves to be revoked.

Options for Revoking Reserve Classification

There are a number of legal mechanisms for revoking the classification of these reserves:

1. Revocation by Minister of Conservation pursuant to section 24 of the Reserves Act 1977;
2. Change of legislation (by way of a Government bill);
3. Change of legislation (by way of a local bill).

Recognition of the acute housing shortage facing Rotorua and ensuring there is an opportunity for local input are key factors in considering the most appropriate legal pathway.

The established formal process for revoking the classification of a reserve or part of a reserve are outlined in Section 24 of the Reserves Act 1977. At a high level this process includes the following steps:

1. Resolution of Council as the Reserve Administering Body to commence the revocation process
2. Consultation with the Minister of Conservation
3. Public notification of the proposal to revoke the reserve status including the reasons for the proposal
4. Minimum one month consultation process
5. Council as Reserve Administering Body to consider objections and make a recommendation to the Minister of Conservation
6. Minister of Conservation decision of proposal to revoke

While not a legal requirement, where Council has undertaken this process previously, an opportunity for submitters to speak to their submissions has also been provided.

This process is somewhat familiar to the Rotorua community with Council having undertaken this process previously for a number of reserves. However, the Reserves Act process can be lengthy and can take 18 months or more due to time taken on operational and decision-making processes by the Department of Conservation and the Minister of Conservation.

A Government Bill or a local Bill are the other legal mechanisms that could be used to revoke the classification of the reserves. While a Government Bill is likely to be the fastest process, it would represent a significant intervention by Central Government and would restrict the ability for a locally led approach and Council's ability to influence outcomes. The Government would only consider this option if there is wider demand from other councils to use reserve land for housing. MHUD is currently undertaking work to assess the wider demand.

The proposed local Bill would enable temporary housing on reserves. A local Bill to revoke the classification of the reserve to enable permanent disposal, would require Council to drive the process with formal public submissions being sought through the select committee process. The legislative process is significantly faster than the traditional Reserves Act revocation process typically taking nine to ten months, and would achieve housing outcomes sooner.

MHUD have recently briefed Minister Woods on the legislative options to revoke the classification of the identified reserves, concluding that progressing a local Bill would provide the most certainty in terms of speed of process and the ability to ensure local leadership. MHUD officials have also sought a commitment from Minister Woods to over deliver against the Public Housing Plan 2021-2024.

Minister Woods is yet to provide a response on these matters, however any final decision to revoke the classification of the reserves and the legal mechanism in which to do that can only be made by Council.

Next steps

Further work is required to be undertaken before a decision can be made to progress with a reserve revocation and disposal process. This includes:

- Assessing and confirming the most appropriate legal mechanism to revoke the classification of the reserves.
- Confirming the status of the reserves including an understanding of how Council acquired the land and other party interests.
- Undertaking early Iwi engagement
- Working with Kāinga Ora and other community housing providers to develop housing proposals including high level concept design
- Develop proposals for re-investment into other reserves

The indicative process is outlined in the table below:

	Step	Who	Indicative Timing
1.	In principle support for revocation and disposal of 11 identified sites	Strategy, Policy and Finance Committee	October 2021
2.	Due diligence on 11 sites: <ul style="list-style-type: none"> - Land status - Iwi engagement - Housing proposals - Reserve investment proposal 	Council staff, Kāinga Ora, MHUD	October 2021 – February 2022
3.	Identify appropriate legal pathway	Council staff, MHUD	October 2021 – February 2022
4.	Decision of Council	Council	February/March 2022

	Step	Who	Indicative Timing
	<ul style="list-style-type: none"> - Commence process to revoke classification of reserves - Support for recommended legal approach 		
5.	Commence process including community engagement	Council	March 2022

5. TE TINO AROMATAWAI ASSESSMENT OF SIGNIFICANCE

The decisions in this report are considered significant in accordance with Council's Significant and Engagement Policy. This states that the matter is likely to be significant where a proposal or decision is likely to generate a high level of controversy in the community.

6. NGĀ KŌRERO O TE HAPORI ME TE WHAKATAIRANGA COMMUNITY INPUT/ENGAGEMENT AND PUBLICITY

The Reserves Act 1977 requires a full public consultation process.

The introduction of a local or Government Bill to revoke the classification of the reserves need to go through a full legislative process including select committee process where public submissions can be made.

7. HE WHAIWHAKAARO CONSIDERATIONS

7.1 Mahere Pūtea Financial/budget considerations

There are no financial considerations associated with the decisions in this report.

7.2 Kaupapa Here me ngā Hiraunga Whakariterite Policy and planning implications

The decisions associated with this report are consistent with the 2030 Goals of 'Thriving Communities' and 'Homes that match needs' and He Papakāinga, He Hāpori Taurikura – A Strategy for Homes and Thriving Communities

7.3 Tūraru Risks

There is a risk that the decisions associated with this report could result in a negative public perception.

7.4 Te Whaimana Authority

Council have authority to make decisions associated with this report.

**8. TĀPIRINGA
ATTACHMENT**

Attachment 1: Reserves identified for reserve revocation and disposal.

Attachment 1: Identified land for disposal**Reserve Sites**

Reserve	Size	Potential Yield
Lee Road Reserve	18,291m ²	50-60
Steeles Lane Reserve	13,412m ² Note – only part of the reserve identified for possible disposal	20-25
Wrigley Road Reserve	38,666m ² Note – only part of the reserve identified for possible disposal	20-25
Park Road Reserve	25,000m ² Note – only part of the reserve identified for possible disposal	20-25
High Street Reserve	3,373m ² Note – only part of the reserve identified for possible disposal	15
Coulter Road Reserve	12,297m ² Note – only part of the reserve identified for possible disposal	10-14
Waitawa Place Reserve	4,426m ²	5-8
Ranginui Street Reserve	809m ²	2
Linton Park West	16,440m ²	20-25
Pūruru Reserve North	437m ²	1
Gallagher Street Reserve	7,863m ²	8-10

Other Council Sites

Address	Size	Potential Yield
61 Kawaha Point Road	8,436m ²	50-60
434 Pukehangi Road	1,000m ²	2

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Lee Road Reserve



Coulter Road Reserve (part)



Waitawa Place Reserve



High Street Reserve (part)



Pūruru Reserve North



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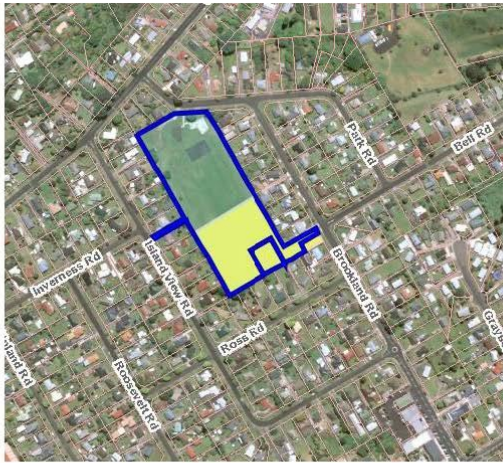
Linton Park West



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