



CHRISTCHURCH CITY COUNCIL AGENDA

THURSDAY 22 JUNE 2006

AT 9.30AM

IN THE COUNCIL CHAMBER, CIVIC OFFICES

Council: The Mayor, Garry Moore (Chairperson).
Councillors Helen Broughton, Sally Buck, Graham Condon, Barry Corbett, David Cox, Anna Crighton,
Carole Evans, Pat Harrow, Bob Parker, Bob Shearing, Gail Sheriff, Sue Wells and Norm Withers.

ITEM NO	DESCRIPTION
1.	APOLOGIES
2.	CONFIRMATION OF MINUTES - COUNCIL MEETING OF 15.6.2006
3.	DEPUTATIONS BY APPOINTMENT
4.	PRESENTATION OF PETITIONS
5.	CORRESPONDENCE
6.	MAYOR'S REPORT
7.	PLAN CHANGE 2: REZONING OF 23 AND 25 MOORHOUSE AVENUE
8.	PLAN CHANGE 3: REZONING OF 7 ST ALBANS STREET
9.	HOUSING WORKING PARTY TERMS OF REFERENCE
10.	NIGHT SHELTER AND SUPPORTED ACCOMMODATION FOR WOMEN SERVICE
11.	GOWERTON PLACE HOUSING DEVELOPMENT - LETTER OF OFFER
12.	CENTRAL PLAINS WATER TRUST - DRAFT STATEMENT OF INTENT
13.	CENTRAL PLAINS WATER – ASSESSMENT OF ENVIRONMENTAL EFFECTS (AEE) APPROVAL
14.	POLICY ON SIGNIFICANCE
15.	DEVELOPMENT CONTRIBUTIONS POLICY
16.	NOTICES OF MOTION
17.	QUESTIONS
18.	RESOLUTION TO EXCLUDE THE PUBLIC

22. 6. 2006

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1. APOLOGIES

2. CONFIRMATION OF MINUTES - COUNCIL MEETING OF 15.6.2006

Attached.

3. DEPUTATIONS BY APPOINTMENT

4. PRESENTATION OF PETITIONS

5. CORRESPONDENCE

6. MAYOR'S REPORT

Attached.

7. PLAN CHANGE 2: REZONING OF 23 AND 25 MOORHOUSE AVENUE

General Manager responsible:	General Manager Regulation & Democracy Services, DDI 941-8549
Officer responsible:	Resource Management Manager (EPA)
Author:	Joyce Maria Soosai

PURPOSE OF REPORT

1. The purpose of this report is to introduce a private plan change to the City Plan. The plan change has been prepared by Robson Garland Limited, following discussions with Council officers. This report is intended to bring the Council's attention to all the issues that surround the proposal.

EXECUTIVE SUMMARY

2. Planning consultants Robson Garland Limited have lodged a plan change request to rezone the properties at 23 and 25 Moorhouse Avenue from Living 4B to Business 3. The application notes that these two sites are the only properties zoned Living 4B that front Moorhouse Avenue and the rezoning will create a logical and consistent zoning pattern in relation to surrounding business uses. All neighbouring properties were notified of the proposed rezoning. This process did not reveal any major concerns by neighbours in relation to the plan change.
3. The request conforms with the Council's policy on applications for plan changes in that:
 - the costs incurred by the Council in processing the application will be recovered from the applicant
 - the application does not involve an important strategic or policy issue
 - the proposed rezoning does not affect a significant area of land that would pre-empt options for urban growth
 - the sites are not within a Priority 1 Area Plan.
4. The consultation process did not reveal any major concerns by neighbours in relation to the plan change.
5. The Plan Change and Section 32 analysis are set out in Appendix 1 attached to this report.

FINANCIAL AND LEGAL CONSIDERATIONS

6. This being a private plan change, the applicant is funding the preparation of the Plan Change. Consequently the financial costs to the Council will be minor, consisting only of limited staff time to review Robson Garland Ltd's work and process the notification and hearing of the Plan Change. These costs will be recovered.

STAFF RECOMMENDATION

It is recommended that the Council publicly notify Plan Change 2 to the City Plan.

8. PLAN CHANGE 3: REZONING OF 7 ST ALBANS STREET

General Manager responsible:	General Manager Regulation & Democracy Services, DDI 941-8549
Officer responsible:	Resource Management Manager (EPA)
Author:	Joyce Maria Soosai

PURPOSE OF REPORT

1. The purpose of this report is to introduce a private plan change to the City Plan. The plan change has been prepared by Robson Garland Limited, following discussions with Council officers. This report is intended to bring the Council's attention to all the issues that surround the proposal.

EXECUTIVE SUMMARY

2. Planning consultants Robson Garland Limited have lodged a plan change request to rezone the property at 7 St Albans Street, Merivale from Living 2 to Business 1. The application notes that the site currently contains an old villa that has been modified to provide two commercial tenancies and it has been used for commercial purposes for more than 25 years. The site is bordered on two sides by land zoned Business 1.
3. Neighbouring property owners have been advised of the proposal to rezone the site. This process attracted some interest in the proposal with two parties asking to be kept informed and the Merivale Residents' Association indicating it will oppose any rezoning. No reasons were given for its position. Robson Garland has indicated it will discuss the proposal further with the Society but has asked that the proposed change be notified.
4. The request conforms with the Council's policy on applications for plan changes in that:
 - the costs incurred by the Council in processing the application will be recovered from the applicant
 - the application does not involve an important strategic or policy issue
 - the proposed rezoning does not affect a significant area of land that would pre-empt options for urban growth
 - the sites are not within a Priority 1 Area Plan.
5. The Plan Change and Section 32 analysis are set out in Appendix 1 attached to this report.

FINANCIAL AND LEGAL CONSIDERATIONS

6. This being a private plan change, the property owner is funding the preparation of the Plan Change. Consequently the financial costs to the Council will be minor, consisting only of limited staff time to review Robson Garland Ltd's work and process the notification and hearing of the Plan Change which will be recovered.

STAFF RECOMMENDATION

It is recommended that the Council publicly notify Plan Change 3 to the City Plan.

9. HOUSING WORKING PARTY TERMS OF REFERENCE

General Manager responsible:	General Manager Community Services, DDI 941-8534
Officer responsible:	Community Support Manager
Author:	Kevin Bennett, Manager City Housing

PURPOSE OF REPORT

1. The purpose of this report is to recommend to the Council terms of reference for the Housing Working Party.

EXECUTIVE SUMMARY

2. At its meeting on Thursday 20 April 2006, the Council resolved:

“That to support the Council’s housing strategy, the Council form a working party to review other options and potential expansion of the Council’s housing stock in association with potential partners (eg Housing New Zealand) and that the brief for this working party and its potential makeup be agreed at a meeting of the Council in May.”

3. Draft terms of reference have been prepared as follows:

DRAFT TERMS OF REFERENCE HOUSING WORKING PARTY

Introduction : At the meeting of the Christchurch City Council held on Thursday 20 April 2006, the Council resolved that *“to support the Council’s housing strategy, the Council form a working party to review other options and potential expansion of the Council’s housing stock in association with potential partners (eg Housing New Zealand) and that the brief for this working party and its potential makeup be agreed at a meeting of the Council in May.”*

Purpose : The purpose of the Housing Working Party is to review options for expanding the Council’s housing stock through partnerships with the consequent output contributing to the Council’s draft Social Housing Strategy.

Scope : The Working Party will:

- Identify and explore options for the development of partnerships for housing provision consistent with the Council’s Social Housing Strategy.
- Develop a draft housing partnership protocol, consistent with the Social Housing Strategy, for consideration by the Council.

Membership : Mayor
Councillors Condon, Corbett, Cox, Crighton, Withers.

Milestones :

- June 2006 - Initial meeting of Working Party to establish the work programme.
- July 2006 – Meet with key potential partners
- August 2006 – Develop draft protocols on: the establishment and regular review of social housing partnerships consistent with the Social Housing Strategy and the Council’s investment (finance, assets, other resources).
- September 2006 – Report to the Council.
- 30 September 2006 - Working Party concludes.

Reporting :

- The Working Party will report regularly to the Creating Strong Communities Portfolio Group/Council.
- Seminars will be scheduled at appropriate intervals to inform elected members.
- Outputs will be presented to the Creating Strong Communities Portfolio Group.

9 Cont'd

Staff Support : • Advice to the Working Party will be provided by the Housing Strategy project team.

Partners : The following have been identified as key potential partners and others may be identified as the project proceeds:

- Housing New Zealand Corporation
- Ministry of Social Development
- Te Puni Kokiri
- Ministry of Pacific Island Affairs
- Ministry of Health
- Department of Corrections
- Canterbury District Health Board
- Christchurch City Mission
- Methodist Mission
- Salvation Army
- Home and Family Society
- Stepping Stones Trust
- Comcare Trust
- Richmond Fellowship
- Christchurch Women's Refuge
- YWCA
- Inner City Interagency Trust
- Age Concern
- Eldercare Canterbury
- Canterbury Property Investors Association
- Ngai Tahu
- Real Estate Institute
- Church Representatives
- Te Wahine Otautahi
- Prisoners Aid and Rehabilitation Society
- Abbeyfields
- He Oranga Pounamu – this may be covered by Ngai Tahu reps.
- Te Whatumanawa Maoritanga o Rehua Trust Board
- Refugee and Migrant Service
- Members of Parliament
- Presbyterian Support
- Pathways
- NZCCS
- Beckenham Community Housing Trust
- Catholic Social Services
- Anglican Care
- NZ Housing Foundation
- South City Christian Centre

FINANCIAL AND LEGAL CONSIDERATIONS

4. There are no financial or legal considerations associated with this report.

STAFF RECOMMENDATION

It is recommended that the Council adopt the draft terms of reference for the Housing Working Party as detailed in paragraph 3 of this report.

9 Cont'd

BACKGROUND ON HOUSING WORKING PARTY TERMS OF REFERENCE

5. The recommendation to establish a Housing Working Party and for a report to be submitted to the Council outlining the working party's brief and its potential makeup was adopted following consideration of the City Housing annual rental review report on Thursday 20 April 2006.
6. The draft terms of reference provide for appropriate consultation to occur and for the outcomes to feed into the Social Housing Strategy currently being drafted. The timeframe around the life of the working party recognises the necessity for its work to be concluded in time to inform the Social Housing Strategy.

OPTIONS

7. An assessment of options has not been completed as this report complies with a Council decision to develop a terms of reference for a specific project. Any options available relate to the composition of the actual terms of reference and membership of the working party rather than whether or not terms of reference should be considered.

10. NIGHT SHELTER AND SUPPORTED ACCOMMODATION FOR WOMEN SERVICE

General Manager responsible:	General Manager Community Services, DDI 941-8534
Officer responsible:	Community Support Manager
Author:	Kevin Bennett, Manager City Housing

PURPOSE OF REPORT

1. The purpose of this report is to seek the Council's approval of a proposed approach to the provision of a Night Shelter and Supported Accommodation for Women service in Christchurch.

EXECUTIVE SUMMARY

2. At its meeting on 2 March 2006 the Council adopted a report recommending that the Council:
 - (a) Agree to the provision of \$35,000 plus GST financial assistance, to the YWCA to enable it to continue to operate the Emergency Accommodation for Women service until 30 June 2006;
 - (b) Note that the need for such a service will be researched and analysed with a further report being prepared for the Council's consideration before the end of June 2006; and
 - (c) Request the Creating Strong Communities Portfolio Group to take an overview of the review process.
3. The requirement for the financial assistance and research arose as a result of the YWCA informing the Council in January 2006 that it could no longer fund the service and would close it as soon as possible. The YWCA also advised that it wished to negotiate to withdraw from the lease of the Hereford Street facility, owned by the Council, and return the facility to the Council from as early a date as possible.
4. The YWCA agreed to continue operating the service until 30 June 2006 if assistance was made available towards meeting the cost of the service. The assistance required was \$35,000, plus GST. In accordance with the Council's decision of 2 March 2006 the required assistance has been provided.
5. An external consultant, Dr Stephanie Kelly, was engaged to undertake the research and has submitted her report. In addition a current market valuation of the facility was obtained and a condition assessment conducted.
6. The research has concluded that there continues to be a need for the Women's Night Shelter and Supported Accommodation service currently provided by the YWCA although the YWCA may not be the best equipped provider as it considers this particular service to be outside of, and draining resources from, its core services.
7. A range of options has been considered and it is considered the most appropriate option is for the Council to seek registrations of interest for the provision of a Night Shelter and Supported Accommodation for Women service.

FINANCIAL AND LEGAL CONSIDERATIONS

8. The financial cost to the Council of implementing this proposal is minimal as it is basically restricted to the cost of advertising and staff time.

STAFF RECOMMENDATION

It is recommended that the Council grant approval for registrations of interest to be called for the provision of a Night Shelter and Supported Accommodation for Women service.

10 Cont'd

BACKGROUND ON WOMEN'S NIGHT SHELTER AND SUPPORTED ACCOMMODATION SERVICE(YWCA)

9. The YWCA Christchurch Inc has been operating the Women's Night Shelter and Supported Accommodation for Women service for 20 years. The service originally operated from a hostel on the corner of Madras and Lichfield streets and subsequently relocated to various suburban residential properties, including a period at Kingslea, before moving to its present location at 281-285 Hereford Street nine years ago.
10. The facility at 281-285 Hereford Street was purchased by the Council, funded through the Housing Development Fund, for use by the YWCA for special housing purposes. The cost of purchase was \$770,000 plus GST; in addition extensive work was required to bring the facility up to the required standard and this was funded jointly between the YWCA and the Council. The facility comprises a former motel complex which was reconfigured to suit the needs of the Women's Night Shelter and Supported Accommodation service. It now comprises:
 - One x five bedroom unit with two kitchens, two bathrooms living area and office
 - Two x three bedroom units with kitchen, bathroom and living area
 - One x three bedroom unit with two kitchens two bathrooms and living area.
 - Two x two bedroom units with two kitchen/dining areas, and two bathrooms – capable of being used as two x one bedroom units.
 - One unit containing main office, kitchen, lounge, bedroom, bathroom, second office – capable of being converted back into a two bedroom unit.
11. The facility has been valued in May 2006 by DTZ New Zealand Limited. The assessed market value is \$1,100,000 subject to the existing lease to the YWCA being surrendered. While the lease to the YWCA continues the market value is assessed at \$450,000 plus GST.
12. A property condition assessment was conducted in May 2006. This assessment concluded that the interior of the property is in average condition while the exterior is in good/moderate condition. The inspection identified work which needs to be addressed promptly to protect the buildings from deterioration in the short term; this work is estimated at \$32,000 plus GST.
13. In accordance with the terms of the lease, the lessee (YWCA) is responsible for funding interior and exterior maintenance.
14. The lease agreement commenced on 18 February 1998 for an initial term of nine years with three further terms, each of six years, available. The initial term expires in February 2007 at which time the YWCA has the option to invoke the first further term of six years.
15. The current rental is \$27,858 pa plus GST. Rent reviews occur three yearly indexed to the CPI. The initial rental equated to a 2.5% return on investment.
16. The market rent which could be attracted if the facility was converted into an 11 unit residential complex is assessed at \$98,280 pa.
17. The service provided by the YWCA from the Hereford Street facility is providing emergency, night shelter and supported accommodation for women with low incomes both on their own and with children. This service is the only one operating in the inner city that is not according to mental health, drug and alcohol or domestic abuse criteria. Over its lifetime the service has evolved into a supportive and developmental service for women on their own, and with families, who are on low incomes and seeking active intervention or support to make changes to their acute/chronic circumstances. Similar services are available through the Home and Family Society and Housing for Women Trust but these are based in the suburbs, outside the four avenues. The YWCA, and other providers consulted are of the view that it is important an ongoing service of the type provided by the YWCA is situated within the four avenues due to easy access to services that such an address offers, especially for women in transition who may not have access to a vehicle and the associated costs.
18. During the consultation process with Dr Kelly, the YWCA expressed concern at the need for improved governance processes around any partnership which may continue between the YWCA and the Council rather than the simple facility leasing arrangement which currently exists.

10 Cont'd

19. The provision of accommodation of the nature provided for women by the YWCA is one of a number of scenarios demanding attention. Consequently, in addressing this particular issue the Council needs to be quite clear about its role in facilitating/providing services of this nature. The Council's current housing policy does not provide a mandate to engage in this activity although the Council's social wellbeing policy does impact. The Council's housing vision statement is:
 - "To contribute to the community's social well-being by ensuring safe, accessible and affordable housing is available to people on low incomes including elderly persons, and people with disabilities."
 - "That Christchurch is a city in which the elderly can express their full potential and make a valuable contribution to the life of their communities."

Although the facilitation/provision of this particular service is not consistent with the Council's housing vision statement it may be deemed appropriate for some form of resourcing to be available as a community development initiative.
20. Housing New Zealand Corporation's mission is to "provide access to decent homes, helping New Zealanders manage their own circumstances and contribute to community life". Although HNZN has identified a growing national trend of people in need of emergency and short term accommodation its prime focus is the provision of rental accommodation in accordance with its established criteria. Currently, HNZN is researching the need for emergency accommodation nationally.
21. At the time of writing this report the YWCA had orally advised that it will continue to operate the Night Shelter and Supported Accommodation for Women service until the end of February 2007. It is understood the YWCA will be informing the Mayor of this decision formally.
22. There are arrangements between the Council and other social housing providers which are commonly referred to as partnerships. However, in all but one instance (Beckenham Community Housing Trust – Lancewood Courts) these are simply facility lease arrangements at a low rate of return on investment (discounted rental). The term 'partnership' implies a greater involvement in the provision of the service with appropriate governance and monitoring procedures established.
23. In accordance with research it is evident that a need does exist for a Night Shelter and Supported Accommodation for Women service in the central city (within the four avenues) consistent with the service currently provided by the YWCA from the Hereford Street facility. The prime issue around the provision of the service for the Council to address is the extent of the Council's involvement.

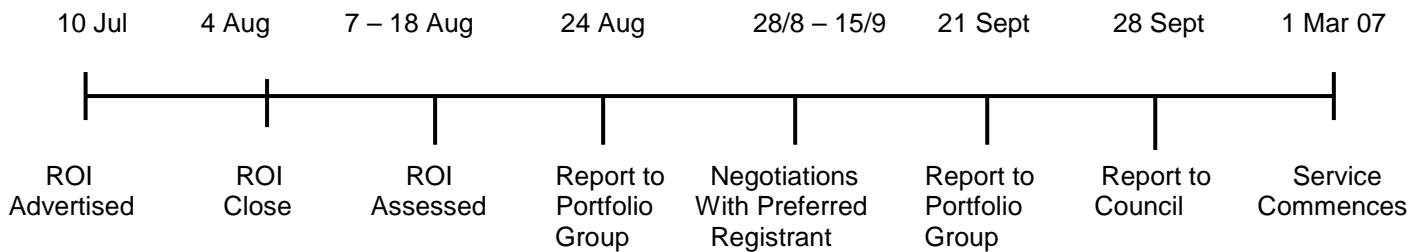
OPTIONS

24. A number of options are available but it is important that any decision made is consistent with the Council's Social Housing Strategy currently being developed; these options include:
 - (i) The Council withdraw from the current arrangement with the YWCA as from February 2007.
 - (ii) The Council negotiate an appropriate 'partnership' with the YWCA for the continued provision of a Night Shelter and Supported Accommodation for Women service.
 - (iii) The Council identify and negotiate a 'partnership' with potential alternative providers for the provision of a Night Shelter and Supported Accommodation for Women service.
 - (iv) The Council call for registrations of interest for the provision of a Night Shelter and Supported Accommodation for Women service.
25. Options (ii), (iii), and (iv) above will require the development of specific criteria around the responsibilities of the parties concerned, including the Council. These responsibilities include the provision of an appropriate facility from which to operate, funding of the service, entry criteria, governance, and monitoring. This does not imply however that the Council has any role other than facilitating the service establishment.

10 Cont'd

PREFERRED OPTION

26. The preferred option is option (iv), ie the Council call for registrations of interest for the provision of a Night Shelter and Supported Accommodation for Women service. This option enables the Council to proactively promote the provision of this service without committing itself to financially supporting it. This option has the additional advantage of not establishing a precedent in relation to competing demands for financial assistance from other equally deserving community groups involved in accommodating other sectors of the community.
27. Because of the YWCA's expressed interest in continuing to operate the current service under existing conditions until February 2007 only and the impact on the Council's Social Housing Strategy currently being developed, it is appropriate that registrations of interest be advertised at an early date. However, to allow for the formulation of concise criteria it is unlikely advertising could proceed until mid July 2006. Because of the nature of the proposal, sufficient time should be allowed to enable interested parties to consult and prepare highly developed registrations. In view of this a minimum of four weeks should be allocated to registrations being received. A preliminary time line is set out below:



10 Cont'd

Assessment of Options

28. The Preferred Option (Option (iv)): **The Council call for Registration of Interest for the provision of a Night Shelter and Supported Accommodation for Women service.**

	Benefits (current and future)	Costs (current and future)
Social	Demonstrates the Council's commitment to ensuring the service continues without requiring the Council to be the service provider.	Potential anxiety to service users who may perceive a discontinuation of the service. This can be mitigated through appropriate communication and news media releases.
Cultural	Facilitates the continued provision of an equitable inner city service to vulnerable women and their families.	None identified.
Environmental	Those in need continue to have access to an appropriate service.	The service may relocate which may have the potential to cause some short term disruption to the service provision.
Economic	Service is provided at minimal cost to the ratepayer.	Initial costs would be minimal (basically advertising and staff time). Operating cost to the Council will be identified post receipt of Registrations of Interest.
<p>Extent to which community outcomes are achieved: Primary alignment with community outcome 'A Safe City' Also contributes to 'A City of Inclusive and Diverse Communities'.</p> <p>Impact on Council's capacity and responsibilities: A positive demonstration of the Council supporting a community service while at the same time facilitating a sustainable service provision.</p> <p>Effects on Maori: The service to be available to women from all cultures, including Maori.</p> <p>Consistency with existing Council policies: Consistent with the Council's Social Wellbeing Policy.</p> <p>Views and preferences of persons affected or likely to have an interest: Research has indicated support from appropriate agencies for the continuation of the service. It is anticipated that Registrations of Interest will be received from other providers of social accommodation services in addition to interest from others.</p> <p>Other relevant matters:</p>		

29. **Maintain The Status Quo:** This is not an option in view of the current service provider's unwillingness to continue with the current arrangement beyond February 2007.

11. GOWERTON PLACE HOUSING DEVELOPMENT - LETTER OF OFFER

General Manager responsible:	General Manager Community Services, DDI 941-8534
Officer responsible:	Community Support Manager
Author:	Kevin Bennett, Manager City Housing

PURPOSE OF REPORT

1. The purpose of this report is to seek the Council's approval to accept, or decline to accept, a loan offer received from Housing New Zealand Corporation relating to the construction of a Council housing development in Gowerton Place, Richmond, Christchurch.

EXECUTIVE SUMMARY

2. At the Council meeting on 26 February 2004 the Council resolved:

"That a 24 unit plus development be built on land owned by City Housing at Gowerton Place subject to a successful application for 50% capital funding to Housing New Zealand's Local Government Fund."

3. In April 2004 application was made to the Housing Corporation New Zealand Local Government Fund for 50% funding, estimated at that time to be \$1.7m (total cost of project, excluding the land value, estimated at \$3.4m). Since the application was made construction costs have increased considerably and a revised estimate has been calculated at \$4,884,976 with HNZN and the Council's 50% shares being \$2,442,488 each. (Note: These figures are GST inclusive.) The application has been approved by the HNZN Board and a letter of offer received in May 2006.
4. Since receiving the letter of offer (attached), negotiations have been proceeding with HNZN over some of the conditions attached to the offer and whilst a number of concerns have been satisfactorily resolved there are still three issues Council needs to consider.
5. Housing New Zealand has established a deadline of 30 June 2006 for the Council to accept the offer. If it is not accepted by that date it is understood the offer will lapse.

FINANCIAL AND LEGAL CONSIDERATIONS

6. The Council's contribution to this project is estimated at \$2,442,488 GST inclusive and funding is available from the Housing Development Fund. This cost has been provided for in the 2006/07 budget.
7. Advice on the legal issues associated with this report has been obtained from the Council's Legal Services Unit, and incorporated into the negotiations with Housing New Zealand Corporation.

STAFF RECOMMENDATION

It is recommended that the Council authorise the General Manager Community Services to sign the letter of offer received from Housing New Zealand Corporation accepting the loan facility of \$2,442,488 for the construction of Council housing units at Gowerton Place, provided that the Council is satisfied with the conditions.

11 Cont'd

BACKGROUND ON GOWERTON PLACE DEVELOPMENT- LETTER OF OFFER

8. The proposal to construct additional Council housing in Gowerton Place was in response to an identified need and presented as an opportunity to obtain partial funding from central government. The original proposal was to construct 24 or more units on the site but it has been determined that without developing the site intensively the most practicable number of units to construct is 21. This provides for the majority of construction to be single storey which will facilitate greatest flexibility in terms of tenancing the units and enhance ease of access for older people.
9. Planning of the project is well advanced with appropriate consultation occurring with HNZN architects. Incorporated in the design is ease of access and manoeuvrability for physically disabled people. Working drawings are completed and resource and building consents have been applied for. Registrations of interest have been sought and a good response received from which a schedule of contractors to be invited to tender for the project is being developed. However the tendering process will not occur until the letter of offer from HNZN has been signed.
10. Consultation has occurred with existing Gowerton Place tenants, residential property owners and business owners in the neighbourhood. In addition other community agencies, including the Community Board and Councillors, have been involved in the consultation process as considered appropriate. The response from the consultation has been highly supportive.
11. The funding available from the Local Government Housing Fund administered by Housing New Zealand Corporation is in the form of a suspensory loan. The terms of the loan are:

Term of Loan: Term of the loan is 20 years.

Interest Free Period: 20 years (subject to the repayment conditions expressed below).

Repayment: The loan documentation will record a repayment condition to the effect that the loan shall become repayable, together with interest calculated as set out below, if at any time, within 20 years of the date on which the loan is drawn down by the Council, the Council either abandons the housing project or elects not to complete it and does not re-apply the funds for another social housing project approved by HNZN, or the Council makes a decision pursuant to the relevant provisions of the Local Government Act 2002 to alter its long-term council community plan in a manner that affects the provision by the Council of social housing, or to otherwise withdraw or significantly alter its investment in joint funded social housing ("**repayment events**"). If any of these repayment events occurs, the Council will upon written demand by HNZN, pay to HNZN on the date specified in the demand the aggregate of:

- The principal amount of the loan; and
- An amount, as interest on the loan, calculated at an interest rate reasonably determined by HNZN, for the period from that event up to, and including, the date which is 20 years from the date on which the loan was drawn down.

If any of the repayment events occurs after 20 years of the date on which the loan is drawn down by the Council the amount of the loan, together with any interest calculated, shall not be recoverable.

If the Council intends at any time to sell the relevant land or any of the residential dwellings refurbished with this funding or any replacement project approved by HNZN (whether before or after 20 years from the date on which the loan is drawn down), then the Council will first offer to sell those dwellings or that land to HNZN or to a social housing provider approved by HNZN at market value.

11 Cont'd

12. A number of relatively minor concerns around the letter of offer, relationship agreement and loan agreement have been successfully negotiated with HNZN and negotiations are continuing to finalise agreement on some further concerns. In addition, however, there are three significant issues which the Council needs to be aware of as follows:

- **Term of Loan :** The offer imposes an obligation on the Council to use the Gowerton Place property for social housing purposes for twenty years irrespective of whether the Council shall repay the loan or not. The concern with this clause is that at some stage during the twenty year period of the loan the Council may decide it is in the best interests of the Christchurch community for the loan to be repaid and the agreement terminated.
- **Right of Assignment :** In accordance with the Government appropriation for the Local Government Housing Fund, HNZN is not permitted to transfer the benefits of a Local Government Housing Fund loan to another organisation. This appears to effectively prohibit the Council transferring the Gowerton Place property internally to a Council controlled organisation, or charitable trust etc should it wish to do so at some point during the twenty year period of the loan.
- **Event of Default :** A further concern is that an Event of Default occurs under the Loan Letter of Offer and the loan becomes repayable in the event that the Council makes a decision pursuant to the relevant provisions of the Local Government Act 2002 to alter its LTCCP in a manner that affects the provision by the Council of social housing, or to otherwise withdraw or significantly alter its investment in joint funded social housing. In accordance with this, if the Council should decide to withdraw from or alter its provision of social housing generally, not just at Gowerton Place, then the loan would become repayable.

This provision potentially restricts the Council's ability to restructure its social housing portfolio to meet the needs of the Christchurch community. For any number of reasons the Council may wish at some future time to better utilise some sites which could involve the sale of others which no longer meet the needs of our community. In such a circumstance, the above provision could easily be interpreted to mean that an Event of Default has occurred.

OPTIONS

13. There are basically two options available to the Council as all avenues for negotiation have been, or are in the process of being, explored. These options, based on the original approval of the Council to construct a development on the Gowerton Place site subject to a successful application for 50% capital funding to Housing New Zealand's Local Government Housing Fund, are :

- (i) Authorise the General Manager Community Services to sign the letter of offer received from Housing New Zealand Corporation accepting the loan facility of \$2,442,488 for the construction of Council housing units at Gowerton Place, such authorisation to be subject to a response being received to the Mayor's letter to the Minister of Housing which is acceptable to the General Manager Community Services and General Manager Corporate Services.

or

- (ii) Decline the Housing New Zealand Corporation offer.

PREFERRED OPTION

14. That the Council accept the offer clearly understanding the implications of the conditions of offer.

12. CENTRAL PLAINS WATER TRUST - DRAFT STATEMENT OF INTENT

General Manager responsible:	Director of Strategic Investment, DDI: 941-8411
Officer responsible:	Director Strategic Investment
Author:	Richard Simmonds

PURPOSE OF REPORT

1. The purpose of this report is to seek the approval of the Council of a draft Statement of Intent ('Sol') received from Central Plains Water Trust ('CPWT'). Pending receipt of the legal opinion, the Council deferred consideration at its meeting on 4 May 2006 of this Sol for Central Plains Water Trust. The legal opinion is provided for the Council in the public excluded section of the agenda.

STATUTORY REQUIREMENTS

2. Schedule 8 of the Local Government Act 2002 provides:

"2. *Statements of Intent for council-controlled organisations*

The board of a council-controlled organisation must deliver to its shareholders a draft statement of intent on or before 1 March each year.

3. *Completion of Statements of Intent*

The board must:

- (a) *Consider any comments on the draft statement of intent that are made to it within 2 months of 1 March by the shareholders or by any of them; and*
- (b) *Deliver the completed statement of intent to the shareholders on or before 30 June each year."*

3. The draft Sol was received from CPWT on 20 February 2006.

STAFF RECOMMENDATION

That the Council approve the Central Plains Water Trust's Statement of Intent for 2006/07.

12 Cont'd

BACKGROUND ON CENTRAL PLAINS WATER TRUST - DRAFT STATEMENT OF INTENT

4. CPWT was established in 2003 by Christchurch City and Selwyn District Councils as joint-settlers to create a sustainable development of central Canterbury's water. CPWT is a council-controlled organisation within the meaning of the Local Government Act 2002, and hence is obliged to prepare an annual Sol.
5. Central Plains Water Limited ('CPWL') was formed by Christchurch City and Selwyn District Councils (one share each) in May 2003 to procure consents and operate a water enhancement scheme, providing water for community farmers within the Central Plains. The company works in close consultation with the Trust, in accordance with a Memorandum of Agreement, to achieve its goals and the trustees monitor the performance closely. The company is now owned by a number of external shareholders following the issue of a prospectus in November 2004 and a successful equity raising. Christchurch City Council now owns one share out of 376,000. CPWL is not a council-controlled organisation and is not required to prepare a Sol.
6. CPWT's financial report for the six months ended 31 December 2005 provides an update of progress to date. Points of note include:
 - Resource consents to use water have been lodged with ECan by CPWL on CPWT's behalf, but CPWL has yet to lodge consent applications for land use and land designation with Selwyn District Council (however, it is still intended to have all applications brought to a single hearing in the current year).
 - CPWL has been granted the status of a Requiring Authority by the Minister for the Environment.
 - CPWT has embarked on a visionary process to define the recreational opportunities that the scheme could deliver to the Canterbury region, with ideas such as a walking and biking network, wild life reserves, wetlands, kayaking, orienteering, international rowing venue, white water park, camping, canal barging etc.
 - CPWT's costs for the six months ended 31 December 2005 were \$20,065 compared to \$113,424 for the year ended 30 June 2005.

STATEMENT OF INTENT

7. Attached is CPWT's draft Sol for 2006/07. There are no changes of significance from the previous year's Sol, and its objectives remain as follows:
 - To provide assistance to, and monitor, CPWL as it pursues resource consent for the irrigation scheme on behalf of the Trust.
 - To implement and monitor a sustainability code of practice.
 - To develop and implement scheme recreational opportunities, and environmental community enhancers.
8. It is noted that there are no detailed financial performance measures included within the Sol. However, given the relatively low cost structure of the Trust, probably of more significance are the non-financial performance indicators set out on page 6 of the draft Sol.

13. CENTRAL PLAINS WATER – ASSESSMENT OF ENVIRONMENTAL EFFECTS (AEE) APPROVAL

General Manager responsible:	Director of Strategic Investment
Officer responsible:	Director of Strategic Investment
Author:	Bob Lineham, DDI 941-8411

PURPOSE OF REPORT

1. The purpose of this report is to advise the Council regarding an oversight on the part of the Central Plains Water Trust (CPWT) to obtain prior Council approval of the Assessment of Environmental Effects (AEE) before lodging the resource consent applications for the scheme.

EXECUTIVE SUMMARY

2. CPWT has overlooked obtaining Council approval of the AEE before lodging applications for resource consents, as required by the Council in terms of the approval it gave to establish the Trust in November 2002.
3. The oversight was not deliberate on the part of CPWT.
4. Resource consent applications were lodged approximately six months ago and notification is due to be given publicly on 24 June 2006 allowing two months for the lodging of objections.
5. CPWT want to work with the Council to satisfy the Council that its concerns over the environmental effects, if any, are resolved and provided for by the scheme.
6. Maintaining the timetable for the resource consents is critical to the public scheme obtaining first priority for water rights over other private applications.
7. The consent application and hearing process is the major protection of the environmental and community issues through a well established system of review.

FINANCIAL AND LEGAL CONSIDERATIONS

8. The Council and CEDF have invested around \$900,000 through funding the feasibility studies for this project. The only chance it has to see a return of these funds is if the scheme obtains water rights and is able to obtain its consents and become viable.
9. The Trust documentation does not specifically require the Trust to seek prior approval of the Council and the trustees have been following this documentation carefully. However, a Council resolution was passed by the Council and conveyed to the Steering Committee (which was the predecessor of the Trust) and it should have been passed on.

STAFF RECOMMENDATIONS

It is recommended that the Council agree to:

- (a) Allow the applications for resource consent to be notified on 24 June 2006 and evaluate the AEE over the next month on condition that:
 - (i) CPWT agrees to work with the Council with a view to satisfying the Council regarding any reasonable concerns which it has with the AEE .
 - (ii) If the Council identifies significant issues from the AEE which will affect the Council's long term use of its aquifers for drinking water then CPWT will modify its applications as the resource consent process proceeds.
- (b) Reserve the right to make objections in its own name to the resource consent applications as notified.

13 Cont'd

BACKGROUND ON NEED FOR APPROVAL OF AEE BY COUNCIL

10. In November 2002 when the Council approved the Trust structure recommended for the Central Plains Irrigation scheme by the Joint Steering Committee the Council added the following additional clause to the staff recommendations:

"That the Central Plains Water Enhancement Trust report back to the Christchurch City Council and the Selwyn District Council for approval of the assessment of the environmental effects (AEE) of the proposal before the lodging of applications for resource consents for the transport, storage and use of water."

11. It has been drawn to my attention a few days ago that the Trust has overlooked formally seeking this approval direct from the Council. Upon investigation it is clear that the request was conveyed to the Steering Committee at the time it was passed but it was not passed on to the Trust when it was formed several months later. I have taken the matter up with the Trust and it has acknowledged that there has been a serious oversight but it is very clear that this was not deliberate.
12. The problem appears to have arisen because the request was not included in the trust deed which had been drafted and circulated to the Council prior to the Council meeting in November 2002. The Trust has taken seriously the provisions of the Trust deed and the Memorandum of Understanding but because the extra requirement (to get prior Council approval) was not transferred to Trust documentation by the Steering Committee it was overlooked when the AEE was completed three years later (November 2005).
13. The AEE document is extremely large and not at all practical to email or for Councillors to read in detail, that is the nature of such documents. In November 2005 the Trust therefore transferred it to CD format and gave it wide circulation. Their records show that this circulation included Councillors. It is not contended that this fulfilled the requirements of the Council resolution but it does indicate that the Trust was very open in the way that it made the document available. It is a highly technical document designed to meet the requirements of the various Regional Council resource consent applications. Following requests from two Councillors after the recent seminar for Councillors in May 2006 further CD copies of the document were made available by the Trust to two Councillors who requested it and CCC staff had hard copies made for them as well.
14. Applications for the various resource consents were lodged with the Selwyn District Council and Environment Canterbury approximately six months ago and these are due to be notified by those two bodies on 24 June 2006. Groups interested in the scheme, including those who are opposed to it, are anxiously awaiting the notification so that they can get on with making submissions in respect of the project. There will be a period of two months in which to make submissions on the resource consents and only if the notification proceeds as planned is there any likelihood that the hearings will be completed in the current calendar year.
15. The timing of the notifications for the resource consents is seen by the Trust to be critical and it is very anxious that the notifications are given before an Environment Court hearing scheduled to commence on 26 June. This hearing relates to another party wishing to take water from the Waimakariri that challenges CPW's priority to the scheme. It is felt that any delay in notification could allow the other party to gain advantage ahead of the proposed public scheme.
16. Although the Trust recognises that it should have sought Council approval before the resource consent applications were lodged it feels that it has acted in the Council's interest by thoroughly reviewing the documentation prepared by Central Plains Water Limited (CPWL). The independent trustees in particular have seen this as an important part of their role. The trustees who are not directors of CPWL are David Haslam, Dick Davison, Denis O'Rourke (appointed by CCC and SDC), Viv Smart and Clare Williams (appointed by Ngai Tahu). The Mayor of Selwyn District has advised the Chairman of the Trust that his Council is prepared to accept that the independent review by the Trust is sufficient to protect the interests of his Council and is not seeking any further involvement in the decision making at this time.

13 Cont'd

17. Attached is a letter received from the Project Manager for the project sent on behalf of the Trust setting out the circumstances surrounding the oversight and the importance of retaining the priority it currently has for consideration of the applications for takes of water from the Rakaia and Waimakariri rivers. The Trust is offering to meet with the CCC to address any concerns it has about the process. Representatives of the Trust have been invited to attend the Council meeting.
18. The Council's concern in putting the extra requirement in the November 2002 Council resolution would appear to have been primarily to ensure that the scheme would not be detrimental to the interests of the city and in particular its source of drinking water and aquifers. It will therefore be important to find a way to ensure that the Council can be satisfied that adequate provision has been made to protect those and other important issues.
19. The consent application process is the major public protection in respect of the scheme. While the Council has understandable concerns about the possible outcomes from the scheme the resource consent process is the best way of fairly judging those impacts. The Council itself is not geared to evaluate the full environmental impact by itself in this specialist area without expert assistance.

OPTIONS

Option 1

20. The Council could seek, under its November 2002 resolution, to require that the Trust withdraw the resource consent applications until such time as it has conducted its own review of the AEE. However, this would require the Council to spend some time in a review of the AEE and has the potential to cause delays to the project and the loss of priority consideration ahead of other rival schemes which are not in the public domain. The Council should consider carefully the likely ramifications of taking this course.

Option 2

21. A further option is to rely upon the Council lodging objections to the resource consent applications, as it is entitled to do under the provision of the resource consent notification law. However this may not be particularly effective if the Council develops a major concern especially since it is a key sponsor of the project. It would be normal to expect that the CCC would analyse the resource consent applications for such a major application in any case and make objection/submissions but normally this would be on finer points. A more effective way to challenge any major concerns, if there is opportunity, would be to have them addressed by the applicant as envisaged in the Council resolution.

PREFERRED OPTION

Option 3

22. The Trust has offered to work with the Council on this issue to ensure that the Council's needs are met and the preference would be to do this in parallel with the notification and objection period provided that there is an understanding with the Trust that it will ensure that if the Council has reasonable needs and concerns that it will amend its proposal to take into account the Council's concerns.
23. This option would have two advantages over the other options:
 1. The Council's needs would be reflected in the main application and more likely to be effective than if processed by way of objection.
 2. This would enable the critical timing of the resource applications to proceed so that the public scheme can maintain its position in the queue for water rights.
24. The Council could seek agreement from CPWT to work with the Council over the next month to examine the AEE and if necessary find ways to overcome the difficulties and have these presented as modifications to the original application if they are significant. Urgent agreement from the Trust should be sought that it will accept this approach before the notifications take place on 24 June.

14. POLICY ON SIGNIFICANCE

General Manager responsible:	General Manager Corporate Services, DDI 941-8540
Officer responsible:	Strategy Support Manager
Author:	Jane Cartwright

PURPOSE OF REPORT

1. To recommend adoption of a updated version of the Policy on Significance as it appears in the draft LTCCP.

EXECUTIVE SUMMARY

2. This Policy on Significance has been amended as attached to incorporate typographical changes, printing omissions and clarification of 'Significant decisions that may impact on land or water of importance to Maori '(section 77(1)(c))'.
3. The amended version would appear in the final LTCCP 2006-16.

CONSIDERATIONS

4. The amendments to the policy cover three things:
 - (i) Typographical changes and changes to the notations(eg Roman numerals to numbers).
 - (ii) Addition of a sentence on housing missed off by the printer in producing the draft LTCCP. This was in the draft policy adopted by the Council in January 2006.
 - (iii) Revision of the piece on 'Significant decisions that may impact on land or water of importance to Maori '(section 77(1)(c))'. We do not have a Maori Liaison Subcommittee and at least one submission on the draft LTCCP noted this. The wording here has been amended to indicate the process to be used when discussing significant decisions that may impact on land or water of importance to Maori.

STAFF RECOMMENDATION

It is recommended that the Council adopt the amended version of the Policy on Significance as attached.

15. DEVELOPMENT CONTRIBUTIONS POLICY

Attached if available, otherwise to be separately circulated.

16. NOTICES OF MOTION

Attached.

17. QUESTIONS

18. RESOLUTION TO EXCLUDE THE PUBLIC

Attached.