



## 8. 2 GOULDING AVENUE - OUTCOME OF SECTION 138 LOCAL GOVERNMENT CONSULTATION PROCESS

<b>General Manager responsible:</b>	General Manager Community Services Group DDI 941- 8607
<b>Officer responsible:</b>	Acting Unit Manager Community Support
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### PURPOSE OF REPORT

1. The purpose of this report is to provide detail of the submissions received in response to the consultation process carried out pursuant to section 138 of the Local Government Act 2002 with respect to the proposed disposal of the land at 2 Goulding Avenue to Housing New Zealand Corporation or other agencies committed to the provision of social or affordable housing; and to seek recommendations from both the Riccarton/Wigram Community Board and the Housing Working Party to the Council as to the outcome of that consultation process. (See **Attachment 1**).

### EXECUTIVE SUMMARY

2. The Council owns a block of land at Hornby, fronting onto Main South Road, Goulding Avenue and Shands Road. This block of land comprises 18,930m<sup>2</sup> (1.8930 hectares) of which 4,710m<sup>2</sup> has been developed for social housing purposes (Hornby Courts).
3. The remaining undeveloped land of 1.4220 hectares is currently utilised for passive recreation purposes. It was purchased by the then Paparua County Council for cultural and recreation purposes. In 1982 the cultural and recreation designation was revoked and the land vested in the Council in fee simple for the Council to deal with in such a manner as it determined.
4. In relationship to this property the draft 2009-19 Long Term Council Community Plan (LTCCP) considered by the Council at its meeting on 16-18 February 2009 contained the following information under the heading "Unfunded Capital Programme": Housing And Development Hornby - \$238,000 (2009-10) \$1.507m (2010-11).
5. At its meeting on 16-18 February 2009, the Council resolved that:  
  
*"The land currently held at Hornby for social housing be offered for sale to Housing New Zealand Corporation or other agencies committed to the provision of social or affordable housing, subject to clarification that a special consultative procedure will be carried out if required".*
6. In accordance with advice received from the Council's Legal Services Unit it was determined that consultation on the proposed disposal should occur to comply with section 138 of the Local Government Act 2002. A special consultative procedure was not required.
7. Consultation was therefore carried out to comply with section 138 and commenced on 23 November 2009 and concluded at 5pm on 18 December 2009.
8. The consultation consisted of :
  - A public notice in the Christchurch Press and Southern View newspapers
  - Availability of consultation submission forms
  - 'Have Your Say' listing with an electronic submission form available online
  - Posters promoting two drop-in information sessions displayed at various centres in the Hornby/Sockburn area.
9. Two drop-in information sessions were held at the Hornby Library on 1 and 9 December 2009, 5-7pm with a total of 10 people attending
10. Four written submissions were received. Three of these submissions were in favour of the proposal and one against. The submission against related to the impacts on green space, car parking and concerns about the potential adverse effects that tenants from a lower socio-economic group may have on elderly people in the area.

11. Staff have considered the issues raised in the submissions and have concluded that no further action is required in respect of them. This report therefore recommends that the submissions be received and the content of them considered by the Council in determining the outcome of the consultation process.

#### **FINANCIAL IMPLICATIONS**

12. Valuation advice was sought from an independent registered valuer in September 2009. The basis of this valuation was on the current L2 Zoning. It did not take into account the impact of limiting the use of the site to social or affordable housing.
13. A discount to this valuation would therefore be expected because of the specific restrictive use provisions. The amount of this discount is however subjective and best established through the recommended Request for Proposal disposal process. We would expect that respondents would establish the value by adopting a residual valuation approach whereby the costs of construction, finance costs and developer's profit etc. are deducted from the value of the completed development resulting in a residual figure that is available to purchase the land. This residual figure will differ for each submitting party as it will depend on the type, style and density of housing provided.

#### **Do the Recommendations of this Report Align with 2009-19 LTCCP budgets?**

14. No, the resolution to dispose of the land came out of consideration of projects during the LTCCP process wherein the originally proposed project to undertake infrastructural works to the site and then go into joint partnership with a social housing provider was rejected. There are no specific budget provisions for this property in the Annual Plan.

#### **LEGAL CONSIDERATIONS**

##### **Have you considered the legal implications of the issue under consideration?**

15. Yes, the Legal Services Unit has been consulted concerning the consultation process required by section 138 of the Local Government Act. Section 138 requires the Council to consult on any proposal to sell or otherwise dispose of land acquired or used principally for community, recreational, environmental, cultural or spiritual purposes (excluding land held under the Reserves Act 1977).
16. The Community Board and the Housing Working Party do not have delegated authority to determine the outcome of the consultation process. This decision needs to be made by the full Council. However, the Community Board and the Housing Working Party do have recommendatory powers to the Council.

#### **ALIGNMENT WITH LTCCP AND ACTIVITY MANAGEMENT PLANS**

##### **Do the recommendations of this report support a level of service or project in the 2009-19 LTCCP?**

17. No.

#### **ALIGNMENT WITH STRATEGIES**

##### **Do the recommendations align with the Council's strategies?**

18. This proposal has a broad linkage to the Council's Social Housing Strategy, in that it is consistent with the strategies goals of Partnership and Facilitation and Resourcing.

#### **CONSULTATION FULFILMENT**

19. Consultation has been undertaken pursuant to section 138 of the Local Government Act and there is no statutory impediment to the Council adopting the recommendations of this report.

## **STAFF RECOMMENDATION**

That the Riccarton/Wigram Community Board and Housing Working Party recommend to the Council that the Council adopts a resolution in the following form.

- (a) That the four submissions received in response to the public consultation process conducted pursuant to section 138 of the Local Government Act in relation to the proposal to dispose of the land at 2 Goulding Avenue to Housing New Zealand Corporation or other agencies committed to the provision of social or affordable housing be noted; and
- (b) Having considered the submissions received, that the proposal to dispose of the land at 2 Goulding Avenue to Housing New Zealand Corporation or other agencies committed to the provision of social or affordable housing be adopted; and
- (c) That the Council's resolution of 16-18 February 2009 be implemented by the land being tendered through a Request for Proposals process ("RFP"); and
- (d) That the responses received to the RFP be reported back to Council (having first been considered by the Riccarton/Wigram Community Board and the Housing Working Party and those bodies providing their recommendations) for a decision on which response should be selected; and
- (e) Subject to paragraph (d) of this resolution, that the Corporate Support Unit Manager be delegated the authority to manage the RFP process.