

Meeting: Council

Meeting Date: 22 February 2023

Subject: **Roy Stoneham Park Residential Development District Plan Change 4 Report**

File No.: 407900

1 Background

To enable further growth of the district, Council has identified Roy Stoneham Park (formerly the soccer club grounds) as the most suitable option for the next residential development.

The Kawerau District population has grown significantly and Statistics NZ projects it will reach 8,000 by 2028 due to:

- The pandemic bringing whānau home;
- Economic development of the district and the region creating employment;
- Kawerau's housing stock being more affordable than other regions;

A property market analysis completed for Council by Veros in 2022 shows:

- Kawerau's population estimated to have grown by 7% since the last census;
- Population growth exceeds the building consents being issued (compared with other similar sized towns);
- Median house prices have increased by 182% in the last five years to \$432,000;
- Average house sold in Kawerau in the last 12 months was a 100m² 1960's three bedroom, one bathroom home on a 795m² section for \$460,000 (now at \$450,000);
- Release of Council's new subdivision has shown an appetite for larger new homes 3-4 bedrooms, 2 bathrooms on smaller sections around \$700,000 price point.

2 Housing Strategy - Overview

Council identified the need for growth and has been proactively driving this with the Council Housing Strategy through:

- Long Term Plan 2018-2028 resolutions
- Long Term Plan 2021-2031 resolutions
- Annual Plan 2022-2023 resolutions
- DIA Better Off Funding Application 27 September 2022 resolution
- Use of Better Off Funding for Stoneham Park Residential Development resolution 14 December 2022

Council's current developments comprise:

- *Porritt Glade Lifestyle Village:*
Purpose-built retirement village with 29 units sold with a Right to Occupy.

All 18 units constructed are occupied and the majority sold their Kawerau homes to move into the village –meeting Council’s aim to provide high quality living for seniors and free up larger family-sized homes. The village will be completed by March 2023 on the principle of Council recouping costs.

- *Central Cove Development*
Freehold house and land packages comprising 31 sections.
Profits from the Central Cove subdivision allocated as rates subsidies to benefit all ratepayers.
12 sections available.
- *Hine Te Ariki and Bell Street Development*
Comprising four sections, Council resolved in 2022 to build two easy-care quality duplexes (four units) in 2023.
Freehold title. To be sold at market rates.

3 Future Housing Developments – Overview

With the uptake of the current residential subdivisions, the waiting lists at the Council-owned rental flats, and Kadap (Kawerau and Districts Ageing in Place) survey responses indicating that nearly 20% of seniors surveyed would move into smaller ‘easy care’ units if they were available – Council is progressing the next residential housing development.

Roy Stoneham Park (formerly the soccer club grounds) has been identified as the most suitable and feasible option for Council to develop. This land is 5.42 hectares with a flat contour adjacent to the nearby Kawerau Pūtauaki Primary School.

Community engagement has been carried out in two Long Term Planning processes in 2018-2028 and 2021-2031.

With input from professional architects, Design Group Stapleton Elliott (DGSE) Council produced a ‘vision plan and document’ to discuss with Iwi, neighbours and the community which gained good levels of support. Council resolved in July 2021 to proceed with the development processes while carrying out further consultation and engagement with the community taking into consideration concerns raised by Iwi, neighbours, and stakeholders.

In 2022, Council has worked with DGSE and Veros to complete a housing market report and feasibility study that confirmed Stoneham Park development can achieve:

- Additional housing for the district approx. 80 dwellings
- Range of housing options such as inter-generational
- Variety of section sizes to meet different price ranges 300 to 700m²
- More rateable properties
- Enhanced green space and recreational areas
- Partnering to offer range of housing models (rent to own, rental, etc.)
- Increased value for the surrounding properties
- Estimated profit of \$2m from sales in addition to Three Waters Reform ‘Better off Funding’ of \$4.32m approved on 1 Dec 2022.

- Targeted residential development through partnering
- Council development of land parcel (1ha approx.) adjacent to Stoneham Park at Kowhai Park Body Corporate and offer additional housing to meet the needs of the community i.e., seniors.
- Council has included the approximate 1 hectare land parcel currently owned by Kowhai Park Body Corporate within the Residential Growth Precinct to ensure flexibility for any residential development on this land which Council is seeking to acquire for additional residential development and stormwater ponding.

4 PROPOSED DISTRICT PLAN CHANGE 4

The alterations to the District Plan to provide for development at Roy Stoneham Park are encompassed in the fourth change to the Kawerau District Plan (Plan Change 4). (*Refer attachments*).

To enable the subdivision and minimise future consenting issues by purchasers, Council is proposing a 'Residential Growth Precinct' to maximise use of the land in the Stoneham Park residential subdivision.

Council has included the approximate 1 hectare land parcel currently owned by Kowhai Park Body Corporate within the Residential Growth Precinct to ensure flexibility for any residential development on this land which Council is seeking to acquire for additional residential development. Initial modelling shows part of this land parcel may be ideal for stormwater requirements of the Stoneham Park Residential Development.

The changes to the District Plan proposed as part of the Residential Growth Precinct (on the Stoneham Park and adjacent 1hectare land parcel only) are fully outlined in the attached Proposed Plan Change 4 (Residential Development of Roy Stoneham Park) to the Kawerau District Plan and Section 32 Report.

Council is asked to approve Proposed Plan Change 4 for public notification. The public notification process allows for the community to make a submission on the proposed changes and new 'Residential Growth Precinct'. The submission period for Plan Change 4 is in tandem with the reserve revocation process for Roy Stoneham Park (see separate report in this agenda).

5 FUNDING REQUIREMENTS

A Veros feasibility study in 2022 confirmed Council is best-placed as the developer as Council owns the land outright.

Council resolved on 27 September 2022 to apply for the 'Better Off' programme funding and was advised on 1 December 2022 it was successful in obtaining \$4.2m for the Stoneham Park residential development and \$160k for Spatial Planning.

Council resolved on 14 December 2022 to utilise this Better Off Funding to fund Stoneham Park residential development in a staged approach and the Spatial Planning review.

Note: The Better Off Funding is available due to the Government's Three Waters Reform to spend on projects and initiatives to improve local authorities' community well-being (not for Three Waters Infrastructure). *Council's acceptance of the Better Off Funding does not change its stance against the current reform model.*

The \$4.2m will enable the first stage of the development to be completed and fund subsequent stages by effectively 'recycling' it through the development. On completion of the development, currently planned for 2027, this funding will be available to reinvest into the community.

6 ENGAGEMENT WITH THE COMMUNITY

Community engagement and consultation is required as part of the Council's Significance and Engagement Policy and as a legislative requirement of proposed changes to the district plan.

Council will also continue consulting regarding the design and potential issues such as traffic management with Iwi, neighbours of Stoneham Park, Kawerau Pūtauaki School and the Kawerau community.

Ongoing Iwi engagement with Tangata Whenua has been carried out in the 2022 year including three hui between the Mayor, Deputy Mayor and Staff and Iwi Kaumātua regarding the Development and Plan Change 4 (District Plan Modifications); and a meeting between Council and the Ngāti Tūwharetoa (Bay of Plenty) Settlement staff; and a subsequent meeting regarding Council's Housing Strategy and specifically Stoneham Park Residential Development with Ngāti Tūwharetoa (Bay of Plenty) Settlement Trustees.

A pre-engagement update was held between Council and the Kawerau Pūtauaki School Board of Trustees on 19 December 2022 to discuss potential numbers of children that the school may need to cater for, traffic management, particularly car parking areas on Fenton Mill Road and green space and recreational areas. The traffic management assessment currently being undertaken for Council encompasses Kawerau Pūtauaki School traffic management. Further discussions are scheduled in February/March 2023.

Further hui with Iwi Kaumātua and the Ngāti Tūwharetoa (Bay of Plenty) Settlement Trust will be carried out as per Council's Te Tiriti o te Waitangi obligations and commitments to Tangata Whenua. These hui / meetings with all stakeholders.

Meetings with the public and other sectors of the community are currently being scheduled.

7 RECOMMENDATIONS

1. That the Council receives the report, *Roy Stoneham Park Residential Development District Plan Change 4 Report*;
2. That the Council confirms it is satisfied the requirements of Section 32 of the Resource Management Act 1991 have been met and adopts the Section 32 Report for Proposed Change 4 (Residential Development of Roy Stoneham Park) to the Kawerau District Plan (*refer attached*);

3. That the Council confirms it is satisfied the requirements of the Resource Management Act 1991, in particular sections 73, 74, 75 and 76 and Schedule 1, relating to the preparation of a change to the Kawerau District Plan up to public notification stage, have been met;
4. That Council approves Proposed Change 4 (Residential Development of Roy Stoneham Park) to the Kawerau District Plan pursuant to Clause 5 of Schedule 1 to the Resource Management Act 1991, and makes the Section 32 Report publicly available at the time of the public notification (*refer attached*);
5. That Council approves the public notification of the Proposed Change 4 (Residential Development of Roy Stoneham Park) to the Kawerau District Plan pursuant to the requirements of Clauses 5 and 7 of Schedule 1 to the Resource Management Act 1991;
6. That Council delegates authority to the Group Manager, Regulatory and Planning to make any minor amendments, including grammatical and formatting, to Proposed Change 4 (Residential Development of Roy Stoneham Park) to the Kawerau District Plan and the Section 32 Report prior to public notification;
7. That Council approves in principle that one independent Commissioner will be appointed to the Change 4 Hearing Panel;
8. The Council notes that the independent Commissioner will be appointed in due course in March/April or May 2023 subject to resolution of Council.

Ngā mihi nui,

Tania Humberstone



Kaiwhakahaere Whakapā Kōrero

Manager Communications and Engagement, Residential Developments