1. Community Housing Aotearoa is the peak body for the community housing sector that provides social and affordable housing throughout New Zealand. We represent the interests of our 115+ members on issues that impact their ability to fulfil their organisational missions. The proposed National Policy Statement on Urban Development (NPS-UD) is of great interest to our members and the sector is broadly supportive of Government’s efforts to improve housing solutions for our most vulnerable citizens.

2. The challenges confronting New Zealand regarding the affordability and adequacy of housing are many and varied. The proposed NPS-UD will address some, but not all of these challenges.

3. We are concerned that the NPS as a tool falls short of providing full certainty to achieve the desired outcomes. As noted in the Regulatory Impact Statement (RIS), there are also concurrent Statements on Highly Productive Land and Freshwater Management which must be considered by local government when deciding on their approach to urban development. The NPS is not able to override adopted Acts, including the Resource Management and Local Government Acts, which may have provisions constraining the desired outcomes. We believe that fuller consideration is needed of the multiple issues at play in the system.

4. Additional factors beyond the scope of the NPS-UD such as local government behaviours, developer and landowner behaviours, and infrastructure supply constraints can significantly impact the delivery of new development and intensification of existing areas. There is a clear need for new funding tools for infrastructure development, and central government should do its part to contribute funding that speeds local solutions. These factors will need to be addressed through other mechanisms to ensure the objectives of the NPS-UD are achieved.

5. The current speed at which the NPS-UD progressing, as evidenced by the lack of a cost benefit analysis and an analysis of greenfield development in the RIS, may mean important linkages described in points 3 & 4 above are missed and the intended outcomes may not be achieved.

6. Community Housing Aotearoa (CHA) supports of the intent of the NPS-UD, when it is strengthened to give clear authority for strong interventions that deliver warm, safe, affordable homes that meet local need. We believe the NPS-UD can assist local authorities to more easily deliver increased density and quality urban environments. We also believe it improves upon the current NPS-UDC to provide greater information to adequately plan for development based on the demand and supply of different types and price points of dwellings for all current and projected residents of a community. We believe the NPS-UD is a step in the right direction but falls short of the step change required. We agree with this statement from the RIS; ‘Some of the problems identified however will only be addressed through wider system (both resource management and housing/urban development) change.’
7. Our comments are focused on the residential and not the business components of the NPS-UD. We have not attempted to respond to all the consultation questions, but to those most related to our members’ interests in affordable homes for lower-income households.

8. CHA is generally supportive of the objectives of the NPS-UD and related policies to achieve the objectives. We recommend strengthening the NPS-UD by including the following:

   a. We propose an additional objective O11 that would link the NPS to the New Zealand Human Rights Commission’s position that “The human right to adequate housing is a binding legal obligation on the State of New Zealand. Adequate housing takes account of security of tenure, affordability, accessibility, habitability, availability, location of services and cultural considerations”.

   b. Add a new P1C:f) to require a Housing Needs Assessment.

      i. Require that the Housing Needs Assessment specifically address demand and supply by income quintiles and housing types across the housing continuum for emergency housing, supported and assisted rental, affordable assisted ownership and market rental and ownership tenures.

      ii. For the Housing Needs Assessment, guidance should follow the current best practice as published in the New Zealand Manual for Housing Market Assessments prepared by DTZ New Zealand, commissioned by the Centre for Housing Research, Aotearoa New Zealand (CHRANZ, July 2009). To support easy and consistent use by local authorities, central government should fund the development of dynamic data-driven tools that provide information currently held by Stats NZ and other agencies to facilitate preparation of local assessments. The DTZ manual was developed as guidance to accompany the Affordable Housing: Enabling Territorial Authorities Act of 2008. That legislation, although repealed in 2010, provides a solid evidence base of what a housing needs assessment and its link to local government policy decisions can look like.

   c. Add a new P1D:h)iv. To require Identification of sites for delivery of the range of affordable homes documented in the Housing Needs Assessment.

   d. Add a new P4H to clearly authorise local authorities to apply solutions that ensure the minimum targets and supply side responses deliver homes affordable to the needs of each income quintile and each stage of the housing continuum identified in their Housing Needs Assessments.

   e. Add new P4H:a)-x) to explicitly commit central government to support local governments to require and enable provision of incentives that activate delivery of the social and affordable housing components set out in the local Housing Needs Assessment. It is not sufficient to merely document the failure to deliver affordable homes. The placeholder a)-x) would identify specific supports to enable delivery against the Housing Needs Assessments. This could include funding the infrastructure and development contribution costs. Tools such as GST and development contribution deferral for the duration a home is used for social / affordable purposes should be explicitly authorised in the Statement. When public investments in infrastructure to support intensification are made, private property owners can realise a substantial increase in the value of nearby properties. Value capture, uplift, retention and then
recycling of that value for current and future generations should be permitted. This can be used to support a variety of public purposes, including affordable housing. The use of mandatory affordability requirements (inclusionary zoning) should be also authorised. Further tools should also be enumerated.

9. We provide the following comments responding to some of the questions in the consultation document:

Q2. We support an emphasis on the largest and fastest growing councils but have comments regarding those no longer identified as major urban centres. Regarding the 6 major urban centres, we support the multi-Council approach taken. Housing markets do not respect political boundaries and we support strengthening requirements for regional planning. We are concerned that some of the areas no longer prioritised are also experiencing significant housing affordability problem and increasing homelessness. Ensuring these smaller but regionally significant areas are equipped to handle their growth and receive investment is important to keep in mind.

Q3. We support the requirement for a Future Development Strategy for the major urban centres and see the importance of a similar approach being adopted for the urban areas that were high or medium growth under the NPS-UDC 2016. Item 8 above includes our recommendations to improve the FDS by looking at the affordability of homes based on household sizes and incomes.

Q4. We support the approach of providing national level direction.

Q5. We support clarifying amenity values but are concerned it may not result in differing outcomes without addressing the meaning of amenity in the Resource Management Act.

Q6. We support assessing the likelihood of a site being taken up when looking at capacity. We believe that responding to demand should consider whether there is delivery matched to the Housing Needs Assessment as described in 8b above.

Q7. We support zone descriptions which are detailed visions of the future amenity and character of the zones. Without specificity the practical implementation of densification intended under the NPS-UD will be stymied.

Q8. We support policies which support and enable intensification of sites where its benefits can be achieved. A place-based approach ensuring the proper social, transportation, employment and other infrastructure is in place is vital. We strongly believe that density requirements must be stated in units. A descriptive approach about building size or bulk will not assure more units. It can simply result in larger, more expensive individual units.

Q9. We do not understand how an out-of-sequence greenfield development would be consistent with the approach taken in the NPS-UD. If there is an adopted FDS as proposed herein, this would seem to be a return to the current ad hoc approach to development rather than a carefully planned and funded strategy. Should this policy be included, it may undermine the broader goals. If it is included, then developers should have to meet all costs as described in the consultation.

Q10. We are concerned that this very specific proposal regarding car parking has not been thought through sufficiently. Without understanding the overall approach, this one very specific item seems out of place at this time. We would support an FDS which enables development not requiring car parks, but simply removing the ability to consider any
requirements absent a coherent overall plan seems premature. For infill areas, this could lead to strong resistance to the overall goals of intensification. Early projects would likely spill out their parking demand into the surrounding areas if all the transportation investments weren’t made in advance. We urge caution.

Q12. Yes; see also 8b regarding demand analysis.

Q13. Yes; we defer to iwi, hapū and Māori to comment on the appropriate way to engage.

Q14. Yes.

We thank you for the opportunity to submit. We wish to be speak to our submission at hearing.

Kind regards,

phone: