



Community Housing
Nga Wharerau o Aotearoa

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NPS Urban Development Capacity
Ministry for the Environment
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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 90+ members on issues that impact their ability to fulfil their organisational missions. The proposed National Policy Statement Urban Development Capacity 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 Urban Development Capacity will address some, but not all of these challenges. As noted in the Regulatory Impact Statement factors beyond the scope of the NPS such as local government behaviours, developer and landowner behaviours, and infrastructure supply constraints can significantly impact the delivery of new capacity. 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 Urban Development Capacity are achieved.
3. Community Housing Aotearoa (CHA) is strongly supportive of the intent of the NPS, 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 can assist local authorities to improve their decisions regarding development. We also believe it can 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. Our comments are focused on the residential and not the business components of the NPS.
4. CHA recommends strengthening the NPS by including the following:
 - a. We propose an additional objective OA4 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. Modify PB1 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. Attached please find “The Housing Continuum” which is an evolving description of the pathways and products that deliver affordability for households.
 - iii. 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. Modify PD2 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 (as set out above) identified in their Housing Needs Assessments.
 - d. The legislation should compel central government to provide an incentive fund that activates delivery of the social and affordable housing components set out in a local Housing Needs Assessment, perhaps by 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 legislation.
5. We are concerned with the intent of PA1 requiring decision makers to “Enable(ing) the competitive operation of land and development markets”. We seek to ensure that this would not restrict the policy options and incentives available to local authorities to address market failures to deliver housing meeting the needs documented in the Housing Needs Assessment. This would include responses such as density incentives, fee waivers or deferrals in exchange for retained affordability; mandatory requirements that a specific % of new development deliver long term retained affordable housing, and similar measures. [The % amount would be varied by community depending on the amount of social and affordable housing need identified in the Housing Needs Assessment.]
- a. We suggest that policies PD1-PD4 should be amended to expressly authorise the use of inclusionary zoning approaches, when the Housing Needs Assessment indicates that the need for social and affordable housing is not being fully supplied in the market.
6. CHA agrees with the proposed short, medium and long-term timeframes and frequencies for assessments, targets and monitoring. To assist with implementation and allow comparisons across local authorities, CHA recommends the creation of a core methodology to be used for the Housing Needs Assessments. This would be jointly developed by Councils, Government and professional bodies with the skills and experience required to deliver a robust

methodology. The methodology should build upon the *New Zealand Manual for Housing Market Assessments* referenced in 4.b.iii above.

7. CHA supports the consultation provisions in PB4 that include community and social housing providers.
8. The definition of “Infrastructure” should be expanded to include “Social and Affordable Housing” as set out in the Housing Continuum referenced in point 4.b.ii above.
9. CHA is concerned that the NPS may lead to increased land availability without due consideration of the elements which create sustainable communities. Any new urban development must be well designed. In addition, the homes must have easy access to community amenities such as recreational and social opportunities. Finally, the necessary social infrastructure including schools and health facilities need to be coordinated with agencies responsible for their delivery.

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

Kind regards,

A handwritten signature in blue ink that reads "Scott Figenshow". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Scott Figenshow, Director
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