

Submission by

Hamilton City Council

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GOVERNMENT POLICY STATEMENT ON HOUSING AND URBAN DEVELOPMENT (GPS-HUD) - JUNE 2021 DISCUSSION DOCUMENT

3 August 2021

1.0 EXECUTIVE SUMMARY AND RECOMMENDATIONS

- 1.1 Hamilton City Council supports the overall direction, intent, focus areas and proposed actions outlined in the Ministry of Housing and Urban Development's June 2021 Discussion Document: Government Policy Statement - Housing and Urban Development (GPS-HUD).
- 1.2 Hamilton City Council is a key partner of Government and a founding member of the Future Proof Urban Growth partnership.
- 1.3 Hamilton City Council has a proven track record of commitment to, and implementation of, Government reforms initiatives.
- 1.4 This has been recently demonstrated through the work Hamilton City Council undertook on developing the first Iwi/Crown/Local Government Spatial Plan for the Hamilton-Waikato Metropolitan Area, our participation in the Three Waters Reforms, and our work to implement the National Policy Statement on Urban Development.
- 1.5 Hamilton City Council is acutely aware of the need for Government alignment and coordination of its activities to shape the urban system in ways that improve the wellbeing of New Zealanders and its environment.
- 1.6 Hamilton City Council's specific recommendations include:
 - The creation of enduring sustained and coordinated funding mechanisms for high growth councils through existing or new urban growth partnerships to ensure that the outcomes sought in the GPS-HUD and through proposed Regional Spatial Strategies can be achieved.
 - Proposed Actions are reviewed to take into consideration the need for supporting infrastructure (including Three Waters infrastructure) and how this can be integrated into planning, decision-making and the final GPS-HUD.
 - Policy direction considers how to integrate development with allocation at Spatial Regional Plan level and prioritises projects and initiatives that will support Three Waters infrastructure.
 - The use of Inclusionary Zoning should be provided for, requiring a portion of new housing to be retained as affordable in return for greater density.
 - The final GPS-HUD will need to ensure full alignment with recommendations made by the Climate Change Commission.
 - Tools and guidance from Central Government on how shadow carbon pricing, embodied emissions and future climates should be considered would support a quicker implementation and uptake in local government.

2.0 INTRODUCTION

- 2.1 Hamilton City Council would like to thank the Ministry of Housing and Urban Development for the opportunity to make a submission to its June 2021 Discussion Document: Government Policy Statement - Housing and Urban Development (GPS-HUD).
- 2.2 Hamilton City Council supports the overall direction, intent, focus areas and proposed actions outlined in the Ministry's Discussion Document.
- 2.3 The current system that informs and directs housing and urban development is complex and spans many pieces of legislation and government policy. The creation of the GPS-HUD and its role to bring everything together and provide clarity is welcomed.
- 2.4 Hamilton City Council takes a considerable interest in urban planning issues and has made a number of submissions in this space in recent years - for example:
 - Hamilton City Council's 17 October 2019 submission to the **Proposed National Policy Statement for Urban Development (NPS-UD)** - refer [here](#)
 - Hamilton City Council's 3 February 2020 submission to the **Urban Development Bill** - refer [here](#)
- 2.5 Hamilton City Council has also made a number of submissions related to infrastructure provision to service urban growth - for example:
 - Hamilton City Council staff feedback made on 21 May 2021 to the Ministry for the Environment's **Early Engagement on Resource Management Reform - Opportunities to Improve System Efficiency** - refer [here](#)
 - Hamilton City Council's 2 July 2021 submission to the New Zealand Infrastructure Commission's May 2021 Discussion Document **Infrastructure for a Better Future Aotearoa New Zealand Infrastructure Strategy** - refer [here](#)
- 2.6 All submissions made by Hamilton City Council can be accessed [here](#)

3.0 ENDURING PARTNERSHIPS AND FUNDING IS THE KEY TO SUCCESS

- 3.1 Enduring, coordinated funding across the urban system is critical to ensuring urban development achieves the outcomes sought in the proposed GPS-HUD. The Discussion Document highlights the importance of spatial planning and coordination across agencies. However, the Discussion Document lacks detail on how funding proposals or interventions will be developed to achieve this.
- 3.2 Central Government needs to be a funder of first resort for critical, city-shaping enabling infrastructure to help solve the housing crisis. Hamilton City Council is a partner with the Crown and Iwi and Urban Growth Partnership. This has been a successful model for collaboration, but it lacks an enduring, aligned commitment to fund ongoing initiatives to deliver housing. The GPS-HUD should consider including the role of City Deal/Partnership arrangements which have proven to be very beneficial for high growth areas in the United Kingdom and in Australia. A separate memo (attached as a PDF) provides additional guidance and commentary on the benefits of intergovernmental funding partnerships.
- 3.3 While Hamilton City Council supports initiatives like the Housing Infrastructure Fund and the Housing Acceleration Fund, there needs to be enduring and ongoing investments made directly to Local Government beyond these temporary measures if the housing outcomes sought by Government are to be achieved.

4.0 GENERAL COMMENTS

- 4.1 At a high level, there appears to be a good alignment between the vision, outcomes and focus

areas in the GPS-HUD Discussion Document and those in the Hamilton-Waikato Metropolitan Spatial Plan (refer [here](#)) and Hamilton City Council's recently adopted Housing Strategy (refer [here](#)).

- 4.2 The GPS-HUD is an opportunity for Central Government and Hamilton City Council to work together on the longer-term future of housing and urban development in Hamilton and the broader Future Proof area, particularly to set out our joint aspirations for housing supply and affordability, the funding and financing of infrastructure, and progress on emission reduction targets.
- 4.3 To ensure the GPS-HUD is effective and delivers on its intended outcomes, it is critically important that it aligns with other Government reform programmes, including Resource Management Reform, the Future for Local Government Review, the Three Waters Reform Programme, and climate change policy.
- 4.4 Hamilton City Council has noted that delivering on all of the Government's aspirations and new policy is becoming challenging, especially as a high-growth urban council, and seeks that potential solutions are made available to high-growth areas to deliver on housing aspirations. This may be through offering tools such as environmental offsetting (or similar). This is needed as Government positions on environmental outcomes (e.g., through the NPS Freshwater Management) often conflict with the outcomes sought for housing and urban development (e.g., NPS-UD), making delivery unachievable.
- 4.5 Notwithstanding the above, the GPS-HUD is relatively high level, and so continued engagement with Hamilton City Council on the detail of the specific Implementation Plans underpinning the GPS-HUD will be key.
- 4.6 **Hamilton City Council as a Partner with Government**
- 4.7 Hamilton City Council is a key partner of Central Government and a founding member of the Future Proof Urban Growth partnership.
- 4.8 Hamilton City Council has a proven track record of commitment to, and implementation of, Government reform initiatives.
- 4.9 This has been recently demonstrated through the work Hamilton City Council undertook on developing the first Iwi/Crown/Local Government Spatial Plan for the Hamilton-Waikato Metropolitan Area (HW-MSP), our participation in the Three Waters Reforms, and our work to implement the NPS-UD.
- 4.10 We are currently partnering with Central Government on the review of the Future Proof Growth Management Strategy, the development of a comprehensive Programme Business Case to outline a how a rapid and frequent transport network can support the HW-MSP and are actively collaborating with Kainga Ora on implementing the NPS-UD to support their investment aspirations.
- 4.11 Hamilton City Council is also a key part of the Waikato Regional Housing Forum (RHF), which has developed a programme of housing data and interventions supported by agencies like the Ministry for Social Development, Kainga Ora and the Ministry for Housing and Urban Development.
- 4.12 **Hamilton City Council is committed to doing everything it can to support housing in Kirikiriroa /Hamilton.**
- 4.13 In addition to our work with Government, Hamilton City Council is committed to housing through the development of its own Housing Strategy and has made significant investments to support housing through the Waikato Community Lands Trust.
- 4.14 We note the request for organisations outside of Central Government to identify actions they

could take to support the direction of the GPS-HUD for inclusion in the final GPS-HUD, and we have provided a number of these at the end of each section, along with detail on the support needed.

5.0 SECTION 1: HOUSING AND URBAN DEVELOPMENT IN AOTEAROA NEW ZEALAND

5.1 Alignment with the Climate Change Commission and Hamilton City Council's Climate Change Programme

5.2 The Climate Change Commission has made it clear that urban form has an important role in reducing emissions from many aspects of our lives, including transport, buildings, energy, and waste. In addition, the way we design our cities now will impact on future emissions - we have the opportunity to establish low carbon, low-cost living for our communities rather than locking them into high carbon, high-cost living.

5.3 In Recommendation 16 of the Climate Change Commission's advice, they state that a policy approach to planning for urban form must be developed in partnership with Iwi/Maori and with local councils and communities. We support this recommendation and note that by collaborating it will help to address the challenges around the need for rapid growth and reducing emissions. The implementation approach outlined in the GPS-HUD Discussion Document appears to meet many of the elements of the Commission's advice in relation to emissions reduction and climate resilience.

5.4 We are supportive of Central Government supporting the implementation of climate change considerations through better data, evidence, and tools. Consistent information and data will make it easier to assess the options against climate related impacts and emissions scenarios.

5.5 In 2020, Hamilton City Council commenced a Climate Change Programme. As part of this programme, we developed a Climate Change Action Plan and have raised climate change as a strategic risk for the organisation. We have now commenced work on a long-term Climate Change Strategy for Hamilton.

5.6 We are currently in the process of establishing a Climate Change and Environment Policy. The intent of the policy is to support decision-makers to consider climate change in a consistent way across Hamilton City Council.

5.7 Hamilton City Council notes the intent of the GPS-HUD is to influence activity, and includes a focus area of supporting resilient, sustainable, inclusive, and prosperous communities. Tools and guidance from Central Government on how shadow carbon pricing, embodied emissions and future climates should be considered would support a quicker implementation and uptake in local government.

6.0 SECTION 2: VISION AND DIRECTION

6.1 Hamilton City Council supports the **four outcomes** identified of:

- **Thriving communities** that meet people's wellbeing needs and aspirations.
- **Wellbeing through housing** where all New Zealanders own or rent a home which meets their needs and aspirations.
- **Partnering for Maori housing and urban solutions.**
- **An adaptive and responsive system** to effectively provide for constant growth and change.

6.2 Of critical importance is better connection and alignment between central and local government planning and decision-making, and government processes. We have recently submitted on this point to the New Zealand Infrastructure Commission on its May 2021

Consultation Document **Infrastructure for a Better Future - Aotearoa New Zealand Infrastructure Strategy.**

- 6.3 The GPS-HUD Discussion Document expects to see *“regulatory and institutional settings that support and facilitate urban change, and an increase in the productivity, capacity and capability of the system and sectors to deliver homes and communities that meet people’s needs”* (page 37); and that the aim of the GPS-HUD is to direct, and support calls for planning and decision-making to be better aligned between central and local government (page 19).
- 6.4 Hamilton City Council supports a GPS-HUD that recognises regulatory settings in other systems and is directive for Local Government legislation, Resource Management reform (including Spatial Planning), and Water Reform legislation.
- 6.5 However, Hamilton City Council notes that discussion in the Discussion Document does not give due consideration to the importance of Three Waters infrastructure required for urban development. It does not appear to be part of the Focus Areas and there are no proposed supporting Proposed Actions relating to infrastructure as part of urban development.
- 6.6 In its recent submission to the New Zealand Infrastructure Commission, Hamilton City Council also asked for clarity on how the entire infrastructure provision process functions could be delivered i.e., from long-term planning of urban form, protection of corridors, delivery of lead infrastructure, funding mechanisms, housing development and resource requirements.
- 6.7 Hamilton City Council commented that this needed to be done in the context of the current systems in place under the Local Government Act that councils must adhere to. We similarly recommend that a Government Policy enhances the use of the Local Government Act (where possible) to provide for infrastructure that will meet the requirements of GPS-HUD.
- 6.8 As previously discussed, infrastructure is needed to support urban development, and this in turn requires resource allocation and consents for the likes of water takes and discharges. It is fundamental that territorial authorities have certainty for consents and an appropriate allocation to meet their obligations under legislation.
- 6.9 Further to this, growth activity is usually at a macro (or regional) level. The process to get consents to support growth is often done across regions in a ‘siload’ way which is resource intensive, costly, lacks certainty and does not take a ‘best for region’ approach.
- 6.10 Policy direction could be provided on how to integrate development with allocation at spatial regional plan level and prioritise projects and initiatives that will support Three Waters infrastructure.
- 6.11 Recognising Te Mana o te Wai, local mataauranga maori principles, such as Te Mana o Te Awa, Mana Whakahaere and Mana Whanake and local aspirations will also be imperative in any direction given by a Government Policy.
- 6.12 **FOCUS AREAS**
- 6.13 Overall, Hamilton City Council supports the **six focus areas for action** and has a particular interest in the focus area **‘ensure that more affordable houses are being built’** through quality land-use planning and investment in infrastructure.
- 6.14 Ensuring that legislative reform is effective and workable is critical to ensure we have a responsive planning system that coordinates the delivery of housing and infrastructure.
- 6.15 The intended reforms to the resource management, Three Waters and local government system are timely. However, it is critical that they are integrated and complementary, especially with regards to the detail affecting local government planning, funding, and delivery processes. Urban development and the delivery of housing will be pointless if the infrastructure and resources required to service housing are not available.

- 6.16 Aligned planning and funding cycles between local and central government, and all organisations involved in infrastructure planning, funding and delivery are required to enable certainty and coordination. In addition to the significant reform underway, looking to align cycles across different levels of government would also be beneficial.
- 6.17 For example, councils develop a Long-Term Plan and Infrastructure Strategy every 3 years with a 10 year and 30-year horizon respectively, however central government departments are not required to do the same. The Ministry of Education plan for 3 years and Waka Kotahi generally commit funding for 3-year blocks. To effectively deliver on the outcomes of spatial plans, all partners need to be able to provide the same level of certainty for investment.
- 6.18 In addition, competing issues need to be resolved across central government departments as they result in significant time and cost for local government to address and have impacts on the efficient planning and delivery of housing and infrastructure.
- 6.19 **Focus Area - Support Resilient, Sustainable, Inclusive and Prosperous Communities**
- 6.20 Hamilton City Council is a high growth city and is prioritising areas for higher density housing. With higher densities, challenges emerge for Three Waters network capacity and management of stormwater as a consequence of decreased pervious surfaces.
- 6.21 Hamilton City Council supports the proposed action to develop a National Adaption Plan to support climate resilience in the housing and urban development system. However, further consideration needs to be given to supporting management of network capacity and levels of service.
- 6.22 **PROPOSED ACTIONS**
- 6.23 Hamilton City Council considers that the following actions be considered when finalising the GPS-HUD:
- Establish enduring, partnership-based funding arrangements to supplement existing Urban Growth Partnerships modelled on the United Kingdom and Australian City Deals Framework.
 - Undertake joint strategic planning at a regional level, involving all relevant agencies prioritising key housing, infrastructure provision and urban outcomes, as well as taking the appropriate steps to reduce emissions, preserve or improve the natural environment, and protect highly productive rural land.
 - Clearly identify the responsibilities and process for how joint strategic planning will be effectively carried out at a regional level and identify how both urban and rural issues will effectively be represented and balanced across regions.
 - Align funding and investment across Central and Local Government which is critical to ensuring the effectiveness of the proposed Resource Management reforms can be realised.
 - Provide options for high-growth councils to deliver on Government housing and urban development aspirations that may conflict with other Government policy or guidance.
 - The use of Inclusionary Zoning should be provided for as a key outcome in the final GPS-HUD and in the emerging National Planning Framework, requiring a portion of new housing to be retained as affordable in return for a greater density allowance.
 - Initiate consistent, enduring front-end funding for infrastructure for housing development through the development of city deal or partnership frameworks. These types of arrangements have proven successful in overseas jurisdictions and members of the Future Proof partnership investigated the possibility of implementing such arrangements in the Future Proof area.

- Invest in skills and training across industries and the infrastructure sector to improve capability and capacity for development and delivery, including through apprenticeships.

6.24 Hamilton City Council recommends that the Proposed Actions are reviewed to take into consideration the need for supporting infrastructure and how this can be integrated into the final GPS-HUD.

7.0 SECTION 3: IMPLEMENTATION

7.1 Hamilton City Council supports the proposed approach in the Discussion Document on making it clear that a detailed Implementation Plan be a part of the GPS-HUD.

7.2 Hamilton City Council supports the proposition outlined on page 66 of the Discussion Document to ensure Government creates certain and durable and ongoing funding schemes beyond existing mechanisms to support urban development. The current system is not efficient and while initiatives like Housing Infrastructure fund (HIF) and the Housing Acceleration Fund (HAF) are welcome, they are transient in nature.

7.3 Hamilton City Council would like to reinforce the need for Government to partner with Local Government as a key implementation partner with specific responsibilities in the housing systems.

7.4 Finally, Government funding needs to be aligned to Spatial Plans in a place-based approach.

8.0 PLACE-BASED FOCUS

8.1 Hamilton City Council supports the role and function of Kainga Ora as the lead investor for Government in the housing and urban development system.

8.2 Hamilton City Council has been collaborating with Kainga Ora for some time on implementing the NPS-UD and on the comprehensive community renewal and regeneration of the Enderley-Fairfield area as a Kainga Ora regeneration area that is similar in status to those mentioned in the Discussion Document.

9.0 FURTHER INFORMATION AND OPPORTUNITY TO DISCUSS OUR SUBMISSION

9.1 Should the Ministry of Housing and Urban Development require clarification of Hamilton City Council's submission, or additional information, please contact **Blair Bowcott** (General Manager Growth) on 07 838 6742 or 021 775 640, or email blair.bowcott@hcc.govt.nz in the first instance.

9.2 Hamilton City Council would like to continue working with the Ministry of Housing and Urban Development on the finalisation of the GPS-HUD and any subsequent plans, strategies or actions.

9.3 Hamilton City Council would also welcome the opportunity to meet with representatives from the Ministry of Housing and Urban Development to discuss the content of our submission in more detail.

Yours faithfully



Richard Briggs
CHIEF EXECUTIVE