

# Kāpiti Coast District Council's Feedback on the Government Policy Statement on Housing and Urban Development: Discussion Document

## **1) The direction indicated in the discussion document is not transformational enough**

We are broadly supportive of high-level outcomes and vision put forward in the discussion document. However, we are concerned that the GPS isn't going to be ambitious/transformational enough to achieve the kind of shift that is required to deliver on the vision where *"everyone in Aotearoa New Zealand lives in a healthy, secure and affordable home that meets their needs, within a thriving, inclusive and sustainable community"*.

Small adjustments to the policy levers that influence housing supply have been made for years without resulting in substantial improvement in the quality, quantity, and/or diversity of the housing being built in New Zealand. This suggests that transformational change is required in the system to achieve the vision. However, we are concerned that the discussion document is not signalling the level of change required to achieve the vision and outcomes.

## **2) Government can't achieve all its competing outcomes at once – it needs to prioritise**

While Council is supportive of the overarching outcomes and focus areas in the discussion document, we are concerned that there is not enough direction or commentary explaining how these outcomes can be achieved *together*.

The strong and clear direction for the provision of affordable housing is fundamentally misaligned with the broader outcome of *"thriving communities"* which incorporates the potential of good urban development and design to contribute to broader community resilience, connectedness, sustainability and community wellbeing outcomes. It is not just more houses needed, they need to be the right type of houses, in the right places and supported by the right services and facilities. In its quest for achieving the former, the government is sending signals which put the latter at risk. The Climate Adaptation Act, the RMA reforms, Building Act amendments and the various National Policy Statements will require additional environmental protections/climate change responses including in our built environment, and collectively these measures both limit where it is feasible and appropriate to build houses (increasing the value of 'suitable land'), and add additional cost to construction. While homes are being built locally, very few of them are affordable due to market increases, and quality issues are regularly needing to be resolved in the design and construction phase by our Building officers.

The reality is that without further clarity from the Government, these objectives will necessarily be traded off against each other, and we are concerned that it is going to be left to local government to attempt to balance these competing priorities and determine how these outcomes can collectively be achieved or which outcomes should have priority.

A transformational shift is required if we are serious about attaining all of these objectives at the same time – protect and restore the environment; respond to climate change; build quality homes quickly; and build more affordable housing. Government needs to make some decisions about what is most important and what it is willing to compromise on and clearly articulate those priorities to the other actors in the system.

### **3) Poor decisions now could lock in poor outcomes for generations.**

While there is an obvious need to increase the supply of homes in New Zealand to meet the needs of our growing population, the houses and communities we build now need to remain fit for purpose and support healthy, resilient and sustainable neighbourhoods and communities for the duration of their life cycle, which is generally considered to be 50 years for residential builds. Poor housing and urban design decisions made now in an effort to address our immediate housing supply and affordability issues could lock in poor social, economic, cultural and environmental outcomes in these communities for generations. Quickly built and cheap housing is unlikely to be durable, with compromises being made on materials to get a quick and cheap product. Councils seeking to get better longer-term outcomes are often faced with criticisms of being a barrier to short term delivery. Decisions made on houses and communities we build now will impact on our ongoing ability to create resilience in our communities, respond to climate change, and provide appropriate housing for our ageing population. Councils need to be supported to make decisions that will benefit their communities over the long-term.

### **4) The provision of quality housing in thriving communities is complex and relies on factors outside of the GPS**

The achievement of the “thriving communities” outcome is reliant on a range of factors, some of which are outside the apparent scope of the GPS-HUD. In order for communities to thrive, they need to be supported by appropriate infrastructure, public transport, access to health and education services and commercial activity providing local employment opportunities. It would be helpful if the dependencies on other factors outside of the GPS were clearly identified – and comment made on how they will be integrated in practice to make sure all of these factors are coordinated in support of the government’s aspirations in the GPS.

In particular, there is a lack of focus on how the infrastructure that supports growth will be funded/provided. The document makes reference to things like integrating transport and other infrastructure, but no real discussion around how that can be achieved in practice, especially given different infrastructure funding mechanisms and constraints. It is also noted that the new Three Waters entities will have a significant role to play in ensuring the right water infrastructure is in right place at the right time to enable growth. The GPS needs to identify further the role that transport connectivity (particular low-carbon transport options) has in supporting new development and ensuring that this can happen through appropriate funding that does not rely on an already stretched rate-paying base, which can be an issue in areas like Kāpiti with an increasingly ageing population.

### **5) The discussion document is too focused on market provision of housing**

The focus in the discussion document on the market as the only way to deliver land and housing is too narrow. It is increasingly apparent that the market has failed to deliver housing for our communities in the quantities and typologies required and at affordable prices. It is pleasing to see the document includes a Focus Area to *‘re-establish housing’s primary role as a home rather than a financial asset’*. However, the actions proposed are inadequate and provide little clarity about how this is intended to be achieved.

A clearer and much more integrated planning framework and supporting tools are required alongside market interventions to help reset and establish a land-use framework that can create and support a system to successfully deliver the outcomes required. The vision and ambition for how these two elements are considered as part of delivering the shift needed from current arrangements

needs to be more clearly communicated – especially since many of the details (such as the specifics of the new legislation replacing the RMA) are yet to be filled. The GPS needs to focus on how we will provide housing across the whole spectrum of delivery.

Creating new markets to provide elements of housing need for Māori and Community Housing Providers will help contribute towards meeting some of the ever-increasing demand, but we need to look at fundamentally different models of provision if the system as a whole continues to not be able to provide the housing we need.

Affordable housing requirements/policies need to be strengthened and better enable a wider range of workable alternatives as the market is not providing. As an example, part-rent, part-buy schemes allow people to buy a percentage share and stair-case to increase that share over time, to facilitate a transition into home ownership and support housing agencies by enabling profits made from the sale of these to be reinvested into new affordable housing developments.

A much better understanding of the drivers of cost of construction is also needed, as well as a wider and much more ambitious and aspirational view of the role that New Zealand's primary sector (eg forestry) can play in reducing these costs. Financial incentives need to change to increase the provision of smaller dwellings and medium-density housing, as currently for developers the balance sits in favour of large standalone dwellings (from perspectives of both cost and construction simplicity), despite this often being an inefficient use of land, that creates infrastructure challenges and challenges for transitioning to low-carbon living.

The increased focus on Māori partnership and housing models is valuable, as this represents a significantly under-served community and a model that has struggled to get traction within current systems. We understand that there are already some successful examples of papakāinga housing developments nationally and sharing the learnings from these developments should be considered as part of the implementation programme.

## **6) Implementation will be key – and much more practical detail will be required**

There is very little to disagree with in the discussion document, but many of the actions are so high level as to be unclear in terms of what practical implementation may look like – especially if the action is attempting to do something new or differently. The limited detail on 'the how' means the line of sight and fit/coordination between outcomes and actions is not as clear as it could be – which will be important if this is to influence connected policy and funding cycles. Implementation also needs to be about implementation on the ground, not only creating additional policy to fill gaps. Critical to the success of implementation is a much closer working relationship between the policy shop of central government and 'on the ground' delivery of key actions, with appropriate guidance and accountability of central government for delivery of outcomes. Too often, local government has been left to navigate and decipher changes made by Government then deliver change messages to stakeholders and customers who knew little about the pending change.

Funding cycles are also not very well co-ordinated and this needs to be improved if we are to deliver on the vision. As an example, 51% of most transport funding comes from Waka Kotahi through the National Land Transport Programme. To be included in the National Land Transport Programme (NLTP), schemes must be in the Regional Land Transport Plan (RLTP). However, these processes do not align well from a timing perspective with the local government Long Term Plan process. The Long Term Plan is developed slightly after the NLTP and RLTP, but NLTP funding decisions come after the LTP is approved. Local government works hard to try and bring these together as much as possible but it can be difficult. Another example is the current Infrastructure Acceleration Fund,

which comes at a time when Council has just been through an extensive Long Term Planning process with its community to set budget priorities for the next 10 years, and now the Government through the IAF is seeking Councils to change these priorities to enable 'additionality' in housing provision to access infrastructure funding.

Guidance will be beneficial to ensure that the approach taken to choosing locations for affordable housing, both in the sense of where to locate within a district but also where to locate affordable housing within a development. The UK experience has shown that it is better for affordable housing to be 'pepper potted' around the development and not all clustered together. This strengthens sense of community and the sense of belonging. Advice on a consistent approach for this from government to get the best outcome would be useful.

### **7) Do we know what "whole of life" homes and "thriving communities" look like? Are the incentives across the system supporting those concepts?**

The document discusses 'whole of life' homes, but thought needs to be given to how that might work in practice. This could mean homes that are suitable for people at all stages of life and with changing accessibility requirements. It could also mean homes that are built in the right way and/or in the right place to ensure that they are not going to be impacted by climate change. The concept of "whole of life homes" should be further expanded on and explained in the GPS and its implementation documentation.

Current directives may not be incentivising the creation of "whole of life homes". For example, the NPS-UD seeks six or more storeys for development in urban centres, but what accessibility provisions need to be made to ensure high-rise apartments remain accessible for people across all life stages? What impact would the necessary accessibility requirements have on the affordability of those dwellings? The NPS has also removed minimum car parking requirements, however this may have also removed any ability to require the provision of accessible parking. The increased accessibility costs (e.g. lifts) for higher buildings in centres, is resulting in developers often limiting their thinking to three-storey 'walk-ups', to ensure developments remain financially feasible, however this will not serve an aging population well.

An integrated approach needs to be taken in providing for growing communities. Thriving communities need access to employment opportunities, health and education services, and general goods and services. The removal of parking standards under the NPS-UD is designed to encourage less car-centric developments, however this change has not been accompanied by increased investment in public transportation. This will result in increasing portions of our communities living in "affordable" homes that have no provision for private vehicles, and without reliable public transportation options to access employment and essential services.

'Whole of life' houses need be able to withstand the challenges we know are coming in the future. We don't want to build houses now that will be dangerous or unhealthy in the future (due to, for example, rising groundwater and increased rainfall). We should be considering alternative ways of building, and the system needs to allow innovative solutions that can allow housing to be built safely in challenging environments.

One of the focus areas of the document is to "re-establish housing's primary role as a home rather than a financial asset." We would like to note that the family home is often the primary financial asset that facilitates economic development and growth for small businesses.

## **8) What is the role of local government and what tools will it have?**

There needs to be stronger recognition of local government's role in shaping communities, and greater clarity about the level of engagement with local government on implementation. Local government is often uniquely placed to understand its communities and their aspirations for the future.

We anticipate that much like the GPS on Transport, the GPS-HUD will be able to provide direction on a clear and committed pipeline of funding priorities and guidelines. There is a strong need for a committed pipeline of funding for development projects at a range of stages, not just a scramble for immediate funds for shovel-ready projects. It should not be assumed that local authorities should be fully responsible for infrastructure provision. Indeed, the impending Three Waters reform will require change and clarity of future funding and investment to support growth. This will need collective planning, strategic thinking and high-level support. Funding for territorial authorities is already overstretched and 51% of transport funding comes from Waka Kotahi, which requires significant evidence to support what is being asked for. Even then funding received is often lower than funding requested/ needed.

This needs to be considered within the context of different responsibilities within local government. Regional councils are mandated with environmental protection, which often creates tensions with city and district councils who are working with property owners for resource consents and building consents for land and property development. We need to develop improved collaboration where territorial authorities and regional government give equal weight to the overall objectives that need to be achieved.

Careful consideration needs to be given to what tools local government will need to help shape and achieve outcomes for their own communities, alongside those given to government agencies and others? With the right tools and framework, local government could have a much more active role in achieving the vision it develops with its communities. This includes how vehicles, tools, and intents (such as those surrounding the creation of urban development authorities) could be made more accessible to councils.

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