

Environment Committee  
Parliament Buildings  
Wellington, 6160

03/03/2023

RE: Spatial Planning Bill

Community Housing Aotearoa – Ngā Wharerau o Aotearoa (CHA) thanks the Environment Committee for the opportunity to share our perspectives on the Spatial Planning Bill (SPB). The below submission reflects our perspectives and comments on the Bill

CHA is an Incorporated Society and a peak body for the community housing sector. To achieve our vision of ‘all New Zealanders well-housed’, we have a strategic focus on supporting a well-functioning housing system and working toward the realisation of the right to housing. We are also mindful of the larger institutional and regulatory settings within which our members and other community organisations operate.

Our 82 provider members provide homes for nearly 30,000 kiwis nationally across 18,520 homes, and our 37 partner members include developers, consultants, and local councils. Community Housing Providers (CHPs) are primarily not for dividend entities that develop, own, and manage social and affordable housing stock, with rental and progressive homeownership tenure offerings. We work closely with national Māori housing advocate Te Matapihi, which represents Iwi-based and Māori community housing providers. More about us can be found [here](#).

CHA welcomes the overall intent of the Spatial Planning Bill to provide surety, consistency, and clarity for Regional Spatial Strategies (RSS). CHA has some comments on the published SPB which – from our perspective – will empower the SPB to contribute to a more affordable, accessible housing market. We encourage the Ministry for the Environment and the Environment Committee to consider how these reforms can better accommodate the provision of affordable housing and generate greater affordability.

One such tool to achieve greater affordability we advocate for addition to this legislation is Inclusionary Housing (IH, also known as Inclusionary Zoning in other localities). **Inclusionary Housing (IH) is a planning tool commonly used overseas that requires or provides incentives for private developers to incorporate affordable housing into developments.** Under this regime – for projects over an agreed size or number of units - developers set aside a proportion of that development for ‘affordable housing’, land, or payment in lieu, often vested with not-for-profits for the purposes of providing affordable rental and homeownership options.

The RMA reforms are a once-in-a-decade opportunity to integrate Inclusionary Housing into our planning system to create retained affordable homes for generations. We have discussed in our submission on the Natural and Built Environment Bill (NBEB) how the RMA reforms should and could integrate Inclusionary Housing into our planning system. We encourage the Environment Committee to consider how the SPB could work in conjunction with NBEB to enable this vital policy instrument.

For more information about how IH could function within our housing system, we encourage the Ministry for the Environment or the Environment Committee to contact us. We have recently published a report - *Inclusionary Housing: A Pathway Forward in Aotearoa New Zealand* - which outlines what IH is, how it generates affordable housing, and how it could be adopted into our planning system as it has been successfully adopted across the globe. This report can be found here: <https://communityhousing.org.nz/wp-content/uploads/2022/10/FINAL-IH-PAPER-3.pdf>. Furthermore, our submission on the Natural and Built Environments Bill can be found here: [www.communityhousing.org.nz/chas-submission-on-the-natural-and-built-environment-bill/](http://www.communityhousing.org.nz/chas-submission-on-the-natural-and-built-environment-bill/)

CHA also reserves concerns that Inclusionary Housing programmes that exist under the current RMA may be affected by the reforms. Queenstown Lakes District Council (QLDC) currently operate a voluntary IH programme where land use concessions (or other benefits) are offered to developers in exchange for the provision of affordable housing (or in-kind contributions) which are transferred to an affiliated community housing provider, Queenstown Lakes Community Housing Trust. To June 2022, QLDC's IH programme has generated \$24.7 million in contributions towards the development of 243 affordable homes. QLDC is now progressing work to make this programme mandatory. We seek confirmation that these reforms will legislatively embed the ability of QLDC's IH programme to continue. The policy is widely supported in Queenstown and recent consultation processes across the country have demonstrated widespread public interest in IH programmes being adopted in many other communities.

## **Section 17 – Contents of regional spatial strategies: key matters**

We recommend that reference to the provision of affordable housing is made in s17 as a key matter or s18 as a matter of sufficient significance for RSSs. This could include the integration of a provision - in either of the aforementioned sections - to the effect of; “areas identified as having a shortage of affordable housing”. These areas would be determined through a Housing Needs Assessment which will be discussed later. This demarcation would ensure that Natural and Built Environment Plans (NBEP) would recognise where additional policy interventions are required to generate affordable housing.

RSSs could be used to identify areas where there have been significant changes in land use, whereby some of the increase in land values could be captured by an IH policy and employed for affordable housing. This would require the RSSs and NBE plans to work in unison by zoning land for residential purposes in an RSS and regulating for land use and IH contributions through a NBE plan.

## **Section 24 – General considerations instruments**

We support the provision 24(2)(a) that RPCs must comply with and have particular regard to Government Policy Statements. This ensures our planning is well integrated between the various statutes, regulations, policy statements, and directives which are relevant. We particularly note the recognition of the Government Policy Statement on Housing and Urban Development which includes a consideration of value uplift capture tools, such as Inclusionary Housing. We look forward to seeing evidence of your consideration of land value capture tools in the drafting of the Natural and Built Environment Bill.

## **Section 28 – Quality of evidence and other information**

We also recommend that in s28 (or associated regulations) there is some reference to what assessments, reports, or information generally constitutes “robust and reliable evidence”. CHA’s position is that one such document would be a Housing Needs Assessment prepared or updated no more than 9 years (with a preference for more frequent updates) before the drafting or renewal of RSSs. This would ensure that renewed RSSs are based on more recent information than the previous iteration of the RSS. Our preferred model of conducting Housing Needs Assessments involves forecasting future housing need, information necessary for conducting long-term planning like that of the 30-year-plus timespan of RSSs (as detailed in our latest IH report referenced above).

## **Section 68 - Regulations**

The specifics of RSS implementation plan regulations – as established in s68 – need to be configured so as to enable IH programmes to be included in implementation plans to achieve the objectives of RSSs. The specifics will need to be clarified once an approach to the enablement of IH is determined through the National Planning Framework regulations.

We would appreciate the opportunity to speak to the Committee regarding our submission.

Ngā mihi,

Paul Gilberd, CEO, Community Housing Aotearoa – Ngā Wharerau o Aotearoa

