

Agenda for Meeting No. SG19/4

SmartGrowth Leadership Group

**The SmartGrowth Leadership Group will meet in the
Bay Of Plenty Regional Council
87 First Ave, Tauranga, Mauao Room
on
Wednesday 17 April 2019
at 9:30am**

**M Grenfell
Chief Executive
Tauranga City Council – Administering Authority**

SmartGrowth Leadership Group

Committee Members

Independent Chairperson:

Bill Wasley

Bay of Plenty Regional Council:

Chair Cr Doug Leeder
Cr Jane Nees
Cr Paula Thompson
Cr Stuart Crosby
Cr Andrew von Dadelszen (Alternate)

Tauranga City Council:

Mayor Greg Brownless
Cr Larry Baldock
Cr Leanne Brown
Cr J Robson
Deputy Mayor Kelvin Clout (Alternate)

Western Bay of Plenty District Council:

Mayor Garry Webber
Cr Mike Williams
Cr Don Thwaites
Cr John Scrimgeour
Cr Margaret Murray-Benge (Alternate)

Tangata Whenua Representatives:

Maru Tapsell
Irene Walker
Buddy Mikaere
Puhirake Ihaka
Verna Ohia-Gate (Alternate)

Bay of Plenty District Health Board

Ron Scott

New Zealand Transport Agency

Ross l'Anson

Quorum:

9

Meeting Frequency:

At least bi-monthly

Role

Pursuant to Clause 30 Schedule 7 of Government Act 2002, a joint Committee of Tauranga City Council, Western Bay of Plenty District Council and Bay of Plenty Regional Council shall be retained to implement the SmartGrowth Strategy and Implementation Plan.

Membership

- That representation be comprised of four elected member representatives as appointed by the contributing authorities, including the Mayors and Regional Council Chairperson, and four representatives be nominated by tangata whenua.
- That an Independent Chairperson, to be appointed by the Committee, chairs the Committee; and the appointment of a Deputy Chair from the committee membership.
- That the standing membership is limited to seventeen members, but with the power to co-opt up to a maximum of three additional non-voting members, where required, to ensure the effective implementation of any part, or parts, of the Strategy.
- That NZTA be represented through its Regional Director as an observer with speaking rights but in a non-voting capacity.

Purpose

That the joint SmartGrowth Leadership Group be the delegated authority to implement the SmartGrowth Strategy and Implementation Plan in accordance with the following functions:

Implementation

- Overseeing the implementation of the 2013 SmartGrowth Strategy updates, in particular the strategic actions.
- Ensuring organisation systems and resources support the strategy implementation.
- Taking responsibility for progress of those actions specifically allocated to the “SmartGrowth Leadership Group” in the strategy, and making sure the implementation does occur.
- Monitoring and reporting progress against milestones and budget.
- Overseeing the management of the risks identified in implementation.
- Approving an annual implementation plan with a 3 year horizon.

Ongoing Tasks

- Champion integration and implementation through partner strategies, programmes, plans and policy instruments (including the Regional Policy Statement, Regional and District Plans, Long Term Plans (LTP's), Annual Plans, transport plans and triennial agreements), and through partnerships with other sectors such as health, education and business.
- Approving submissions to Local Authorities, Central Government, and other agencies on SmartGrowth related matters.
- Reviewing and recommending adjustments to the strategy if circumstances change.
- Identifying and resolving any consultation inconsistencies between the SmartGrowth strategies and subsequent public consultation processes of the partner councils.

Consultation / Partner Forums

- Facilitating consultation with the community.
- Establishing and maintaining the SmartGrowth Partner Forums.
- Agreeing any memorandum of agreements between SLG and any forums.

Committee Operations

- Selecting and appointing an Independent Chairperson and a Deputy Chairperson.
- Implementing a Memorandum of Agreement, as adopted by the Committee for each triennial period, to provide and maintain partnerships and provide for the resolution of any conflict.
- Establish protocols to ensure that implementation, where necessary, is consistent, collaborative, and / or coordinated to achieve optimal outcomes

Agenda for Meeting No. SG19/4

SmartGrowth Leadership Group

Wednesday 17 April 2019

9:30am-1:30pm

Bay Of Plenty Regional Council

87 First Ave, Tauranga

Apologies

Conflicts of Interest

Public Forum (if required):

Forum Chair Presentations (if required):

Confirmation of Minutes:

**Confirmation of the Minutes of the SmartGrowth Leadership Group
(SG18/3) dated 20 March 2019**

A copy of the minutes is attached. **(Paper A)**

Recommendation:

***That the minutes of the SmartGrowth Leadership Group (SG18/03) held 20 March 2019
be confirmed as a true and correct record.***

AGENDA BUSINESS

- 1. UFTI Update & Principles (Paper B)**
- 2. SmartHousing and Related Matters(Paper C)**
- 3. Reporting back: local government and other forums**

Verbal updates on the following from SmartGrowth Chief Executives and Combined Tangata Whenua Forum

- Metro sector
- Regional sector
- Upper North Island Strategic Alliance
- Rural and Provincial sector
- LGNZ
- Growth Councils
- Combined Tangata Whenua Forum

- 4. To provide recommendation to move the meeting into public excluded (Paper D)**

**Minutes of Meeting No. SG18/3 of the SmartGrowth Leadership Group held on
20 March 2019 in the Chambers, Tauranga City Council, 91 Willow Street,
Tauranga commencing at 10:45am**

Present

Independent Chairperson

W Wasley

Bay of Plenty Regional Council

Chairman: D Leeder

Councillors: J Nees, P Thompson, S Crosby

Tauranga City Council

Mayor: G Brownless

Alternate: Deputy Mayor K Clout, Councillor: L Baldock,

Western Bay of Plenty District Council

Mayor: G Webber

Councillors: M Williams, D Thwaites, J Scrimgeour

Tangata Whenua Representatives

M Tapsell, I Walker, B Mikaere, P Ihaka

New Zealand Transport Agency

Ross l'Anson

In Attendance

SmartGrowth

K Tremaine – Strategic Advisor

V Jones – SmartGrowth Administrator

S Rolleston - Tu Pakari Advisor

Bay of Plenty Regional Council

Fiona McTavish – Chief Executive

N Poutasi – Acting General Manager – Strategy and Science

A Fort – Senior Planner

D Phizacklea – Regional Integrated Planning Manager

J Metcalfe – Senior Transport Planner

Tauranga City Council

C Jones – General Manager, Growth & Infrastructure

A Hancock – Urban Strategy Planner

R Hudson – Team Leader: Strategy Development

A Mead – Manager: City & Infrastructure Planning

Western Bay of Plenty District Council

M Taris – Chief Executive Officer

R Davey – Group Manager Policy, Planning & Regulatory Services

G Allis – Deputy Chief Executive/Group Manager Infrastructure
Services

P Martelli – Resource Management Manager

Bay of Plenty District Health Board

S Davey - Programme Manager, Integrated Healthcare

THESE MINUTES ARE YET TO BE CONFIRMED

To be confirmed by the SmartGrowth Leadership Group on 17 April 2019

SG18/03.01

CHAIRPERSON'S REPORT

The Chair welcomed Jenny Chetwynd NZTA General Manager Strategy Policy and Planning, Ross l'Anson Regional Relationships Director. Welcome extended to elected members from partner councils and others in attendance who are interested in urban form and transport matters.

The Chair noted he would allow questions from elected members of councils who were not on the committee.

SG18/03.02

APOLOGIES

Moved Deputy Mayor K Clout / **Seconded** Cr L Baldock

That it be Resolved

That apologies be received for Cr L Brown, Cr T Molloy and P Ihaka for lateness. (arrived 11.36am)

CARRIED

SG18/03.03

**CONFIRMATION OF MINUTES – SMARTGROWTH LEADERSHIP GROUP
(SG18/11) – DATED 21 NOVEMBER 2018**

The Committee considered the minutes of the SmartGrowth Leadership Group (SG18/11) dated 21 November 2018 as circulated with the agenda.

Moved M G Webber / **Seconded** Cr J Nees

That it be Resolved

That the minutes of the SmartGrowth Leadership Group (SG18/11) dated 21 November 2018 be confirmed as a true and correct record.

CARRIED

THESE MINUTES ARE YET TO BE CONFIRMED

To be confirmed by the SmartGrowth Leadership Group on 17 April 2019

SG18/03.04

UFTI PROJECT UPDATE: PRINCIPLES, PROJECT PLAN, BRIEFING PAPERS, COMMUNICATIONS & ENGAGEMENT STRATEGY

Key points from the UFTI update presentation – Full presentation on below link:
<http://www.smartgrowthbop.org.nz/about-us/leadership-group/agendas-and-papers/>

Phase 1 UFTI has been completed in partnership between SmartGrowth partners (BOPRC, WBOPDC, TCC and Tangata Whenua) and NZTA, Stakeholder Strategies and Campbell Squared.

Phase One is near-completion and has delivered:

- Agreed Terms of Reference
 - Approved Project Plan (drawing on the ATAP precedent approved by NZTA)
 - Communications and Engagement Plan
 - Draft Resource Plan
 - Briefing Papers which outline the team's WIP thinking on key issues
- Delivery of prescribed Phase One outputs has been on time, in full and within budget
- Additional deliverables (briefing papers, baseline analysis) were produced within budget

Strong cooperation at team and governance level between the Partners
Guidance is sought on the project principles – Which are key to how we move forward building a shared understanding and programme. We want to bring Stakeholders and communities along on the journey.

The goal is to provide the blueprint for identifying the common transport, housing, liveability and urban development challenges shared by our communities. UFTI will provide a clear way forward and confidence for government to support through investment and funding. UFTI is an integrative project, aiming to deliver a fundable programme

UFTI needs to resolve near-term urban form, housing and transport issues concurrently. UFTI outputs and team processes will help to ensure NZTA and SmartGrowth partners build shared understanding together through a common team process.

Jenny Chetwynd noted that the focus on the type of projects that we can invest in now is very different, we are ensuring the Bay of Plenty has the right planning in place for multimodal and we are pleased to be part of this process.

David Cunliffe noted he is aware everyone wants deliverables. UFTI partners will work together to develop a strategy for a liveable city. From a project point of view, we are very focused on the outcomes that the paper leads too.

At the heart of the problem are four interdependent issues.

Where will new greenfield developments be located?

What degree of intensifications of existing urban areas can be achieved?

What network investments are needed?

How much multi-modal share can be achieved?

Accommodating growth of Port and regional (inc UNI) transport flows

The UFTI project is undertaken in four phases with tangible outputs from each phase. The impression the GPS gives is that you won't need more roads that have a multi-modal approach but underlining we need to look at the capacity of the network, not just the pinch networks. Analysis needs to look at true

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projections, not just the big projects. David Cunliffe noted the team's intention is to give a capacity based model in objective terms where the different agencies have had the chance to test this data.

Questions/Comments

Do we have a high degree of confidence that has an enduring effect on future GPS? We can't shape the future governments and GPS decisions but we can deliver a set of options and data that should be enduring.

Everyone is focused on the future of the port – freight flow and water bottling outcomes are critical in Tauranga. Getting that sorted is critical and having access to the port we need to work through the solutions in the forefront.

Model shift page 44 – Request numbers around the consents for constraint, how much of that traffic flows through commuters, freight, tradies range to be considered freight and logistics don't see anything around coastal shipping. Another variable that needs to be considered is longer-term scenarios. David noted: We are very conscious of the safety issues and public concern we take it seriously. Jenny C noted funding decisions are to be made, we need to agree upfront what needs to be invested in.

Housing supply/Hewletts Road Sub-area
Questions:

Housing Typologies- Is that thinking going to be factored into the analysis? Yes How successful special housing needs area has been? Have you developed the outcomes as promised? We have 3,000 dwellings and gone through resource consent, as of Sept 18 1,000 had building consent and are being built. Average for houses \$40,000 to \$50,000 less for new houses Jenny noted the Ministry of Housing and Urban Development is keen to be involved more.

It was noted ferry service needs to be looked at. Omokoroa/Mount Freight and passenger service is to be looked at in the Phase 2 investigation.

Project Plan / Resources

UFTI will be delivered over four phases with six analytic stages
Foundation report phase March to June

Resourcing

It is proposed that the project director and an analytical team including partner staff co-locate in the UFTI office.

Working Principles

1. UFTI project team and governance members agree to work in ways consistent with the following principles. The principles have been divided into three types:
 - i. "Partnership" principles which guide how the parties should interact

- ii. “Protocol” principles which guide how team members should operate
 - iii. “Solution” principles which guide the answers sought by the team
2. The “partnership” principles include:
- i. Participate in the project in good faith
 - ii. Recognise the Treaty of Waitangi principles and work with all partners, including tangata whenua
 - iii. Recognise the need to examine existing policies and strategies where necessary
 - iv. Work collaboratively to deliver on the project objectives
 - v. Partnership held accountable to deliver results
 - vi. Make available relevant information as required
 - vii. Contribute staff time as required to complete the project successfully
 - viii. Communicate externally in partnership through UFTI
 - ix. Acknowledge sensitivities and release information publicly only when agreed
 - x. Open, frank yet respectful communication with no surprises - both at staff and governance level
 - xi. Commitment by Governance/partners to develop and deliver shared solutions and actions together.
3. The “protocol” principles include:
- i. Build from past work and develop solutions iteratively
 - ii. Undertaken strategic analysis which is appropriate to the issues being considered
 - iii. Recommend decisions based on agreed evidence and processes
 - iv. Deliver in close partnership between the Parties
 - v. Drive collaboration between connected projects and UFTI sub-teams
 - vi. Appropriate community and stakeholder engagement in UFTI development
 - vii. Bring stakeholders and the public “along the journey” and seek their input at the appropriate time
 - viii. Build shared understanding and agreement

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- ix. Escalate issues to decision makers where agreement is not able to be achieved.
4. The “solution” principles have been developed to expand on the SmartGrowth Partnership principles developed in 2001. They include:
- i. Underlying principles from the SmartGrowth Partnership
 - Live, learn, work and Play
 - Integrated planning for the long term
 - Evidence Based
 - Partnership
 - ii. **Additional principles to guide the solutions which are developed through UFTI**
 - i. Deliver the project’s objectives outlined in paragraph five
 - ii. Align to the Government’s urban growth and transport agenda while tailoring solutions to reflect the WBOP’s unique situation
 - iii. Be ambitious and aspirational while also realistic
 - iv. Develop future proofed and adaptable solutions
 - v. Challenge existing thinking and group think culture
 - vi. Bring stakeholders and the community “along the journey” and seek their input at the appropriate time.

Scott Campbell noted all partners have been involved in development of the communications and engagement strategy. The strategy has been completed for partners at this point and then will be handed over to project director to take through to phases 2-4.

Sitting alongside the strategy is the implementation plan that maps out the consultation plan for the partners over the next 12 months. There is overlap so we are being mindful of information sharing and gathering.

Protocols are in the strategic communications plan.

Informative story requires fine engagement in order for robust story going forward. Stakeholder list of 350 plus including the submitters and we will be going back to those people. The work has been focused on building the approach and then will go into the engagement with those parties. Once the principals have been signed off we will move into the engagement. The project director will be responsible for making the decisions around stakeholder engagement who will require strong local knowledge.

12:30pm Ross I’Anson departed the meeting

The Chief Executives have noted they can deliver phase 2 on the same timeframe.

Next steps for the UFTI team are to:

- Appoint Project Director and Technical Advisor
 - Complete procurement process
 - Continue to progress near-term projects
 - Continue iterating Project Plan
 - Prepare draft scopes of research needed (building off issues papers)
- Launch Phase 2 as soon as possible and noting that any near term delays will impact final deliverable dates.

Moved Mayor G Webber / **Seconded** Chair D Leeder

That it be Resolved

That the SmartGrowth Leadership Group receives the report and;

- Endorses the UFTI principles; including the changes noted above
- Notes the draft project plan;
- Notes the briefing papers as a basis for issue identification for consideration in the UFTI project;
- Notes the high- level communications and engagement strategy
- Endorse that the analysis and agreed recommendations contained in the 'UFTI Final Report' once confirmed by the partners, be provided to the relevant partner committees and governance bodies as a key input into relevant planning and financial planning processes as referenced in section 9.2 of the UFTI project terms of reference; and understand the costs, benefits, funding and other implications of implementing the agreed and aligned strategic approach and its main alternatives into Long Term Plans and 30 year Asset Management Plans."

CARRIED

Recommendation to Executive Review Group

Moved: Cr L Baldock / **Seconded:** Cr P Thompson

That it be Resolved

That given the need for the project to continue with pace and urgency, it is recommended that the ERG Chief Executives be requested to ensure adequate and appropriate resources are allocated to the timely completion of phase 2, noting that may result in such costs being fully funded by the partner Councils.

CARRIED

SG18/03.05

BI-MONTHLY REPORT**Moved** Cr L Baldock / **Seconded** Cr S Crosby**That it be Resolved**

1. **Note** that the Strategic Advisor in conjunction with Western Bay of Plenty District Council has undertaken an analysis of the relevant District Plan provisions and concluded there is adequate protection for Kaituna Link should it be required in the future.
2. **Agree** that, given there is adequate protection for the proposed route, that this matter not be taken any further at this time.
3. **Note** that a framework for measuring intensification, including in greenfield areas, is currently being worked on and will be reported back to the SLG.
4. **Note** the issues that the sub-region is currently facing in terms of the impending shortfall in a development capacity.
5. **Note** that a project plan has been prepared and work is about to get underway on investigating whether further urban development should be provided for in the Eastern Corridor.
6. **Receive** the update and note the progress on the Housing Action Framework.

The Chair expressed thanks to Bruce Fraser for his input and work over a long period of time essentially since the commencement of SmartGrowth. Chair advised that Bruce retires at the end of March and wished Bruce all the best.

The meeting concluded at 2.00 p.m.

Confirmed as a true and correct record

W Wasley
Independent Chairperson

Date

THESE MINUTES ARE YET TO BE CONFIRMED*To be confirmed by the SmartGrowth Leadership Group on 17 April 2019*

Report to	SmartGrowth Leadership Group
Meeting Date	17 April 2019
Author	Christine Jones on behalf of Executive Review Group
Purpose	To provide an update on UFTI matters including key appointments, funding agreement, next steps and seeking endorsement of the UFTI principles

1. UFTI Matters

Key Appointments

The Terms of Reference provide for the appointment of a Project Director and partners sought invited responses to an RFP for the roles of Project Director, Project Manager and Technical Specialist. The delegation to appoint to these roles rests with the Executive Review Group (ERG).

An agreed procurement process (Councils and NZTA) was followed and invited responses sought to an RFP.

The tender process was run by TCC staff independent of TCC staff involved in UFTI and a tender evaluation panel was made up of representatives of the Councils and NZTA, chaired by a qualified NZTA assessor.

Appointments have been made to the three roles by ERG on the recommendation of the Evaluation Panel.

It is proposed to publicly announce the successful appointees at the SLG meeting as formal processes regarding contractual matters are still in train.

Funding Agreement

The UFTI partners now have a multi-party funding agreement in place which Chief Executives and NZTA have agreed to with 57% of UFTI costs being funded by the three Councils and 43% funding from NZTA.

Presentations

Presentations have been undertaken or are proposed in respect of the Bay of Plenty Freight Logistics Group; Priority One arranged business presentation; and a presentation arranged through the Sustainable Business Network including SG forums.

Key Next Steps

The immediate focus for the Project Director will be on;

- preparation of the foundation report
- reviewing the draft project plan including milestones and timeframes

-reviewing resourcing plan and communications and engagement strategy implementation

2. UFTI Principles

At the March meeting the SLG considered draft principles in respect of the UFTI project. A range of feedback was received from members and other elected members, and the amended principles are outlined for consideration and endorsement in Attachment 1. There has been some tweaking of the principles outlined in the March minutes hopefully to aid greater clarity and understanding.

As highlighted at the March SLG meeting, there is little point in having a range of principles if they are not reported against on a regular basis, and this is a matter that the ERG will need to consider further and report back to SLG on.

3. Snapshot of What is Happening in Other Regions

There will be a presentation of various other Urban Growth Agenda related initiatives occurring in New Zealand, with the main example being the Hamilton-Auckland Corridor Plan and its various work streams including the Hamilton Metro Spatial Plan work involving central/local government agencies/tāngata whenua and other regional/sub-regional agencies in a collaborative approach.

4. Recommendations

That the SmartGrowth Leadership Group;

4.1 Receive this update report

4.2 Note the appointment of Project Director, Project Manager and Technical Specialist

4.3 Endorse the UFTI principles

Attachment 1

UFTI Principles

1. UFTI project team and governance members agree to work in ways consistent with the following principles. The principles have been divided into three types:
 - i. **“Partnership”** principles which guide how the parties should interact
 - ii. **“Protocol”** principles which guide how team members should operate
 - iii. **“Solution”** principles which guide the answers sought by the team
2. The **“partnership”** principles include:
 - i. Participate in the project in good faith
 - ii. Recognise the Treaty of Waitangi principles and work with all partners and ensure active tangata whenua engagement and participation
 - iii. Recognise the need to examine existing policies and strategies where necessary
 - iv. Work collaboratively including with community stakeholder groups to deliver on the project objectives
 - v. Partnership held accountable to deliver results
 - vi. Make available relevant information as required
 - vii. Contribute staff time as required to complete the project successfully
 - viii. Communicate externally in partnership through UFTI
 - ix. Acknowledge sensitivities and release information publicly only when agreed
 - x. Open, frank yet respectful communication with no surprises - both at staff and governance level
 - xi. Commitment by governance/partners to develop and deliver shared solutions and actions together.
3. The **“protocol”** principles include:
 - i. Build from past work and develop solutions iteratively
 - ii. Undertaken strategic analysis which is appropriate to the issues being considered

- iii. Recommend decisions based on agreed evidence and processes
 - iv. Deliver in close partnership between the parties
 - v. Drive collaboration between connected projects and UFTI sub-teams
 - vi. Appropriate community and stakeholder engagement in UFTI development
 - vii. Seek stakeholder and community support, keep informed and seek input at appropriate times
 - viii. Build shared understanding and agreement
 - ix. Escalate issues to decision makers where agreement is not able to be achieved.
4. The “solution” principles have been developed to expand on the SmartGrowth Partnership principles developed in 2001. They include:
- i. Underlying principles from the SmartGrowth Partnership
 - Live, learn, work and play being a balanced approach to management of growth
 - Integrated planning for the long term
 - Evidence based
 - Partnership through collaboration, trust and mutual respect
 - i. Deliver on the project’s objectives
 - ii. Align to the Government’s urban growth and transport agenda while tailoring solutions to reflect the wBOP’s unique situation
 - iii. Be ambitious and aspirational while also realistic
 - iv. Develop future proofed and adaptable solutions
 - v. Challenge existing thinking and group think culture



Committee Name	SmartGrowth Leadership Group (SLG)
Committee Meeting Date	17 April 2019
Author (s)	Ken Tremaine – SmartGrowth Strategic Advisor
Purpose	To inform and update the SLG on housing matters and on progress made in implementing the SmartHousing Action Framework

SmartHousing and Related Matters

1. Background

In March 2018, the SmartGrowth Leadership Group approved the Smart Housing Action Framework as its response to the Housing Need and Demand Research Report completed in December 2017. The Leadership Group endorsed a series of next steps for the framework including mapping out the best process for taking the framework forward and determining the leadership of actions. It also asked for regular updates on progressing the next steps and action areas.

The SmartHousing work had a strong focus on housing across the spectrum of social, affordable and market. **Appendix 1** provides an overview of housing in the western Bay of Plenty. This work has gained traction in other parts of the country with places such as the Waikato and Canterbury undertaking similar projects and picking up the housing spectrum approach.

2. Housing Implementation Toolkit

The main initiative being advanced by the Government is the Urban Growth Agenda (UGA). The UGA has five main strands:

- Infrastructure funding and financing
- Urban planning
- Spatial planning
- Transport pricing
- Legislative reform

The main objective of the UGA is to improve housing affordability, underpinned by affordable urban land. This is to be supported by wider objectives to:

- Improve choices for the location and type of housing;
- Improve access to employment, education and services;
- Assist emission reductions and build climate resilience;
- Enable quality built environments, while avoiding unnecessary urban sprawl.

The Cabinet Paper on the Urban Growth Agenda can be found here:

<https://www.hud.govt.nz/assets/Urban-Development/Urban-Growth-Agenda/urban-growth-agenda-cabinet-paper.PDF>

A Housing and Urban Development Authority is also proposed which will consolidate Housing New Zealand, HLC (Homes. Land. Community) and KiwiBuild. Legislation is expected by the middle of this year which will set up this entity.

It is also proposed that the Authority will have special development powers. This piece of legislation is due by the end of this year but is likely to be quite contentious. It is also likely that only large-scale projects would make use of the special development powers.

Crown Infrastructure Partners are also becoming active in the infrastructure funding and financing space in order to accelerate urban development through the use of special purpose vehicles. But again this is likely to mainly be of use to large scale projects.

In short, while the concept of the Housing and Urban Development Authority is sound, there are no quick fixes and its tools and enabling mechanisms still have some way to go before they will be available.

3. Community Housing Financing

A Community Housing Initiatives Workshop was held on 5 April 2019. It was organized by the Property Developers Forum and involved the Ministry for Housing and Urban Development as well as the SmartGrowth partners. The workshop was an opportunity for interested property developers and a range of colleagues and agencies with an interest in housing challenges, to discuss and hear more about community housing initiatives and how developers can be involved.

As a result of discussions at the workshop, it was acknowledged that funding Community Housing Providers (CHPs) with start-up capital is an important first step. There have been some interesting recent moves in the community/social housing finance space, both here and overseas.

It has been recently announced that Housing New Zealand (HNZ) has issued a \$500 million Sustainability Bond to help fund investment in new or upgraded sustainable social housing. The bond covers a seven and a half year period and is issued under HNZ's Sustainability Financing Framework. The full article is here: <http://www.scoop.co.nz/stories/BU1904/S00065/anz-leads-500m-housing-nz-sustainability-bond.htm>

Australia has recently announced a \$315 million 10-year affordable housing bond issue through the Federal level National Housing Finance and Investment Corporation (NHFIC). The fund will enable cheaper and longer term loans to CHPs. The NHFIC anticipates issuing social bonds on a regular

basis. It follows the example of the United Kingdom's Housing Finance Corporation. The article is here:

<https://probonoaustralia.com.au/news/2019/03/australias-largest-social-bond-tackles-affordable-housing-shortage/>

The approach to financing being taken here is one where public agencies use their borrowing capacity to overcome funding shortages. In the NHFIC example the interest rate paid is only 48 basis points above the Australian Government Bond rate. But this is sufficient to incentivise 26 institutional investors to oversubscribe the issue by four times.

If, in the forthcoming Australian Federal elections in May 2019, Labour is successful, there are also plans to undertake a \$6.6 billion 10-year plan where investors are paid to build new homes as long as they offer them at 20% below market rent to low and middle income earners. In addition, the Build-to-Rent scheme will be revamped in which institutional investors such as Super Funds are given tax breaks for building new rental properties.

Ireland also has an Irish Housing Finance Agency that provides loan finance to local authorities, voluntary housing bodies and higher education institutions for housing and related purposes. The Agency raises its funds on the domestic and international capital markets. Further information on the Irish example can be found here:

<http://www.hfa.ie/hfa/Live/Release/WebSite/HomePage/index.html>

Ireland provides a good example as the country is of a similar population size to New Zealand and has broadly similar institutional structures.

Given the current CHP needs, it is critical that we start thinking about how to kickstart funding for these providers. The examples discussed above provide a good way forward and could be useful in order to obtain start-up capital for CHPs. We need to initiate discussions with the Minister of Housing and Urban Development on the basis that either the Government provides additional social/affordable housing itself, or it incentivises others.

The community/social housing approaches outlined are also applicable to other areas of community infrastructure where for various reasons the Government is financially constrained and cannot deliver in a manner necessary to enable successful placemaking as per its aspirations set out in the Urban Growth Agenda.

While the Government is to be commended for initiatives such as the funding framework of Crown Infrastructure Partners and special purpose vehicles, assuming that forthcoming legislation results in successful outcomes post the Select Committee process, most of the tools proposed, including the Housing and Urban Development Authority, are likely to focus on larger scale initiatives principally in Auckland.

Hence the need for a focus on alternative sources of funding to address the severely constrained current approaches to growth management/successful placemaking.

4. Framework Action Areas

The SmartHousing action framework has four action areas:

1. **Land provision and new partnerships** – promoting and activating new ideas and joint projects.
2. **Policies and planning** – getting our strategies, planning rules and regulations right.
3. **Community capacity and capability projects** – developing skills, systems and resources to do things differently.
4. **Co-ordinated advocacy and communications** – sharing our housing story and actions. Acting together to get results.

Appendix 2 of this report outlines progress on the first two action areas of the framework.

Progress in relation to the second two areas is summarised below.

Community capacity and capability projects

The SmartGrowth Housing Affordability Forum (HAF) met in August 2018 and discussed progress on the Smart Housing Action Framework. Tauranga City Council, SmartGrowth's Chair and Western Bay of Plenty District Council reported on the work to the forum.

Following discussion of the framework, the Housing Affordability Forum agreed the following key messages for the SmartGrowth Leadership Group.

- HAF would like to recommend a more targeted bi-monthly reporting structure on the implementation of the Housing Action Framework.
- HAF encourages the partners and other agencies to ensure there is sufficient funding and resources allocated to this priority Housing Action Framework (as per the SmartGrowth Leadership Group resolutions in March 2018).

Relevant community initiatives

BayTrust along with other not-for-profit and mission based community groups are investigating options to make a difference to the availability of affordable housing products in the Western Bay of Plenty District and also the wider Bay of Plenty.

One option being explored is being an 'impact investment' approach to providing shared equity housing models/products into the Bay of Plenty market. The thinking involves this product being delivered with and through the New Zealand Housing Foundation and other partners. The work is underway, with specific investment proposals now under consideration that could be delivered in 2019 depending on other partner buy in.

The opportunity would require a number of impact investment partners (which could include the local councils) to come on board to progress and develop the proposals successfully. It could also deliver a local and customised offering of new affordable housing products that would boost market and community understanding of, and support for, shared equity housing models.

The products would aim to assist with meeting the demand and need for assisted affordable homes, secure market rentals and key worker housing.

The work is focused on identifying specific gaps in the market for affordable housing products, and supporting social and other enterprises that would complement other regional housing providers/products. The groups involved in the work are keen to combine their thinking with others including councils. They are conscious of the need to ensure maximum collective impact of everyone's work in the housing space, and avoid any duplication of effort and investments.

Co-ordinated advocacy and communications

SmartGrowth representatives met with more than 10 planning and funding and other interested public health staff from the Bay of Plenty District Health Board last year.

The meeting enabled key council staff to outline and discuss the findings of the SmartGrowth Housing Need and Demand Research and the Smart Housing Action Framework with District Health Board senior managers interested in housing outcomes. The District Health Board's General Manager of Planning and Funding, Simon Everitt and Dr Phil Shoemack, the Medical Officer of Health from Toi Te Ora – the Public Health Service were among the managers who attended the meeting.

The District Health Board has been considering how it can align with, contribute, support and strengthen the aims and action areas of the SmartGrowth housing framework as an implementation partner. It is already involved at a detailed level in structure planning in new growth areas, healthy housing projects and in supporting transport action plans.

5. Recommendations

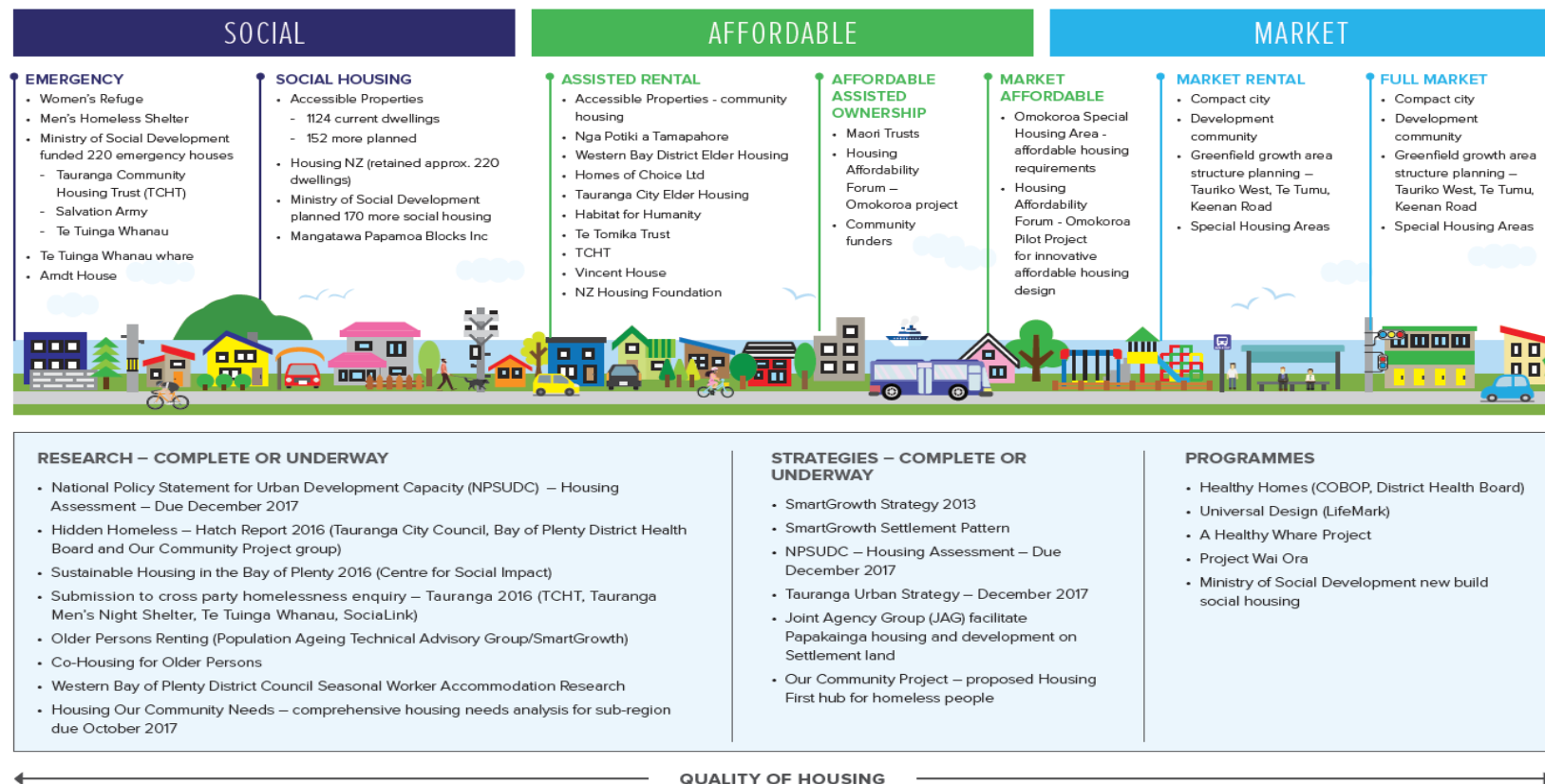
That the SmartGrowth Leadership Group:

1. **Note** the community housing funding issues and the potential financing examples that could assist.
2. **Agree** that the community housing financing tools should be raised with the Minister for Housing and Urban Development, on the basis that Government either delivers adequate housing stock itself in the areas of greatest need or it incentivises others to operate in this space.
3. **Discuss** the applicability of the suggested CHP housing incentives to other forms of community infrastructure as a basis for further work being undertaken to broaden the Government's Urban Growth Agenda implementation toolkit.
4. **Receive** the update and note the progress on the Housing Action Framework.
5. **Note** the key messages from the SmartGrowth Housing Affordability Forum on ensuring there is sufficient funding and resources allocated to the framework.

Appendix 1: Housing Spectrum

An overview of housing in western Bay of Plenty

The current housing continuum and work across the spectrum



Appendix 2: Progress on Action Framework

Land provision and new partnerships

Tauranga City Council and Western Bay of Plenty District Council:

- Monitoring rental housing stock as part of the requirements of the National Policy Statement on Urban Development Capacity.
- Contributing to the work of the Regional Healthy Housing Forum
- Continuing to support the SmartGrowth Housing Affordability Forum's process to develop affordable housing on a designated block within the Omokoroa Special Housing Area
- Coordination and participation in the externally chaired Our Community Project work, and in the People's Project Governance Group.

Western Bay of Plenty District Council

The Council has adopted a Housing Action Plan. Targeted consultation included a presentation to the region's Social Housing Advisory Group. This Western Bay of Plenty District Council plan aligns to the four focus areas of the Smart Housing Action Framework but is more specific to the council's roles and priorities for action. The action plan is developed around four key outcomes for housing.

- Affordable housing
- Accessible housing
- Habitable housing
- Security of tenure

The Housing Action Plan has a three-year implementation plan. Proposed actions include continuing to support 'A Healthy Whare Project' and expanding it into three new communities over the next three years.

Western Bay is also investigating a Plan Change for its residential zones to ensure a mix of housing types and price points can be delivered in growth areas. It will also consider exploring incentives to enable assisted rental and assisted ownership models and inclusionary zoning. Changes to the Infrastructure Development Code may also be considered to deliver more accessible neighbourhoods.

Seasonal work accommodation is a major area of interest, given the forecast in kiwifruit export growth. The council is reviewing its Post-Harvest Zone in its District Plan to ensure it is fit for purpose to provide for seasonal worker accommodation.

The Council is also providing ongoing support to the Joint Agency Group work to develop papakāinga. It would also like to partner with others and carry out more research into Maori housing need to support development of a detailed Maori Housing Strategy.

Council is planning to investigate social housing developments in Te Puke, in partnership with other potential providers.

Tauranga City Council – Tauranga Urban Strategy

This strategy and related projects are focused on the delivery of a more compact urban form for the city via redevelopment and intensification of the existing urban area. Higher density greenfield outcomes can also contribute toward compact city aims. A number of projects are being scoped that seek to give effect to the Tauranga Urban Strategy.

The following plan changes are underway:

- Review of the City Living Zone (the zone adjacent to the CBD).
- Changes to the City Plan objectives and policies to give effect to the centres-based growth principle in the TUS.
- Investigation of growth and intensification of centres on the Te Papa peninsula.
- A city-wide stormwater plan change to address the stormwater implications of intensification and the management of existing flood risk.
- An external TUS advisory group has been set up to rationalise and refine the TUS (focusing it more on key urban form outcomes).

Accessible Properties is investigating the potential of its land holdings in the Tauranga central area as well. They have sought, as part of this investigation, input from the SmartGrowth partnership.

Policies and planning

The development of the Proposed SmartGrowth Future Development Strategy has been the main action completed under the policies and planning focus area.

The Tauranga Urban Strategy has been refined based on stakeholder feedback with an emphasis on increasing density around centres, public transport and improving the quality of public spaces. An outline of how the Tauranga Urban Strategy will be implemented has been incorporated into the Proposed Future Development Strategy. The pre-scoping of the Te Papa Peninsula Strategic Framework by Tauranga City Council is underway.

Tauranga City Council's adoption of its 2018-2028 Long Term Plan includes funding for delivery of a range of housing initiatives related to the action areas of the Smart Housing Action Framework. The council's Our Community Project group continues to meet and is considering its next area of housing actions.



Committee Name	SmartGrowth Leadership Group
Meeting Date	17 April 2019
Purpose	To provide recommendations to move the meeting into public excluded

Recommendations

That the SmartGrowth Leadership Group:

- 1. Agree** that the public be excluded from the following part of this meeting:
 - a) Review and approval of SmartGrowth Leadership Group closed meeting minutes from 20 March 2019.
- 2. Note** that this resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 7 of that Act, which would be prejudiced by the holding of this part of the proceedings of the meeting in public.