



Strategic Partners Forum Meeting

Agenda

8:00am – 10:30am, Tuesday, 11 June 2019

Classic Flyers, Armoury Room, Tauranga

1. Apologies	Chair
2. Previous Minutes dated 9 April 2019 and matters arising (Paper A)	Chair
3. Housing matters and SmartGrowth implementation projects update (Paper B)	Ken Tremaine
4. Eastern Corridor Study - verbal update (Paper C)	Ken Tremaine
5. Urban Form & Transport Initiative Presentation	Robert Brodnax
6. Alternative & future residential living concepts Presentation	Jean-Paul
7. Forum Chairs Round Table & Any Other Matters	Chair
8. Key messages for SmartGrowth Leadership Group	Chair



The following paper is a summary of the terms of reference to be utilised for the on-going governance and implementation role of strategic partners post the adoption of the SmartGrowth Strategy.

These terms of reference were developed in collaboration with the strategic partners.

Terms of Reference

That the Strategic Partners Forum continues to provide community governance to the SmartGrowth strategy with the two broad responsibilities being;

Strategic partners acting as a community audit

- The strategic partners have been an integral part of the process within the development of the SmartGrowth strategies and actions and as such have a strong basis of understanding of the issues related to growth management within the western Bay of Plenty sub region.
- They play an important role in acting as a “consumer audit” providing a monitoring function to ensure the strategy and actions are met, not just by local authorities but also by Central Government and community agencies that have lead roles within the strategy.

Strategic partners to act as a knowledge pool for SmartGrowth Leadership Group Structure

- As sector agencies the strategic partners are to play a strong role in acting as a steering agent and a knowledge pool to the SmartGrowth Leadership Group (SLG) and to assist guiding decisions relating to implementation.
- Many of the strategic partners are regional associations of national agencies representing specific sectors. This network of knowledge should be utilised to ensure that the best decisions are made with respect to the implementation of SmartGrowth.
- The basis of this role is that the strategic partners are able to provide support to the SmartGrowth Governance structure in a collaborative fashion rather than in a strict audit and monitoring role.
- Many strategic partners have specific roles as either lead or support agencies within the actions of SmartGrowth. This will further enhance the ability to provide sound community governance advice to the SLG and identify potential solutions to issues.

Strategic partner representation guidelines

The Strategic Partners Forum generally consists of organisations based on the following:

- agencies with a national or regional affiliation



- mandate to speak on behalf of sectors effected by the SmartGrowth Strategy
- cover the sub region, which is the scope of the strategy
- represent the 4 well-beings defined in the Local Government Act 2002 being social, economic, cultural and environmental well-being
- have a structure in place that allows outwards and in wards communication in respect of membership

Current Members

- Bay of Plenty Branch NZ Property Council
- Bay of Plenty Tertiary Partnership
- Bay Trust
- Chamber of Commerce
- Combined Tangata Whenua Forum
- Creative Tauranga
- Envirohub Bay of Plenty
- Environment and Sustainability Forum
- Federated Farmers
- Forest and Bird Society
- Housing Affordability Forum
- Housing NZ Corporation
- Katch Katikati
- Katikati Fruitgrowers
- Living Streets Aotearoa
- Mainstreet Tauranga
- National Council of Women Tauranga
- New Zealand Kiwifruit Growers
- Population Ageing Technical Advisory Group
- Priority One



- Property Developers Forum
- SmartGrowth Independent Chair
- Social Sector Forum
- Sport Bay of Plenty
- Te Puke EDG
- Te Puke Fast Forward
- Te Puke Fruitgrowers

It should be noted that some central government sectors such as health or education sectors will also dealt with individually as they are acting as lead agencies in major actions throughout the strategy. With the agreement of the SLG additional strategic partner members can be added.

Frequency of meetings

The strategic partners meet bi-monthly. They meet prior to the SLG meeting. This would also allow for members of the Strategic Partners to be co-opted to the SLG if required to provide insight into specific issues related directly to the strategic partner's area of expertise.

The Strategic Partners Forum is serviced by the SmartGrowth office for items such as venues, agendas and report materials.

The chair of the SLG also chairs the Strategic Partners Forum.



Strategic Partners Forum - Membership

Name	Representing	Name	Representing
Bill Wasley	Chair	Mark Boyle	Te Puke EDG
Alastair Rhodes	Bay Trust	Mary Dillon	Envirohub
Alastair Talbot	NZTA	Paul Hickson	Te Puke Fast Forward
Anne Pankhurst	PATAG Chair	Phil Shoemack	Toi Te Ora Public Health
Annie Hill	Priority One	Puhirake Ihaka	Combined Tangata Whenua Forum
Barry Roberts	Federated Farmers	Rebecca Culliford	Toi Te Ora Public Health
Buddy Mikaere	Co-Chair Combined Tangata Whenua Forum	Sarah Davey	BOPDHB
Carol Gordon	Social Sector Forum, Innovation Trust & SUPA NZ	Shad Rolleston	Tu Pakari Advisor
Dr Patricia Hanlen	National Council of Women Tauranga	Stan Gregec	Tauranga Chamber of Commerce
Eddie Orsulich	Forest and Bird Society	Teresa Pou	Housing New Zealand
Jacqui Knight	Katch Katikati	Terri Eggleton	Bay Trust
Jean-Paul Thull	Living Streets Aotearoa		
Jeff Fletcher	Property Developers Forum Chair	SmartGrowth	
John Garwood	Katikati and Te Puke Fruitgrower Associations	Vicki Jones	SmartGrowth Coordinator
Kathy Webb	SocialLink	Megan Rumble	SmartGrowth Coordinator
Sarah Cameron	Kiwifruit Growers	Partner Staff	
Meg Davis	Creative Tauranga	Emily Watton	Western Bay of Plenty District Council



Committee Name	SmartGrowth Strategic Partners Forum (SPF)
Committee Meeting Date	11 June 2019
Author (s)	Ken Tremaine – SmartGrowth Strategic Advisor
Purpose	To inform and update the SPF on housing matters and SmartGrowth implementation projects

Update Report

There has been a lot happening in the housing space recently. A recent report to the SmartGrowth Leadership Group provides an overview of the housing implementation toolkit, community housing financing possibilities and progress on the SmartHousing action framework. This report is attached as **Appendix 1**.

Attached as **Appendix 2** is a remit that went to Local Government NZ in order to try and progress community housing financing.

On 29 May 2019, legislation was introduced which will set up the Government's urban development authority – Kāinga Ora–Homes and Communities. The media release from Minister Twyford is attached as **Appendix 3**.

SmartGrowth is also about to begin work on an Eastern Corridor Study. The study will consider whether further urban development should be provided for in the Eastern Corridor. This is in addition to the currently agreed urban growth areas of Te Tumu and Te Puke. A verbal update on this project will be provided at the meeting.

Appendix 1: SLG Report on Housing



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

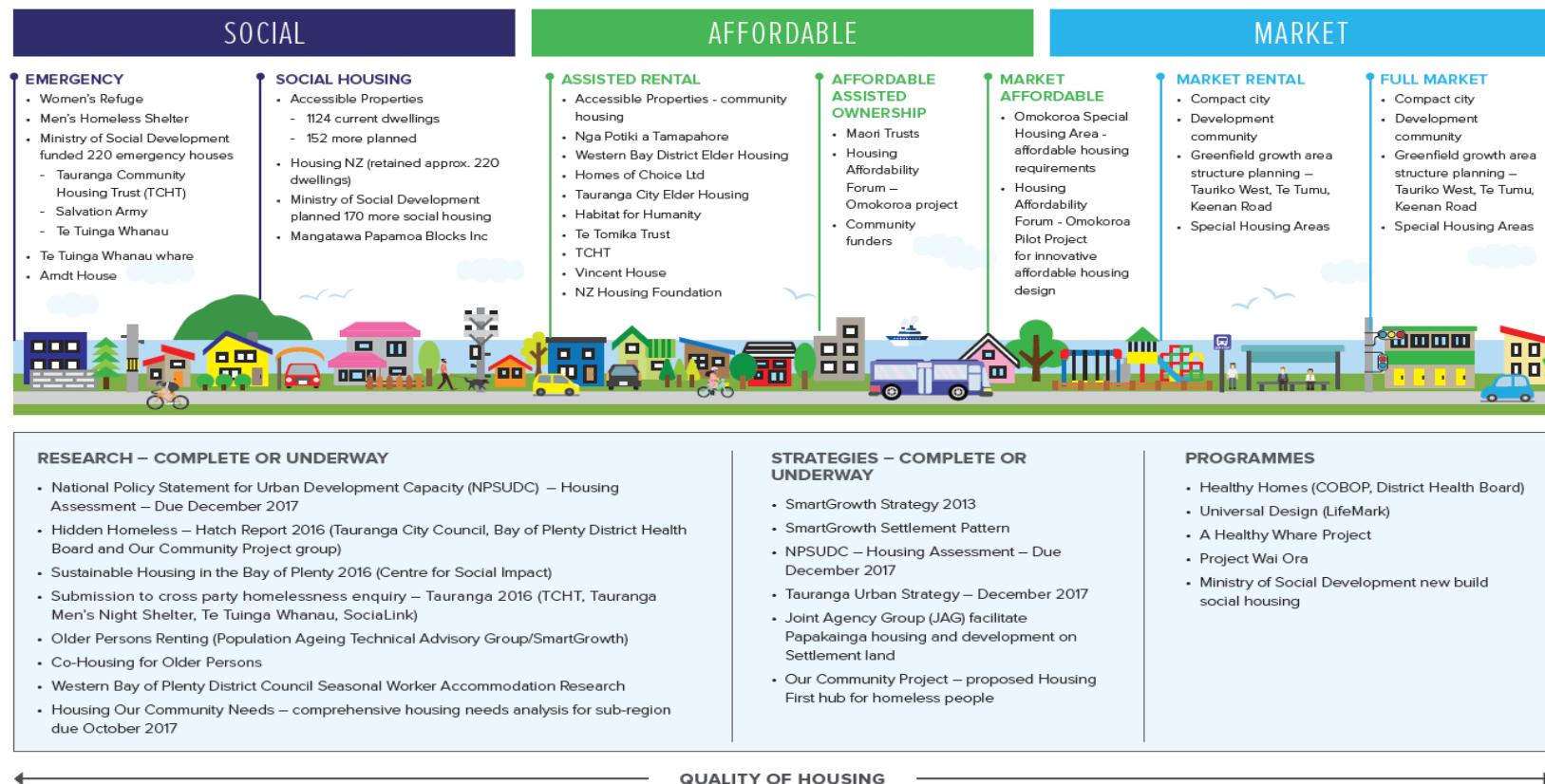
That the SmartGrowth Leadership Group:

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.

Appendix 2: SmartGrowth – Local Government NZ Housing Action Remit

1. Background

The western Bay of Plenty SmartGrowth partnership (Tauranga City Council, Western Bay of Plenty District Council, Bay of Plenty Regional Council and tangata whenua), has undertaken some preliminary research into the potential for Government assisted bond raising for community / social housing providers using the Federal Government experience from Australia. It has also identified the Australian rental housing provision tax incentive opportunities that the current Labour opposition has put forward. The partnership is aware of work being undertaken by Treasury in terms of raising the debt ceilings via amendments to the Local Government (Financial Reporting and Prudence) Regulations 2014. The SmartGrowth partnership would welcome the opportunity to work further with Local Government NZ and others to achieve a more four well-being focus to the housing funding and financing toolkit than currently exists. This matter is becoming critical for all of the Upper North Island Growth Councils and other Councils such as Queenstown.

2. Proposed Remit

The partnership's joint governance committee has formally considered this matter and resolved that a remit be provided to the forthcoming LGNZ annual meeting to progress this matter, and this is outlined as follows;

The SmartGrowth partnership (Tauranga City Council, Western Bay of Plenty District Council, Bay of Plenty Regional Council and tangata whenua) requests Local Government NZ, in conjunction with Central Government, to urgently focus on the development and implementation of a broader range of funding and financing tools in respect of community/ social housing provision, than those which currently exist in the housing needs space.

Appendix 3: Kāinga Ora–Homes and Communities Bill

Media Release

29 MAY 2019

Bill to set up urban development authority introduced



HON PHIL TWYFORD

Housing and Urban Development

Legislation to set up the Government’s urban development authority – Kāinga Ora–Homes and Communities – has been introduced to Parliament today.

Housing and Urban Development Minister Phil Twyford said Kāinga Ora–Homes and Communities will be the Government’s lead developer for urban development. It will bring together three existing agencies; Housing NZ, its development subsidiary HLC, and the KiwiBuild Unit.

“Homes and Communities will create a diverse mix of public, affordable and market housing.

“It will also be a world class public housing landlord and will continue to offer the homeownership support currently provided by Housing NZ and HLC such as Home Start Grants and Welcome Home Loans.

“At the moment the Government’s comprehensive house building programmes is spread across multiple agencies. This has led to duplication and the splitting of key roles, fragmented decision-making and limited coordination between agencies.

“Kāinga Ora is a new approach. It’s a one stop shop with a job description to build modern homes and vibrant communities.

“It will have a strong social mandate, including being a fair and reasonable landlord and recognising the importance of environmental, cultural and heritage values in urban development.

“Partnerships are critical to the future success of Homes and Communities, which will work alongside local government, iwi, infrastructure providers and property developers,” Phil Twyford said.

Kāinga Ora will be established through two separate pieces of legislation. The Bill introduced today will bring together the three agencies. A second Bill later this year will give Homes and Communities its enabling development powers.

Following the select committee process, the first Bill is expected to pass later this year, with Kāinga Ora–Homes and Communities up and running on October 1.

To find out more about Kāinga Ora-Homes and Communities, please visit www.hud.govt.nz