

30 May 2013

Committee Secretariat  
Social Services Committee  
Parliament Buildings  
Wellington

**Re: Housing Accords and Special Housing Areas Bill**

This submission is from the Architectural Centre, an incorporated society dating from 1946, which represents both professionals and non-professionals interested in the promotion of good design.

1. The Architectural Centre does not support the Housing Accords and Special Housing Areas Bill  
(<http://www.legislation.govt.nz/bill/government/2013/0117/latest/versions.aspx>).

2. We do not think this Bill will achieve its stated aim of affordable housing. Instead it will compromise the development of sustainable and resilient urban form because the Bill will encourage urban sprawl. We consider that housing affordability requires comprehensive consideration of many factors and that addressing housing supply requires pro-actively engaging with increased density in New Zealand cities. In addition, we believe that a comprehensive plan to address housing affordability must consider issues of both long term and short term affordability, including:

- (a) mechanisms for combining inner-city sites to make medium- and high-density housing plausible for developers (e.g. Urban Development Agencies)
  - (b) promotion of high-quality and desirable medium- and high-density housing, including specifying minimum floor areas, and amenity requirements (e.g. European housing models)
  - (c) addressing the cultural practice in New Zealand of housing being the favoured investment (e.g. adjusting loan to value ratios for borrowing, reviewing tenancy laws to make long term tenancy more attractive than house ownership etc.)
  - (d) requiring councils to establish infrastructure limits beyond which developments must be self-sufficient, or funded by developers or central government
  - (e) material and labour costs, supply of apprenticeships etc.
  - (f) energy-efficient housing
  - (g) provision of green/recreational spaces to support increased densification, and family-friendly inner-city living
  - (h) proactively supporting earthquake strengthening options so that apartment building, which is currently identified as earthquake prone, can remain as viable housing
  - (i) working to reduce recent increases in insurance premiums
  - (j) regional development and potential population redistribution
  - (k) maintenance to support longevity of housing stock, with leadership from Crown and council agencies (e.g. some HNZ housing has suffered from deferred maintenance)
  - (l) increased housing supply (esp. smaller homes) via zoning/density reform such as Floor Area Ratio controls (as used in Australia, continental Europe, Japan and North America).
  - (m) relating development contributions to number of bedrooms, rather than an averaging approach, to incentivise the construction of smaller houses or units.
  - (n) properly designed, built and properly maintained social housing
  - (o) requirements/incentives for social housing (i.e. inclusionary housing).
- Overseas examples of successful social/affordable housing models include:



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Greenpoint-Williamsburg Housing Program (NY), and London's Coin Street Community Housing Project.

3. The Architectural Centre is concerned about the Housing Accords and Special Housing Areas Bill in its apparent disregard for local government. This appears to be a continuing trend in central government, which has already been seen in the imposition of the super-city structure onto Auckland's local government structure, the disestablishment of the Canterbury Regional Council, and the conflicts between local and central government with respect to post-earthquake Christchurch, the proposed development of the Basin Reserve in Wellington and Auckland's Waterview Connection. We believe that both central and local government have very important and complementary roles in the democratic structures of New Zealand which need mutual respect and support. We also believe that local government is the right mechanism to make decisions at the local level including determining areas for housing, and the type of housing - without central government wielding a legislative stick.

4. The Bill will allow developments that undermine the District Plan process and the RMA, and which are not required to be cognisant of the broader context of city development. An example of this is the ability, when there is no Housing Accord (between the Minister and the Territorial Authority with jurisdiction over that area) that the chief executive of the Ministry will administer the Resource Consent process (§23(2)(b), §82). Another is the proposal for a regime outside of the RMA (§22). A third is the proposal for permissive Resource Consent powers (§25, §26). In addition, applications for Plan Changes under this Bill are to be considered in relation to only parts of the RMA, and decisions must "give effect to the purpose of this [proposed] Act" (§61) not the broader strategies and policy direction of local councils.

5. The Bill will significantly reduce local democratic participation in decision-making which will negatively affect local communities. This is due to the reduced right of public participation in both the limited notification process (§29) and the limited right of appeal (§75, §76), as well as the Bill allowing central government to usurp local government processes when local government disagrees with them (§16(4)(b)(ii)).

6. As currently drafted this Bill has the potential to significantly increase local government infrastructure capital and maintenance costs because of decisions by central, not local, government. We strongly suggest that any infrastructure requirements (building and maintenance) resulting from Resource Consents issued by the central government be either funded by central government or by developers. In addition to potential long and short term infrastructure costs, the cost of frequent Plan Changes will likely generate additional costs. This is in the context of the Development Contributions Review (February 2013) ([http://www.dia.govt.nz/vwluResources/Local%20Government%20Development%20Contributions%20Review%20Discussion%20Paper%20%28pdf%29/\\$file/Development\\_Contributions\\_Discussion\\_Paper\\_Jan2013.pdf](http://www.dia.govt.nz/vwluResources/Local%20Government%20Development%20Contributions%20Review%20Discussion%20Paper%20%28pdf%29/$file/Development_Contributions_Discussion_Paper_Jan2013.pdf)) which proposes numerous options including: explicit discounts on development contributions, private provision of infrastructure, restricting the range of infrastructure funded from development contributions and the capping of development contributions.

7. Prior to recommending an Order in Council to insert the name of any region or district in Schedule 1 ("Regions and districts that have significant housing supply and affordability issues for the purposes of the Act"), the Minister must be satisfied that "the region or district is experiencing significant housing supply and affordability issues" §9(2) yet the evidence to establish this is singularly focussed on affordability not supply (i.e. percentage cost of median mortgage payments to take-home pay, and house price relative to household income) §9(3)(a)(i)-(ii). The Architectural Centre believes that evidence relevant to housing supply is essential in this section for it to have credibility.

8. The Bill states that the Minister can recommend establishing a special housing area if they are satisfied with infrastructure, developer demand, and housing demand (§16(3)). Unlike section 9(3) (with respect to the recommendation to include a region in Schedule

1), section 16 does not state how the Minister will ascertain whether or not these criteria are met. We strongly recommend this information be included.

9. The Bill's criteria for ascertaining "qualifying developments" (§14(a)-(b)(i)-(ii); §15(1)(a)-(b)) are stated as:

(a) be predominantly residential

(b) meet prescribed height requirements of up to, and including 6 storeys

(c) meet prescribed density requirements

These criteria can be varied either while a special housing area is being established (§17(2)-(5)) or after (§18(1)-(2)) it has been established. This raises two concerns, specifically:

(i) the lack of prescription regarding how/when the criteria can be changed.

and (ii) the requirement for only one Minister's recommendation to initiate the Order in Council (§88). We commend the Ministers of Housing, of Building and Construction, and for Local Government be required to recommend any Order in Council.

10. There is no Right of Appeal for developments of less than four storeys high. While we consider that the Right of Appeal should be wider, we note that this is an example of a bias against high-rise development.

11. We note that the Regulatory Impact Statement acknowledges the role of Urban Development Agencies in addressing housing supply and we recommend that any proposed housing supply legislation (including this proposal) include mechanisms for Urban Development Agencies to ensure the pro-active investigation of options for inner-city and brown-field site development.

12. There currently exist mechanisms for local and central government to collaborate and work together, and we believe the current possibilities provide a more democratic and healthy way forward with respect to issues of housing affordability that are less likely to cause long-term problems for the development of cities in New Zealand. This Bill appears to be a very heavy-handed and aggressive model for central and local government engagement.

13. Finally we are extremely disappointed at the remarkably short timeframe for submissions on this important Bill of 10 working days. It suggests to us that either the government considers that this is not an issue of public significance, or that it does not consider that public input into law-making processes is vital. In contrast, we believe strongly that this is an important issue and caution that too often in this country, affordable housing means cheaply constructed and poorly looked after housing. Housing needs to be robust, well looked after and provide good living conditions. We are particularly concerned that, if this Bill is enacted, it will create ghettos in unloved areas of New Zealand cities. Proper social planning and integration of affordable housing in established neighbourhoods, urban settings and around public transport opportunities will be critical to the success of any affordable housing strategy in New Zealand.

Thank you for this opportunity to make a submission on this proposed Housing Accords and Special Housing Areas Bill.

Yours faithfully

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