
From: official information
Sent: Wednesday, 21 April 2021 13:02
To: [REDACTED]
Cc: official information
Subject: RESPONSE: LGOIMA 21111 - [REDACTED] - Government Housing announcement / Chairperson Report / Attachment 1 / March 2021
Attachments: LGOIMA 21111 - Summary of New Housing Supply and Demand Package.pdf

Kia Ora,

I refer to your **information request below**, Hamilton City Council is able to provide the following response.

Please find attached a copy of the email which was sent by Blair Bowcott to Elected Members, it was not in the form of a report or briefing paper.

You have the right to seek an investigation and review by the Ombudsman of this decision. Information about how to make a complaint is available at www.ombudsman.parliament.nz or freephone 0800 802 602.

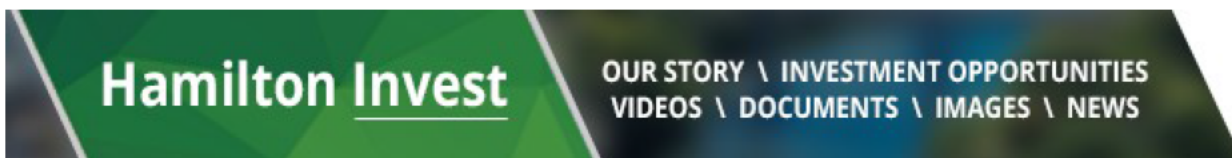
Kind Regards,

Tatiyana | Official Information Team
Legal Services & Risk | People and Organisational Performance
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From: [REDACTED]
Sent: Monday, 5 April 2021 4:09 pm
To: official information <officialinformation@hcc.govt.nz>
Subject: Government Housing announcement/ Chairperson report /attachment 1 / March 2021

Warning! This message was sent from outside your organization and we are unable to verify the sender.

Good afternoon, this report was attached to the meeting of 31st March 2021. The opening paragraph stated: "By now Blair will have distributed a briefing paper on the Government Housing announcement last Tuesday" . Please provide me with that briefing paper. Many thanks.

Kind Regards



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Tatiana Taunoa

From: Blair Bowcott
Sent: Wednesday, 24 March 2021 1:24 am
To: Councillors; Senior Leadership Team; Jeanette Tyrrell; James Clarke
Cc: Luke O'Dwyer; Karen Saunders; Greg Carstens; Hannah Windle
Subject: Summary of New Housing Supply and Demand Package

Good evening

Councillor Dave has asked that I provide a summary of the Government Housing initiatives announced today.

Rather than repeat others good work, the email below from [REDACTED] (a senior executive at Ministry of Housing and Urban Development and a close partner in our Futureproof initiatives) outlines the supply and demand related changes proposed to address housing affordability and to increase the pace and scale of housing delivery.

[REDACTED] and his colleagues at MHUD, Treasury, DIA, Kianga Ora and Waka Kotahi have been instrumental in the development of many of these initiatives for Ministers/Cabinet, and their thinking has been shaped through seeing and hearing our on the ground challenges first hand. We are extremely fortunate that these same Central Government colleagues including [REDACTED], work closely with many of our staff on our various Futureproof and Hamilton-Waikato Metro Spatial Plan initiatives.

Of particular focus to HCC is the \$3.8B Housing Acceleration Fund, and the increasingly important role of Kianga Ora as a delivery partner in this region.

We are really well placed to respond to the \$3.8B fund and the opportunity to secure new infrastructure funding by way of grants (not loans), for priority development areas. Local Government have been saying that zoning is not the fundamental challenge to land supply, it is the funding – this new \$3.8B fund is in direct response to that request.

The \$3.8B Housing Acceleration Fund will bring forward investment in new housing by supporting infrastructure investment, and supporting Kāinga Ora to make strategic land purchases. The Fund will prioritise those locations facing the biggest housing supply and affordability challenges. Hamilton and the Metro Spatial Plan area are a core focus under this criteria. The social housing need numbers are compelling - 525 households (1317 people) are living in emergency housing in the Waikato - by far the majority are in Hamilton. 2387 applicants on the public housing waitlist. This makes Hamilton one of the top priorities for Kainga Ora.

In addition, within the \$3.8B Housing Acceleration Fund, there will be a focus on increasing affordable housing provision (for rental and home ownership) on land owned by iwi and Māori groups, local government, community groups and private developers, through the Crown sharing some of the cost and risk. This will include purpose-built rental housing. Note also that the price caps for First Home Grants have increased for properties in Hamilton, from \$550,000 to \$600,000 for new build properties and \$500,000 to \$525,000 for existing properties. This will assist first home buyers.

The starting point for the \$3.8B Housing Acceleration Fund will be the existing Urban Growth Partnerships – for us that is Futureproof, and the Hamilton-Waikato Metro Spatial Plan will be the key start point for any funding proposals. We also have our Shovel Ready Proposals which are strategically aligned to these a

well. This fund is not open to all Councils – unlike past initiatives like PGF/Shovel Ready. The Government will work closely with iwi partners and key stakeholders in our Metro area including councils, developers and housing providers, to identify the detailed mix of investment needed in each location, and how the Government, Councils and others will contribute. Council contribution may for example be non-cash initiatives (e.g. planning, zoning) and/or alignment with existing funded programmes.

We will need to work in a collaborative manner with our neighbouring Councils on any final proposals, this is more than a HCC package.

Importantly we have a proven track record of delivering great outcomes in partnership with the Government which we can leverage – HIF, PGF and shovel ready are prime examples.

█████ in his email below, provides clear early direction on what the Government will be seeking, and before we do any substantial work that may be mis-aligned, we will meet with █████ and his Central Government colleagues to hear their specific thoughts and ideas in relation to which proposals linked to the Metro Spatial Plan they see as most likely to be supported for funding – and importantly how they see this all coming together. This will be a multi faceted partnership proposal with a number of participants, with many different elements (i.e it's not just building infrastructure for houses, its the wider considerations to support future community building and shaping). Once we understand that we can provide an update to you and seek your feedback. The great thing is that we have adopted the Metro Spatial Plan and our draft LTP and our focus areas are highly aligned – e.g. focus on Central City, delivering intensification in a way that supports the positive growth and change for our city, greenfield growth areas of Rotokauri/Ruakura/Peacocke, all growth areas enabled by 20 min city concept etc.

I think there is also the opportunity to link the Peacocke HIF to IFF into this package of proposals.

I have also suggested to █████ that given the scale of what is being proposed, we should consider a Funding Partnership Model to bring this all together, similar to the City Deals framework operating in Australia – █████, Luke O'Dwyer and I saw this model first hand and its very applicable.

There is also a lot of media on this, but thanks to Andrew P, this article is a particularly useful summary with a hyperlink to a fact sheet at the end of each section:

<https://www.interest.co.nz/property/109638/government-releases-housing-policy-package-bright-line-test-extended-interest>

Regards

Blair Bowcott

Executive Director | Special Projects
Kaitohutohu kaupapa motuhake

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From: [REDACTED]
Sent: Tuesday, 23 March 2021 11:49 am
To: Blair Bowcott <Blair.Bowcott@hcc.govt.nz>
Subject: New Housing Acceleration Fund - amongst other new measures

Dear UNI urban growth partnership LG colleagues

As you will be aware, the Government this morning announced a host of new demand and supply side initiatives to address barriers to housing and urban development. I know many of you will now be giving consideration to what this means for you and the wider Housing and Urban Development system. Without going into details, the announcement has committed to:

The key components of the \$3.8B **Housing Acceleration Fund** are:

- **an infrastructure fund** (to unlock a mix of private sector led and Government led developments);
- **additional funding for the Government's Land for Housing Programme** to accelerate development of vacant or underutilised Crown owned land, operate in more regions, and deliver a broader range of affordable housing options for rental and home ownership;

The Housing Acceleration Fund will be complemented by:

- **a Kāinga Ora Land Programme** for strategic land purchases to increase the pace, scale and mix of housing developments (including more affordable housing).
- **A refocused \$350 million Residential Development Response Fund.** This Fund was originally established to cushion the impact of COVID-19 on construction sector activity and jobs, but has not been required. The fund will focus on **increasing affordable housing provision (rental and home ownership)** on land owned by iwi and Māori groups, councils, community groups and private developers, through the Crown sharing some of the cost and risk.
- **Extension of the bright line test from 5 to 10 years**, excluding new builds, for property acquired on or after 27 March 2021 (Main homes and inherited property remain exempt).
- An in-principle decision to **limit deductions for interest expenses on loans used to generate income from residential property**. New builds will be exempt, and the design of the exemption will be consulted on.
- **An increase in First Home Products (First Home Grants and Loans) income and house price caps** for both new and existing properties in some locations, to enable more first home buyers to purchase homes. With the tax changes this provides a significant boost for first home buyers.
- **A proposal to consult on limiting rent increases to once every 12 months per rental property** ([Link to page](#) (rather than once every 12 months per tenancy), to help mitigate potential negative impacts on tenants from the tax changes.

The starting point for the Housing Acceleration Fund will be the existing Urban Growth Partnerships (UGP), and in particular the joint spatial plans (where we have them) and the work done by us all collectively on understanding the constraints and opportunities for achieving increased pace and scale in the agreed, joint priority development or growth areas.

The process for developing proposals for the fund will be a joint one using our existing partnerships processes e.g. the Priority Development Task Groups in both Future Proof (Hamilton-Auckland Corridor) and SmartGrowth (Tauranga-Western Bay of Plenty). In other words, very different to the IRG or Shovel Ready process last year – although that has been another extremely helpful starting point when we started scoping up this Fund some months ago.

We will be in touch soon on a proposed process, including more information on project criteria etc. Cabinet will agree the criteria for the Fund in May, but based on this Government's stated priorities I want to signal at this early stage (in my own words) some of the factors that are likely to be critical in the design of any programmes that access this and related funds:

1. Proving that any development responds to climate change, and will not increase net carbon emissions - through well-designed urban form and structure, including the factors below:
2. (Only) accelerating housing, jobs and facilities or amenities at/of scale that are connected to public transport at scale i.e. rapid or frequent transit networks
3. Accelerating a wide range of housing options (size, tenure, price etc) and in particular housing for the most vulnerable and excluded, working closely with KO, CHP and other specialised providers
4. Accelerating developments that offer good access to local jobs and services i.e. mixed land uses
5. Ability to achieve pace in the short to medium term.

Our joint UGP work to date sets us up very well in relation to most of the above, with more targeted thinking around housing perhaps needing particular focus.

Today's announcement adds another significant tool (to the list we have been discussing) for us to apply to the joint challenge and opportunity to provide or support housing and urban development at increased pace and scale, in the right locations, form and quality. We really look forward to continue working with you on critical task and mission.

Ngā mihi maioha



KAI AKI, PLACE-BASED POLICY & PROGRAMMES

Ministry of Housing and Urban Development



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