

In Confidence

Office of the Minister of Housing and Urban Development AND

Office of the Minister for the Environment AND

Office of the Minister for Building and Construction

Chair, Cabinet Economic Development Committee

Terms of Reference for Auckland Housing and Urban Growth Joint Programme

Proposal

1. This paper seeks your agreement to a new collaborative approach between Auckland Council and the Government to deliver shared housing and urban growth priorities, titled the Auckland Housing and Urban Growth Joint Programme. We seek your endorsement of the Terms of Reference of this joint programme, including the initial programme of work. We also seek delegation for both of us, along with Hon Jenny Salesa, Minister for Building and Construction and Hon Nanaia Mahuta, Minister of Local Government to sign the joint programme Terms of Reference on behalf of the Government.

Background

2. Improving housing affordability in Auckland freeing up opportunities for development, increasing the supply of housing, improving housing choices and access to employment, education and services, assisting emissions reduction, and enabling quality built environments are key objectives of both the Government's Urban Growth Agenda (UGA) and Auckland Council's spatial plan (the 'Auckland Plan 2050').
3. As part of the Urban Growth Agenda's focus on addressing the fundamentals of land supply, development capacity and infrastructure provision, there is an explicit pillar of work to build stronger partnerships with local government as a means of developing integrated spatial planning.
4. On 14 September 2018, we met with Auckland Mayor Phil Goff, Deputy Mayor Bill Cashmore and Councillor Chris Darby, Chair of Auckland Council's Planning Committee, to discuss greater collaboration to deliver better housing and urban development outcomes for Auckland.
5. At that meeting it was agreed that we would pursue a formalised arrangement setting out a joint programme of work overseen by a political governance group. This joint programme will focus on collaborative actions which will progress the delivery of more housing in Auckland and the identification of regulatory and non-regulatory options for affordable housing, alternative financing and funding of infrastructure, urban planning and spatial planning tools.
6. Officials from the Ministry of Housing and Urban Development, the Ministry for the Environment, in consultation with officials located in the Government's

Auckland Policy Office, and Auckland Council have developed a formal Terms of Reference for the joint programme (Appendix 1).

7. On 5 March 2019, the Terms of Reference were unanimously endorsed by the Planning Committee of Auckland Council. Mayor Phil Goff, Deputy Mayor Bill Cashmore, Chair of the Planning Committee Chris Darby and Chair of the Environment and Community Committee Penny Hulse were delegated to sign the Terms of Reference on behalf of Auckland Council.
8. On 8 March 2019, Deputy Mayor Bill Cashmore sent us a letter to request that we now reciprocate and endorse the Terms of Reference. This takes forward the excellent working relationship we established through the Auckland Transport Alignment Project (ATAP) and continues the positive engagement we are having with Auckland Council to help address the significant and pressing urban growth issues faced in that region.
9. The joint programme responds to Pillar 3 of the UGA, Spatial Planning.

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Analysis

Terms of Reference

10. The proposed Terms of Reference for the Auckland Housing and Urban Growth Joint Programme are set out in Appendix 1.
11. The Terms of Reference specify that the purposes of the joint programme are:
 - aligning and prioritising objectives
 - effective co-ordination and delivery
 - improving ways of working together
 - supporting new/amended policies, legislation and tools.
12. The Terms of Reference identify the overarching objectives for the joint programme as:
 - increased and accelerated provision of quality, affordable housing
 - increased range of housing choices (type, location, tenure and price points)
 - achieving quality intensification
 - growth and development that supports climate resilience and protects and enhances our natural environment
 - funding and financing tools to enable infrastructure delivery
 - co-ordination of Crown and Council infrastructure investment to support urban growth
 - integrated and well-located employment growth

- the costs of growth are understood and existing infrastructure is optimised.
13. A key implication of the Government signing up to the Joint Programme is that it creates an obligation for ministers and government agencies to engage with Auckland Council in a spirit of collaboration.
 14. The joint programme will have a governance structure consisting of a political governance group, to provide strategic direction and oversight, an executive steering group and a programme steering group. Quarterly meetings of the Political Governance Group and the Executive Steering Group are proposed, while the Programme Steering Group will meet monthly to monitor progress.
 15. It is proposed that the Government is represented on the Political Governance Group by both of us in our respective capacities as Minister of Housing and Urban Development and Transport, and Minister for the Environment and Economic Development, Hon Nanaia Mahuta, Minister for Local Government and Māori Development and Hon Jenny Salesa, Minister of Building and Construction. Auckland Council will be represented on the group by Mayor Phil Goff, Deputy Mayor Bill Cashmore, Chair of the Planning Committee Chris Darby and Chair of the Environment and Community Committee Penny Hulse.

Programme of work

16. Included in the Terms of Reference¹ is an initial programme of work that will focus on actions over the next 12 months. This is intended to be a rolling programme which will be reassessed at least annually, and will change over time as actions are delivered and new initiatives are identified. The joint programme will also have some flexibility and agility to deal with pressing issues the Political Governance Group might agree need to be addressed.
17. There are seven workstreams in the initial programme of work:
 - 17.1. **Auckland Development Programme** - Unlocking and future proofing jointly agreed priority growth and investment areas (including City Rail Link Stations, growth areas along the City Centre to Mangere Light Rail Transit route, Manukau and the southern growth areas (including Drury)). It will be especially important for Cabinet to recognise the value of cross-portfolio buy-in as we advance work in these areas, in order to achieve high quality urban and community outcomes. The southern growth areas (including Drury) are also within the purview of the Hamilton-Auckland corridor (see Paragraph 20 below).
 - 17.2. **Affordable housing** - identify new regulatory and non-regulatory interventions (or removing them), in the housing system to increase affordable housing provision.
 - 17.3. **Infrastructure funding and financing** - testing application of alternative financing and funding tools within priority development areas; developing with Crown Infrastructure Partners a long-term pipeline of projects.
 - 17.4. **Urban planning** - strengthening national direction on quality intensification and developing better policies through understanding the costs and benefits of growth.

¹ Note that there are a few minor errors in terminology in the Terms of Reference which we have noted and for which we will provide the correct wording.

- 17.5. **Spatial planning** - use Auckland Plan experience to test and inform options to strengthen spatial planning in New Zealand.
- 17.6. **Housing and Urban Development Authority** - regular reporting on legislative process and identification of potential large scale projects for collaboration between the HUDA and Council.
- 17.7. **Removing barriers to efficient delivery of housing** – support the existing Building and Construction work programme in relation to Building Act/Building Code barriers, and investigation of mechanisms that encourage optimal utilisation of zoning and infrastructure capacity.
18. These workstreams are not necessarily new pieces of work, and most reflect key priorities that we are already progressing as a Government. Neither is the work programme intended to be an exhaustive list of all areas where the Government and Council are working together. Rather, the workstreams represent where we consider the greatest impact will be achieved by the Government and Auckland Council working collaboratively and intensively over the next 12 months or more. Ultimately this collaboration will lead to better working relationships, a shared understanding and a partnership approach to the future spatial planning of Auckland.
19. The joint programme sits alongside the companion Hamilton-Auckland (H2A) corridor partnership, plan and programme, which focusses on the key transport and growth corridor from Papakura in southern Auckland to Cambridge in the Waipa District. In addition to the Government and Auckland Council, the proposed H2A partnership also includes mana whenua with an interest in the corridor, Waikato District, Hamilton City, Waipa District and Waikato Regional councils. Given their importance in both an Auckland and Waikato context, the southern growth areas (including Drury) are included in both the H2A and Auckland Housing and Urban Growth joint programmes.

Consultation

20. The joint programme has been developed by officials from across the Auckland Council group (including Council, Panuku Development Auckland and Auckland Transport) and from the Ministry of Housing and Urban Development and the Ministry for the Environment (in consultation with the Ministry of Transport, the Department of Internal Affairs, the State Services Commission, the Ministry of Business, Innovation and Employment, Housing New Zealand, and the Treasury). Development of the work programme has focussed on where the greatest value can be achieved through Auckland Council and the Government working collaboratively together.

Human rights

21. There are no inconsistencies between this proposal and the Human Rights Act 1993.

Proactive Release

35. We intend to proactively release this paper within 30 business days of final decisions being taken by Cabinet.

Recommendations

The Minister of Housing and Urban Development and the Minister for the Environment recommends that the Committee:

1. **note** Auckland Council's endorsement of the Terms of Reference of the Auckland Housing and Urban Growth Joint Programme;
2. **endorse** the Terms of Reference for the Auckland Housing and Urban Growth Joint Programme;
3. **invite** the Minister of Housing and Urban Development, the Minister for the Environment, the Minister of Local Government and the Minister for Building and Construction to sign and make minor amendments where needed to the Terms of Reference on behalf of the Government;
4. **note** that signing the Terms of Reference will create an obligation for ministers and agencies to engage with Auckland Council in a spirit of collaboration; and
5. **agree** that the Minister of Housing and Urban Development, the Minister for the Environment, the Minister for Building and Construction and the Minister of Local Government will represent the Government on the Political Working Group.

Hon David Parker

Minister for the Environment

Hon Jenny Salesa

Minister for Building and Construction

Hon Phil Twyford

Minister of Housing and Urban Development

Appendix 1.

Auckland Housing and Urban Growth

A joint programme between Government and Auckland Council to deliver shared housing and urban growth priorities

Terms of Reference

February 2019



**MINISTRY OF HOUSING
AND URBAN DEVELOPMENT**



Ministry for the
Environment
Manatū Mō Te Taiao

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1. Parties

For the New Zealand Government

- 1.1 Hon Phil Twyford (*Minister of Housing and Urban Development, Minister of Transport*)
- 1.2 Hon David Parker (*Attorney-General, Minister for the Environment, Minister for Economic Development*)
- 1.3 Hon Jenny Salesa (*Minister for Building and Construction*)
- 1.4 Hon Nanaia Mahuta (*Minister for Maori Development, Minister of Local Government*)

For Auckland Council

- 1.5 Hon Phil Goff (*Mayor of Auckland*)
- 1.6 Cr Bill Cashmore (*Deputy Mayor of Auckland*)
- 1.7 Cr Chris Darby (*Chair of the Planning Committee*)
- 1.8 Cr Penny Hulse (*Chair of the Environment and Community Committee*)

2. Purpose

- 2.1 This *Terms of Reference* is for both parties to record their mutual intentions and understanding in relation to a joint programme on housing and urban growth in Auckland, and for this to be governed in the form of a non-contractual agreement.
- 2.2 The joint programme is an expression of the collaborative approach to which both parties are committed and will allow for stronger alignment across and between all systems of government.
- 2.3 The joint programme is designed for the purpose of:
 - **aligning and prioritising objectives** – there is an aligned strategic approach that meets both the Government's and Auckland Council's objectives, and results in best possible housing and urban growth outcomes for Auckland, while delivering the best possible value for money for infrastructure¹ investment;
 - **effective co-ordination and delivery** – housing and urban development processes (including those within existing frameworks and legislation) include effective co-ordination between local and central government, and across the relevant entities therein, to ensure robust planning and delivery;

1 This will include network (transport, three waters) and social infrastructure.

- **improving ways of working together** – building on existing processes there is greater communication, sharing of information (ensuring ‘no surprises’), use of common data and evidence, and joint engagement with stakeholders and the private sector; and
- **supporting new/amended policies, legislation and tools** – working together to develop and implement new/amended legislation, policies, and tools that will enable the delivery of housing and urban growth (including consideration of other factors that may affect delivery, such as infrastructure funding and financing tools and the Building Act).

3. Objectives and Programme of Work

3.1 The overarching objectives for the joint programme include:

- Increased and accelerated provision of quality, affordable housing;
- Increased range of housing choices (type, location, tenure and price points);
- Achieving quality intensification;
- Growth and development that supports climate resilience and New Zealand’s climate change obligations and protects and enhances the natural environment;
- Funding and financing tools to enable infrastructure delivery;
- Coordination of Crown and Council infrastructure investment (including location of government services) to support urban growth;
- Integrated and well-located employment growth; and
- The costs of growth are understood, and existing infrastructure and zoning is optimised.

3.2 The focus will be a joint programme of work between the Government and Auckland Council that will progress actions under the Auckland Plan 2050 and the Government’s Housing and Urban Development work programme².

3.3 The joint programme will focus on increased delivery of housing and urban development through targeted actions (including a more collaborative approach to agreed spatial priority areas) and having an ongoing platform for joined up and agile decision making. The joint programme will also ensure Auckland has the tools and resources to successfully manage growth and deliver increased housing and urban development to meet the needs of Aucklanders (including affordable, accessible and well-located homes).

² This includes, amongst other things, KiwiBuild, the Housing and Urban Development Authority and the Urban Growth Agenda.

- 3.4 **Appendix A** outlines the joint programme of work that parties will commit to collaborate on and deliver over the next 12 months. The work programme will be reviewed regularly, and lessons learnt fed back to support improvements and updates as appropriate.
- 3.5 The joint programme does not cover all of the housing and urban growth responsibilities of Auckland Council and Government, which shall continue and support the joint efforts as appropriate.

4. Governance and Signatories

- 4.1 The Parties will be signatories to this Terms of Reference and will form a *Political Governance Group*. This group will meet quarterly to provide strategic direction, review progress and agree deliverables.
- 4.2 The governance structure will be supported by an *Executive Steering Group* and *Programme Steering Group* that will include senior officials from both parties (including relevant Council Controlled Organisations and Government agencies).
- 4.3 The role of the *Executive Steering Group* is to also meet quarterly and to:
- i. Provide the formal interface and communication with the Political Governance Group; and
 - ii. Enable resolution and/or escalation of any significant issues
- 4.4 The Programme Steering Group will meet monthly to monitor progress and provide day-to-day management of the joint programme of work. The main role of the group will be to:
- i. Consider the key findings of the projects and provide advice as required;
 - ii. Ensure the projects are delivered to the agreed scope and timeframes; and
 - iii. Ensure that the projects are aligned and integrated with other cross-agency and Auckland related work as appropriate
- 4.5 The governance of the joint programme will provide high level and strategic oversight of the housing and urban growth objectives and the associated work programme outlined in this Terms of Reference. For the avoidance of doubt, it will not replace any established governance arrangements and accountabilities for the individual projects outlined in the joint programme of work.
- 4.6 **Appendix B** outlines the governance structure, which shall be updated and amended as required.

Signatories

Hon Phil Twyford
Minister of Housing and Urban Development
Minister of Transport

Hon David Parker
Minister for the Environment
Minister for Economic Development

Hon Jenny Salesa
Minister of Building and Construction

Hon Nanaia Mahuta
Minister for Maori Development
Minister of Local Government

Hon Phil Goff
Mayor of Auckland

Cr Bill Cashmore
Deputy Mayor of Auckland

Cr Chris Darby
Chair of the Planning Committee

Cr Penny Hulse
Chair of the Environment and Community
Committee

APPENDIX A

Joint Programme of Work

- 1.1 The joint programme will focus on our shared housing and urban growth priorities.
- 1.2 The programme of work below reflects a joint commitment to ensure Auckland's growth supports the creation of thriving, affordable, inclusive and sustainable communities that provide housing, transport, employment and education opportunities to meet a wide range of needs.
- 1.3 The joint programme will help progress large-scale urban development and policy initiatives consistent with agreed priorities. Government and Auckland Council will achieve this by working together to share information, pursue opportunities, remove blockages and streamline regulatory and other processes.
- 1.4 Transport planning (including the ongoing work of ATAP and the *Congestion Question*) will be integrated into the joint programme where appropriate but will proceed through existing channels. Integration with transport planning will specifically focus on land use implications and opportunities for housing and urban development.
- 1.5 The following outlines a high-level overview of the joint programme of work. This joint programme of work will be discussed and approved by Cabinet and Auckland Council planning committee in March.

| Category | Workstream | Project | Actions | Sub-project | Timeframe | Achieving Urban Growth Agenda and/or Auckland Plan Outcomes | |
|----------|--|---|--|---|------------|--|---|
| Delivery | Auckland Development Programme Unlocking joint priority urban development areas: <ul style="list-style-type: none"> Southern urban growth area City Centre to Mangere Light Rail Transit (LRT) Transform Manukau City Rail Link (CRL) Stations and surrounds | 1. Southern urban growth area | a. Drury urban growth area: <ul style="list-style-type: none"> Investigate cost and implications of changing the staging of infrastructure delivery and urban rezoning of Future Urban land, including ways to accelerate delivery of key transport projects to address current transport issues Secure land for future schools, medical facilities, social housing, parks/sports fields and community facilities required as growth area urbanised Catalyst actions are identified to enable employment and job growth in Drury Completing transport planning and route/site protection for Drury as part of the Supporting Growth Alliance programme (2019-2020) | 1. Review and revise staging | April 2019 | UGA Pillar #1 Infrastructure Funding and Financing; #2 Urban Planning; #3 Spatial Planning AP Homes and Places Outcome Direction #1 and #4; Focus area #1 and #5 AP Transport and Access Outcome, Focus area #1, #4, #5 Auckland Development Strategy | |
| | | To better enable growth in the South, the project envisages: | | 2. Identify and enable community/social infrastructure | 2019 | | |
| | | a. An immediate focus on the Drury urban growth area - implementing the Drury-Opaheke Structure Plan (separate project plans being prepared for 1.1, 1.2 and 1.3) | | 3. Identify catalyst actions to enable employment | April 2009 | | |
| | | b. A medium-term focus on supporting development in other Southern urban growth areas | b. Southern urban growth areas: <ul style="list-style-type: none"> Support structure planning and land release in other suitable future-urban zone areas <p>The parties note the Government's aspiration to undertake a wider joint spatial planning exercise for the South (including linking with North Waikato) from 2020.</p> | | 2019/2020 | | |
| | | 2. City Centre to Mangere LRT urban development areas, including: | <ul style="list-style-type: none"> Mt Roskill, Mangere Oranga Onehunga <p>Actions designed to complement NZTA's, HLC and AC work on the LRT corridor.</p> | <ul style="list-style-type: none"> Comparison of location and capacity of currently funded infrastructure, with intensification/priority areas Clarification on infrastructure location, capacity and upgrades required for intensification of priority areas Identify targeted changes to the Unitary Plan that enable better intensification outcomes Develop joined up funding and investment plans with HLC/HNZC, MoE, NZTA, Kiwibuild, AC, AT that: <ul style="list-style-type: none"> Builds market attractiveness through providing local community facilities, schools and public amenity improvements to cater for increased people living close to LRT Enables the infrastructure required to cater for increased density in LRT corridor In Onehunga urgently join up and integrate the planning for LRT and East West connections in Onehunga to ensure that community and development opportunities are optimised Investigate the opportunity to leverage infrastructure projects and investment to remove the Transpower pylons as part of the transformation of Onehunga. | | | March 2019 March 2019 2019/2020 |
| | | | | | | | March 2019 2019 |

| | | | | | | |
|--------------------------|--------------------------------------|--|---|--|--|---|
| | | 2. Transform Manukau | <ul style="list-style-type: none"> Complete Crown/Council Joint Business Case and resource implementation Review investment approach and reprioritise HNZ redevelopment in Manukau (Rata Vines) to unlock transformation opportunities (as part of the above). | | March 2019 March 2019 | |
| | | 3. CRL development opportunities- Aotea, Karangahape Rd, Mt Eden | <ul style="list-style-type: none"> Complete stage one work to ensure that development opportunities are optimised. Stage one includes: <ul style="list-style-type: none"> Current state analysis Defining desired urban outcomes for station vicinities Gap analysis including constraints and opportunities – to determine future work for next stage Options for development (vehicles, timings) Agree stage two programme of work (including defining roles and responsibilities) for CRL to progress. | | March 2019 | |
| New tools and approaches | Affordable Housing | | <ul style="list-style-type: none"> Investigate the effectiveness and efficiency of regulatory (including retained affordable housing) and non-regulatory interventions in the housing system to identify ways to increase affordable housing | | March 2019 | UGA -Primary Outcome AP Homes and Places Outcome Direction #2 and #3; Focus area #1, #2, #3, #4 Mayoral Housing Taskforce |
| | Infrastructure Funding and Financing | | <ul style="list-style-type: none"> Continue to work together on new funding/financing tools and mechanisms to enable bulk and distribution infrastructure to be funded Identifying the full infrastructure costs (funded and unfunded) to support housing and urban growth in the priority areas of growth Testing the application of new tools and mechanisms to the priority areas, informed by the infrastructure costs, housing yields and land concentration in each area Develop a medium-long term pipeline of projects which could be candidates for alternative financing and funding models | | Ongoing March 2019 April 2019 June 2019 | UGA Pillar #1 Auckland Plan and Auckland Council's 10-year Budget and Infrastructure Strategy |
| | Quality Intensification | | <ul style="list-style-type: none"> Address planning regulation, methods and practice that may act as roadblocks to delivery of quality housing intensification (including working with key Auckland developers to test impacts of RMA and Unitary Plan requirements on uptake in the <i>Terrace Housing and Apartment Building zone</i>) Use the Auckland Housing programme and Auckland case studies to test national direction options for quality intensification Ensure the Auckland Unitary Plan continues to support the market for quality intensification over time | | April 2019 March 2019 | UGA Pillar#2 Urban Planning; Pillar #5 Legislation AP Homes and Places Outcome Direction #1, #2, #4; Focus area #1, #3, #5 |
| | Spatial Planning | | <ul style="list-style-type: none"> Use the Auckland Plan experience to test and inform options to strengthen spatial planning in New Zealand | | June 2019 | UGA Pillar #2 Urban Planning, #3 Spatial Planning and #5 Legislation Auckland Plan-Primary Outcome |

| | | | | | | |
|--|---|--|--|--|--------------------------------------|---|
| | Urban Development Agency | | <ul style="list-style-type: none"> Regular reporting on legislative process and entity development Identification of locations in Auckland where a UDA could be active and coordination with Auckland Council (coordination on large scale projects) | | <p>April 2019</p> <p>August 2019</p> | <p>UGA Pillar# 5 Legislation</p> <p>AP Homes and Places Outcome Direction #2; Focus area #1, #4</p> |
| | Removing barriers to efficient delivery of housing Including consideration of: <ol style="list-style-type: none"> Building Act and Building Code Underutilisation of zoning and infrastructure capacity | 1. Building Act and Building Code and efficiency of consenting processes | <ul style="list-style-type: none"> Support effective delivery of the existing Building and Construction work programme, informed by Auckland Council's experience and expertise. Tools and process improvements to the efficiency and performance of building consenting processes at Auckland Council | | <p>Early 2019</p> | <p>UGA Pillar #5 Legislation</p> <p>AP Homes and Places Outcome Direction #1, #2, #3; Focus area #1; #3</p> |
| | | 2. Optimal utilization of zoning and related infrastructure capacity | <ul style="list-style-type: none"> Investigation of tools and mechanisms that encourage optimal utilisation of zoning and related infrastructure capacity | | <p>2019</p> | |

APPENDIX B

Governance Structure

