

NPS-UD

Overview of the National Policy Statement on Urban Development (see discussion document, page 15)

Question 1. Do you support a national policy statement on urban development that aims to deliver quality urban environments and make room for growth? Why/Why not?

Position (Not specified) Yes Somewhat No Unsure

Notes

We support a national policy statement on urban development that aims to deliver quality urban environments nationally, not just prioritising the defined major urban centres.

The proposed NPS, and/or other measures need to address housing affordability and this is currently absent from the proposals.

Are there other tools under the RMA, other legislation or non-statutory tools that would be more effective in achieving a quality urban environment and making room for growth?

Notes

The NPS alone is unlikely to achieve quality urban environments. Huge housing pressures have led to a number of ad hoc measures and special legislation due to the limitations of the Resource Management Act (RMA) e.g. Board of Inquiry process, Housing and Special Housing Areas legislation, Independent Hearing Panels to determine Plans and Plan Changes. There needs to be change to the RMA in addressing urban planning. If the RMA was amended to address urban planning and specify the outcomes desired, it would give more coherence to the proposed NPS and make its aims less isolated.

Targeting cities that would benefit most (see discussion document, page 18)

Question 2. Do you support the approach of targeting the most directive policies to our largest and fastest growing urban environments? Why/why not?

Position (Not specified) Yes Somewhat No Unsure

Notes

The Councils support Government's attempts to improve the urban environment and encourage intensification of housing. However as a medium growth authority under the current National Policy Statement on Urban Development Capacity (NPS-UDC), the proposed NPS-UD fails to address our housing market problems – those of a fast growing population and serious housing unaffordability. The proposed NPS-UD broadens the areas it applies to compared with the NPS-UDC but the previous medium and high growth areas are no longer identified. The focus on major urban centres limits the potential effectiveness of the instrument.

The title of the consultation document "Planning for successful cities" suggests that the urban planning of our towns is not important. The Local Authorities that comprise the selected major urban centres encompass 60% of New Zealand's population. That still leaves just under half the population outside of these major urban centres without directive policies to help secure quality urban environments.

The assumption that "costs and benefits of planning decisions are compounded in bigger cities" is somewhat flawed. High growth rates in smaller centres like Nelson/Tasman puts the costs of new infrastructure onto a smaller rating base so the costs to rate payers and the community is proportionately higher than in larger centres.

The NPS-UD proposes major urban centres (MUCs) and urban environments as the areas it predominantly applies to. Urban environments are still defined as an area of land containing, or intended to contain, a concentrated settlement of 10,000 people or more and any associated business land, irrespective of local authority or statistical boundaries.

With just the two classifications, it assumes urban environments outside of the MUCs are similar in size, growing at the same rate, are experiencing the same problems and they are treated the same. This is not the case.

The Nelson Urban Area is home for 63,300 people according to the 2013 census. The most recent Stats NZ population projections for Main Urban Areas (September 2017) found that the Nelson Urban Area would be medium growth at 9.95% between 2013 and 2023 (i.e. growing at less than 10% over 10 years). There have not been any projections since but the most recent population estimates from Stats NZ found that Nelson Urban Area's population grew by almost 7% between 2013 and 2018. This equates to high growth as defined by the NPS-UDC (more than 1% per annum between 2013-2023 and has a population of more than 30,000). The population of Nelson urban area is now estimated to be at least 68,000 people.

Furthermore there are only 6 other main urban areas in New Zealand that have been growing more quickly than the Nelson urban area, based on Stats NZ's latest population estimates over this period. These are Auckland, Tauranga, Hamilton, Christchurch, Whangarei and Wellington. So Nelson urban area is the 7th fastest growing main urban area nationally between 2013-2018.

Relief sought: Target less directive policies to high demand urban environments experiencing sustained housing unaffordability as indicated by the Government's own monitoring. Suggestions are provided below of how to do this.

Do you support the approach used to determine which local authorities are categorised as major urban centres? Why/why not?

Notes

No.

The proposed NPS-UD proposes major urban centres (MUCs) and urban environments as the areas it predominantly applies to. Major urban centres are not defined in the document. The absence of a definition and how they have been selected confuses the rationale of the proposed NPS-UD. They are listed as the following authorities with jurisdiction over a major urban centre: Auckland, Hamilton, Tauranga, Wellington, Christchurch, Queenstown.

The consultation paper states at page 19 that "*the policies requiring the most work by local authorities would only apply to larger urban centres with growing populations and where pressure on housing is creating national impacts.*" This seems to be the criteria that has resulted in the major urban centres selection.

We have described above how we are a high growth area. The Nelson urban area is also an urban centre with serious pressure on housing, creating national impacts:

According to Massey University's Home Affordability Index (June 2019), Tasman is the second least affordable region in the country, after Auckland. According to MBIE's own housing affordability measures (HAM buy), for the year to March 2018, 87% of first-home buyer households in Tasman, could not comfortably afford a typical 'first-home' priced house. MBIE's HAM Rent measure for Tasman District indicates that at March 2018, 63.5% of rental households in Tasman, cannot comfortably afford typical rents.

Talent attraction issues in our region are also creating national impacts by affecting regional productivity: Earlier this year the Nelson Regional Development Agency undertook talent attraction and retention research in Nelson and Tasman. 105 businesses responded to the survey and comprised a wide spread of sectors, business size and length of time in business. Three quarters of the businesses report that they are growing at a rapid or reasonable pace.

Talent attraction is one of the top 3 issues faced by over 60% of organisations and is a concern for 88%.

Almost 6 in 10 employers believe it is going to become more difficult to recruit the talent they need in the future, with senior technical and executive roles the most difficult to fill. The current recruitment process is taking an average of 2-3 months to fill more difficult roles, but for 16% of employers it is taking 6 months or more. The region's reputation for paying low wages was the most common aspect cited for difficulties in talent attraction and other common aspects included Nelson's high cost of living and rental/house availability.

The top three initiatives that employers think we most need to focus on to ensure the region can attract the talent it needs include affordable housing and many employers commented on housing being a key barrier to attracting talent.

Nelson and Tasman based ventures have received in excess of \$12M in funding from the Provincial Growth Fund to date. This is a positive step in trying to grow our economy (on a per capita GDP basis), but if we struggle to attract the talent to fill roles to help these businesses, due to high rents and house prices, then its potential will not be realised. Such barriers to enabling prosperity are currently being ignored by Government. The major urban centre focussed policies in the NPS-UD do nothing to complement the Government's investment in the regions.

Page 19 of the proposed NPS states : *"The NPS-UD shifts the focus to larger cities and urban centres where the national impact of housing challenges is greatest. This is to ensure it focuses on the urban environments that would benefit most from meeting the more detailed requirements, while keeping down costs for small local authorities with more limited resources."* The NPS-UDC has been in force since 2016 and has many monitoring and reporting requirements. Tasman District Council took the decision to create a position in light of these requirements as well as growth pressures generally and other Authorities have done the same, hence those resources are now in place.

Page 35 also states that the MUCs are the areas where *"the benefits could be maximised: for example where there is, or is intended to be, good access to jobs and proximity to public and active transport links or town centres, and where there is high demand for more intensive development (as indicated by prices)."* Again, as the second least affordable region in the country, demand for intensive housing is increasing, simply because it is all a large proportion of people can afford. The more densely populated a town becomes the stronger the business case for public transport linking major towns in the urban area.

Relief sought: - see response to question below.

Can you suggest any alternative approaches for targeting the policies in the NPS-UD?

Notes

While our cities probably do deserve to be prioritised in the NPS-UD, as they are more densely populated, it should not be at the expense of other fast growing areas. The MUCs only house 60% of our population. There should be some distinction between the remaining urban environments, by their size, rates of growth and/or sustained lack of housing affordability, as evidenced by the Government's own monitoring. Urban environments of between 10,000-20,000 people are very different to e.g. the Nelson urban area that houses at least 68,000 people (according to latest estimates) and is growing at more than 1% per annum.

Relief sought:

1. An alternative approach would be the creation of three tiers of urban environments, distinguished by their current populations, projected rate of population growth and housing affordability.

2. The high demand urban environments, facing high population growth and serious housing unaffordability would have a second tier policy approach, beneath the MUCs. This policy approach would not be as directive as for MUCs, but would encourage the development of medium density intensification areas where appropriate, according to a set of criteria. The criteria could cover factors such as those in proposed policy 6A – proximity to employment opportunities, urban amenities and services being available, high demand for housing and best use can be made of existing or planned infrastructure, services and facilities.
3. The policy approach should also “*strongly encourage*” the preparation of a Future Development Strategy (FDS) for such areas as well as being required to undertake housing and business monitoring and reporting.
4. Further, we consider that recognition of such urban environments that have already voluntarily adopted a FDS is appropriate, by FDSs becoming more binding than currently, by their role being strengthened to inform RMA plans and strategies, prepared under other legislation. We consider it would be advantageous to empower spatial planning by inserting it into our legislative framework and making it integral to our planning system.
5. For the high demand urban environments that prepare an FDS, then it must consider/address all the FDS policies proposed in the NPS-UD.
6. The third tier of policy would be for all other urban environments, outside of these high demand urban environments.

Future Development Strategy (FDS) (see discussion document, page 20)

Question 3. Do you support the proposed changes to FDSs overall? If not, what would you suggest doing differently?

Position (Not specified) Yes Somewhat No Unsure

Notes

As a Local Authority that has prepared a Future Development Strategy (FDS) very recently, we can confirm from experience that the proposed amendments for FDSs (listed in 7 bullet points on page 21) are worthwhile and necessary and therefore support them. Our FDS has considered all these factors. However under objective O1, if a council chooses not to do a FDS then there is no way to implement the objective because none of the policies apply.

Relief sought:

1. Policies – as written it can be interpreted that not all of the associated FDS policies have to be complied with which could lead to inconsistency and FDSs that don’t address all the policies.
2. Also there is no explicit requirement to take into consideration climate change, hazards or highly productive land.
3. Page 21 under rationale refers to additional requirements for FDSs in future “*identifying where urban development should be avoided (e.g. sites of significance to Maori including wahi tapu, highly productive land and areas of significant indigenous biodiversity).*” In our experience it will not be easy nor advisable to identify no go areas based on significance to Maori. Such information is obtained by working with iwi and hapu on the FDS (as we did), but due to secrecy surrounding such sites, particularly recent finds, we doubt it would be acceptable to highlight such areas on an FDS map. Instead such information informed the multi criteria analysis for the option sites in the FDS and frequently led to them being scored poorly on these criteria and not progressed. Identifying areas where urban development should be avoided based on its versatility and productive value, is proposed in the NPS on highly productive land and would be more straightforward.

We consider that more needs to be done to strengthen the role of the FDS, over and above the proposed amendments in the NPS-UD. FDSs becoming more binding than currently, by their role

being strengthened to inform RMA plans and strategies, prepared under other legislation. We consider it would be advantageous to empower spatial planning by inserting it into our legislative framework and making it integral to our planning system. Page 22 of the consultation paper notes that the upcoming comprehensive review of the RMA will look at options for making spatial planning integral to our planning system. The wording in Policy P1D d) needs stronger direction than 'contributes to'. Suggested wording of the policy is set out below:

d) broad locations for residential intensification that ~~contributes to~~ will enable the achievement of high quality urban environments

4. We hope that by having adopted a Nelson Tasman FDS, it will place us in a better position to work with Government departments and agencies such as Education and transport and DHBS, in planning in a coordinated fashion for the growth of our region.

Do you support the approach of only requiring major urban centres to undertake an FDS? Would there be benefits of requiring other local authorities to undertake a strategic planning process?

Notes

No

Relief sought: Neither Councils are identified as a major urban centre in the proposed NPS-UD. Given the benefits we have found from preparing a spatial strategy jointly, perhaps local authorities in high demand urban environments, growing quickly and facing serious housing unaffordability should be "*strongly encouraged*" rather than "*encouraged*" to include an FDS in their planning framework. Spatial planning is a highly effective way of articulating capacity planning, especially when Local Authorities are sharing jurisdiction of an urban area. It hopefully will result in efficiencies in infrastructure investment, as well as assisting realisation of intensification, by prioritising it ahead of major greenfield expansion.

The NPS-UD will need to provide flexibility and guidance as to the extent of work and analysis needed to reflect the 'scale and significance' of the issue for each local authority.

What impact will the proposed timing of the FDS have on statutory and other planning processes? In what ways could the timing be improved?

Notes

Since we are a medium growth authority under the NPS-UDC and therefore had flexibility over preparing an FDS, the timetable that we adopted with Nelson City Council for preparation of the FDS was as follows:

- July 2018 – LTP 2018-2028 adopted
- November 2018 – Housing and business capacity assessment submitted to Government, based on LTP
- Work commenced on the Nelson Tasman FDS in November 2018 and was informed by the housing and business capacity assessment. The FDS was adopted July 2019.
- The Adopted FDS will now inform the LTP 2021-2031 and the associated Infrastructure Strategy and Regional Land Transport Plan. Work on these has recently commenced.
- The Adopted FDS will also inform the review of both the Regional Policy Statement and the District and Regional Plan which has recently started
- The process will be cyclical with a review of the FDS the year before the next LTP is to be prepared (2022-2023).

This timescale appears to have worked satisfactorily for both Nelson and Tasman Councils.

Describing quality urban environments (see discussion document, page 25)

Question 4. Do you support the proposed approach of the NPS-UD providing national level direction about the features of a quality urban environment? Why/why not?

Position (Not specified) Yes Somewhat No Unsure

Notes

It is unclear currently as drafted whether the objectives and policies on quality urban environments refer to both greenfield and brownfield sites or just one. Given generally such environments would be easier to secure from a planning perspective in brownfield locations, (due to proximity to jobs, services and transport options) perhaps the objectives and policies need to indicate this preference?

Do you support the features of a quality urban environment stated in draft objective O2? Why/why not? (see discussion document, page 26)

Notes

Relief sought:

1. Parts of proposed policy 2A (beneath objective O2) seem unfeasible and some important features are missing: e.g. (a) *“enabling a range of dwelling types”* – Resource Management Plans can zone for a range of lot sizes and to an extent dwellings types. Eg lifestyle blocks, standard size houses or more intensive typologies, but has less control over the type of development that results. Frequently in a zone, more than one type of residential development is possible, although the activity status can vary. Developers and the market will determine the type of housing that eventuates. It is recommended that *“range of dwelling types”* is removed.
2. (d) *“limit as much as possible the adverse impacts on the competitive operation of land and development markets”* – it is not clear what is meant by this, it is ambiguous. Is the intention to have a competitive market to keep prices down? Or a market that competes to get the highest prices as in real estate? It is recommended that this clause is removed.
3. The preamble proposed on factors that contribute to quality environments would not have legal weight according to the proposed NPS. We consider it would be advantageous to empower spatial planning by inserting it into our legislative framework and making it integral to our planning system, including quality urban environments as one of the aims. Also if the matters identified are important for a quality urban environment then the matters should be codified in the NPS.
4. Neither the preamble nor the proposed policies explicitly refer to good urban design as a feature of a quality urban environment. Ecologically sensitive design is included but not the standard of design itself. This is a key factor in creating a quality urban environment. There needs to be some reference to the RMPs and decisions ensuring that developments function well, and add to overall quality of the area, are visually attractive, (good architecture, layout and appropriate landscaping), establish or maintain a strong sense of place, creating attractive welcoming and distinctive places to live, work and visit etc. It is recommended that reference to achieving quality urban design is included as a feature of a quality urban environment.
5. As mentioned earlier, our population is ageing. So while intensification is to be encouraged we also need typologies suitable for older people e.g. single storey or apartments with lifts. Universal design (housing catering for accessibility and adaptability to allow ageing in place) is also important, yet any consideration of such requirements is completely absent in the NPS-UD’s proposals. We need to building the right type of

housing stock. It is recommended that reference to the requirements for typologies suitable for older people and universal design is included.

Amenity values in urban environments (see discussion document, page 27)

Question 5. Do you support the inclusion of proposals to clarify that amenity values are diverse and change over time? Why/why not?

Position (Not specified) Yes Somewhat No Unsure

Notes

The inclusion of policy P3A will remind decision makers that amenity values can change over time. In this regard preparing a FDS is valuable, as indicating futuristic areas that may be suitable for high density development in the future, sets the scene and to an extent paves the way for a type of development currently hard to envisage in that location. However policy P3A does not give effect to objective 4 as it lacks the “how”.

Relief sought: Redraft P3A to include clear direction on how it will lead to achieving the objective 4.

Enabling opportunities for development (see discussion document, page 30)

Question 6. Do you support the addition of direction to provide development capacity that is both feasible and likely to be taken up? Will this result in development opportunities that more accurately reflect demand? Why/why not? (see questions A1 - A5 at the end of the form for more questions on policies for Housing and Business Development Capacity Assessments)

Position (Not specified) Yes Somewhat No Unsure

Notes

Capacity that is likely to be ‘taken up’ is an important consideration in terms of planning for future demands. The Tasman growth model adopts this approach in identifying likely capacity, by including consent planners and development engineers in the process who know about developer’s likely future intentions. MfE and MHUD noted this approach in its evaluation of Tasman’s housing and business capacity assessment (June 2019) and found it to be more realistic than other Authorities that had simply assumed all capacity would be taken up. That said, there are limitations for a council in knowing whether capacity is likely to be taken up and therefore it will not result in highly accurate opportunities reflecting demand. Landowner/developer intentions are fickle.

There exist a number of other constraints that are beyond our control, in ensuring serviced zoned land becomes residential and business floorspace, meeting identified demand. These include:

- land ownership concentration -this can lead to land banking, as developers release capacity on to the market at a price that maximises their return, hence there are incentives to produce new housing slowly
- capacity of skilled labour in the construction industry and the methods of housing construction
- construction costs rising several times rate of general inflation according to “A Stocktake of New Zealand’s housing”
- developers’ and house builders’ preference to provide larger homes when in places like Richmond the majority of demand is for small homes. Rising land values in some cases favour larger lot sizes and properties in order to be commercially feasible.
- policies of banks on lending finance to developers

- developer covenants on subdivisions that usually have the effect of adding to the cost of building, to a varying degree dependent on the extent of the covenants
- the recent gazettal of a number of SHAs in Richmond West on inappropriately zoned land has anecdotally had the effect of encouraging nearby landowners of business zoned land to withhold it from the market in anticipation of it being turned into further housing land as SHAs.

Verifying that all development capacity is feasible (defined as “*commercially viable in terms of the developer’s cost and revenue*”) can be difficult as noted on page 72 of the proposed NPS. There are some proposals to address the shortcomings of the previous methodology on page 73 of the proposed NPS but these have not yet been tested and councils will likely need guidance on incorporating these methodologies.

Relief sought:

1. Recognise that there are other factors that influence the taking up of capacity in objective 5 and policy 4A
2. Proposed policy 4A is unrealistic in its wording – requiring that Local Authorities must ensure that the capacity is likely to be taken up to meet the demand for dwellings (in terms of location, typology and price). Local Authorities cannot control the price of housing for reasons of the external factors identified above. It is also difficult for Local Authorities to control the end typology, and it needs to be recognised that different residential and business areas have different/complementary functions and roles to play in the overall structure and operation of an urban environment. It is recommended that this reference to typology and price is removed from policy 4A.

Due to the reasons identified above we do not consider that this direction on feasibility and capacity likely to be taken up will result in development opportunities that more accurately reflect demand, given so many uncertainties exist in establishing feasibility and likelihood of being taken up.

Ensuring plan content provides for expected levels of development (see discussion document, page 31)

Do you think requiring zone descriptions in district plans will be useful in planning documents for articulating what outcomes communities can expect for their urban environment? Why/why not?

The requirements of this policy appear to be inconsistent with the National Planning Standards. The National Planning Standard 8 Zone Framework Standard includes mandatory requirements that can’t be changed. The zone descriptions are mandatory requirements so the requirements to include zone descriptions as set out in P5A are in direct conflict with the planning standard.

Further, RMA S75 does not provide for the statement of ‘zone descriptions’ as either a ‘must’ or a ‘may’. The inclusion of visions, directions, descriptions, explanations, advice notes etc within district plans has been determined by the Courts as being neither an objective, policy or rule and accordingly cannot be given any consideration or weight. The purpose of an objective is to articulate the outcomes sought (ie the “what”) to be achieved through the resolution of a particular issue. An objective clearly states what is aimed for in overcoming the issue or promoting a positive outcome, or what the community has expressed as being desirable in resolving an issue. Accordingly, the emphasis should be on crafting objectives and supporting policies to clearly articulate outcomes, including the amenity values. There should be no zone descriptions.

The proposal would be too prescriptive in describing the type and nature of development for each urban zone. It may restrict development coming forward as not flexible enough? E.g. we currently

have developers that have obtained consent for two storey residential but are now submitting a new RC application for single storey residential as they find the two storey is not commercially viable. So a degree of flexibility has to be maintained if we are to see any development at all.

Relief sought: remove this requirement for zone descriptions

Providing for intensification (see discussion document, page 33)

Question 8. Do you support policies to enable intensification in the locations where its benefits can best be achieved? Why/why not? (for more detail on the timing for these policies see discussion document, page 53)

Position (Not specified) Yes Somewhat No Unsure

Notes

The more directive approach on intensification, applying to major urban centres seems appropriate due to e.g. lack of public transport opportunities in urban environments, but intensification should be encouraged in the high demand fast growing urban environments.

Relief sought:

1. Intensification should be encouraged in high demand, fast growing urban environments as well as the MUCs (as suggested in objective O7 and policy 6A), wherever possible. We have proposed two tiers of urban environments earlier in this submission, distinguished by their current populations, projected rate of population growth and housing affordability. The high demand urban environments, facing high population growth and serious housing unaffordability could have a second tier policy approach, beneath the MUCs. This policy approach would not be as directive as for major urban centres, but would encourage the development of intensification areas where appropriate, according to a set of criteria. The criteria could cover factors such as those in proposed policy 6A – proximity to employment opportunities, urban amenities and services are available, high demand for housing and best use can be made of existing or planned infrastructure, services and facilities.
2. The policy approach should also “strongly encourage” the preparation of a Future Development Strategy (FDS) for such areas as well as being required to undertake housing and business monitoring and reporting.
3. Proposed objective 7 “*To provide for the benefits of urban intensification by allowing for increased density in areas where those benefits are best realised*” is weak and inconsistent with policy PB6 that uses the term ENABLE. The term “allow” should be changed to “enable” or “promote”.

What option/s do you prefer for prescribing locations for intensification in major urban centres? Why?

Position (Not specified) Option 1 (the descriptive approach) Option 2 (the prescriptive approach)

Notes

The two options at first glance do not appear to be that different in practice. Clause (a) of the prescriptive approach has a get out clause anyway (“*except where evidence demonstrates intensification should not be enabled*”). Presumably this is to allow for constraints such as heritage or iwi cultural significance.

However the main difference appears to be in the definition of high density development with the descriptive approach defining it as “*a concentrated bulk of building such as terraced housing and apartments.*” This is not sufficiently different to medium density. Medium density can comprise

terraced housing and low rise apartments. The prescriptive approach defines high density as a minimum overall density of 60 residential units per hectare. It is not clear whether this is a net density (refers to land covered by residential development only) or gross density (includes eg. parks).

Density itself should not be viewed as a reliable guide to the form or quality of residential development. International research indicates that features of successful higher density schemes include: good sound insulation between dwellings; the relationship with the surrounding area in terms of connectivity, scale and integration; proximity to good (reliable, clean and safe) public transport; priority for pedestrians and cyclists; high-quality open space to provide visual relief and recreation; some usable private outside space, such as patios or balconies; clear demarcation between public and private spaces; and adequate level of car parking that does not dominate the street scene. (*Better Neighbourhoods: making higher densities work* by CABI 2005).

It is important to avoid a one policy fits all approach in prescribing density. All the objectives of planning policy in relation to residential development cannot be achieved through a density standard.

Relief sought: Remove the prescriptive approach. Consider redefining the definition of high density under the descriptive approach to better distinguish it from medium density.

If a prescriptive requirement is used, how should the density requirement be stated? Please provide a suggestion below (for example, 80 dwellings per hectare, or a minimum floor area per hectare).

Notes

Disagree – descriptive approach should be used for reasons above.

Providing for further greenfield development (see discussion document, page 36)

Question 9. Do you support inclusion of a policy providing for plan changes for out of sequence greenfield development and/or greenfield development in locations not currently identified for development?

Position (Not specified) Yes Somewhat No Unsure

Notes

No.

Standard density greenfield development can compete with intensification, as an easier form of development for developers and potentially more appealing to buyers in NZ who generally are not as familiar with more intensive forms. Therefore by allowing out of sequence greenfield development and/or greenfield development in locations not identified by e.g. a future development strategy, this could be to the detriment of the take up of intensification – also something that proposed policy 4A requires Local Authorities to estimate (the take up of its capacity).

By allowing for greenfield development in locations not currently identified for development, such a policy could conflict with proposed policy P5A – where major urban centres are to include a zone description that describes the expected levels of type and nature of development, consistent with growth identified in the FDS. It would also generally go against the whole premise of an FDS, to strategically plan for the next 30 years development. Fast growing authorities such as ourselves are under pressure to release easy to develop greenfield land for developers and to allow this uncoordinated approach would undermine the adopted FDS, as well as potentially

jeopardise intensification targets. FDSs are reviewed every 3 years in any case and this should build in sufficient flexibility to plan for future growth demands.

Also by allowing for greenfield development in locations not currently identified for development, for authorities such as ourselves, this could lead to more pressure to develop highly productive rural land, working against the objectives of the proposed NPS on highly productive land. Such an approach leads to ad hoc unplanned development and raises the potential for reverse sensitivity effects. Agglomeration of development by building up towns is important for reducing carbon emissions and building a case for active or public transport.

It is unnecessary to include a policy that provides for plan changes for out of sequence greenfield development, or development in locations not anticipated. The process for a private plan change is set out in the First Schedule of the RMA. Any person may request a change to a resource management plan and council must consider that request. Council has four options on how to proceed when receiving a private plan change request:

- to adopt the request
- to accept the request
- to reject the request, or
- to convert the request into a resource consent application.

In our experience, private plan changes are generally very expensive for an applicant and unlikely to be a popular way of pursuing a proposal in conflict with the resource management plan anyway. A non-complying resource consent is likely to be the most popular route.

For the above reasons we do not support the inclusion of such a policy therefore. It would not achieve the aims of some other policies in the proposed NPS-UD, conflicts with other Government proposals e.g. NPS-HPL and Climate Change Response (Zero Carbon) Amendment Bill 2019.

Relief sought: The proposal is flawed and undermines the intent of the proposed NPS. Remove the proposal.

However should this proposal proceed it is recommended that the policy should also require that private plan changes show the following:

- Meet the same principles and outcomes that applied to the development of the FDS;
- How the FDS is failing to provide for urban growth and that whatever those failings are cannot be readily resolved;
- Not compromise the staging, location and type of urban growth anticipated through the FDS;
- Not compromise the provision of all forms of infrastructure planned and funded through the Long Term Plan, Annual Plan, Infrastructure Strategy, Reserve Strategy and other local authority planning documents;
- Show how the proposed development would integrate not only physically, but also socially and community wise with existing and planned urban areas.

How could the example policy better enable quality urban development in greenfield areas (see discussion document, page 37)?

Notes

We do not agree with the concept that private plan changes should be encouraged for out of sequence greenfield urban development, or in areas not identified. In relation to the example

policy, it is not clear on clause (e) (“infrastructure to enable the long term development of the land can be provided”), whether this is to be funded by the Local Authority or developer.

A quality urban environment is likely to work better in a brownfield situation within an urban centre rather than a peripheral greenfield location due to proximity to jobs, services and transport options.

Are the criteria sufficiently robust to manage environmental effects to ensure a quality urban environment, while providing for this type of development? (see example policy in discussion document, page 37)

No, the criteria proposed for allowing such Plan Changes contains only very basic assessment criteria and does not include consideration of climate change, hazards, highly productive land, biodiversity, or impacts on freshwater. The criteria are not sufficiently robust.

To what extent should developers be required to meet the costs of development, including the costs of infrastructure and wider impacts on network infrastructure, and environmental and social costs (recognising that these are likely to be passed on to future homeowners/beneficiaries of the development)? What impacts will this have on the uptake of development opportunities?

Notes

Tasman District Council has submitted on the Local Government funding and financing draft report by the Productivity Commission. The Commission has considered a number of factors that are putting pressure on local government funding in its draft report. The ageing of the population (and associated proportion of the population on fixed incomes) is highlighted with Tasman being listed as the council with the second highest projected proportion of population 65 years or older in 2043 (Figure 4.1). The Commission’s report also discusses the funding and financing pressures of growth, tourism and climate change. It considers that the existing funding mechanisms are not adequate to meet the pressures from these factors and recommends adjustments to funding arrangements for each one.

All of these factors significantly affect the Tasman District. The cumulative and combined impact of all of these factors has a major effect on Council’s finances now and in the future.

As stated in response to a question in our submission, a system of payments to territorial authorities based on new residential building work put in place could act as a good incentive for councils to invest in growth related infrastructure. This is our preferred approach. We consider it would be effective in incentivising councils to keep the supply of consented land (greenfield and brownfield) and local infrastructure responsive to growth pressures, although the interaction of this proposed funding and development contributions charges needs clarity.

In terms of whether developers should be required to meet the costs of development including the costs of infrastructure and wider impacts on networks of infrastructure – there are arguments for and against whether developers should pay full cost of impacts of growth outside the bounds of their development via DCs or a similar capital charge up front, but in the end it is a judgment call on competing interests considered under s 101(3) of the LGA. There is a good case for arguing a charge of some basis on new developments, in the form of a capital charge up front. The rest of a development’s cost is recovered when sold, so why not the offsite infrastructure costs?

The LGA already requires us to carefully consider causation and beneficiaries when we allocate costs. S 101(3) again and more explicitly in S 199 of the LGA. This generally means many projects undertaken for growth are not actually recovered 100% from growth because council considers who else benefits.

It is not clear what is meant by the term “wider impact on network infrastructure”. We provide this infrastructure mainly because no individual development needs all of the capacity and/ or an individual development’s impact is diffuse (e.g. roading). As a consequence, the market will not provide these because of free rider/public good problems. These costs are real but not all projects are immediately essential to the supply of the section. E.g. if you don’t have a sufficiently large trunk main or treatment plant capacity you don’t get past go. Other impacts and the imposition on society is more diffuse – some roading impacts and some reserves for example. So it is not clear what type of impacts are being referred to in the question. It’s easy to see what will happen if there is no dedicated capital funding source related to growth for these - they won’t be invested in unless there is a dedicated funding source.

It is worth mentioning that the overall message on infrastructure funding for growth seems confused currently in the proposed NPS-UD and media releases, evidenced by the references below:

- media coverage of the proposed NPS, supposedly based on an interview with Minister Twyford (<https://www.stuff.co.nz/national/115157876/government-plan-to-free-up-council-planning-rules-to-help-fix-our-failing-cities>) indicates that councils should not go to the taxpayer or ratepayer for financial assistance and to make sure the developer can cover infrastructure costs
- in the proposed NPS-UD it is not clear whether the MUC designations are intended to signal potential funding availability for infrastructure?
- page 15 refers to the “*new tools for infrastructure funding and financing*” through wider UGA work
- page 22 also refers to “*other work under the UGA aims to support private funding for infrastructure. If the funding is available from other sources this would help local authorities to be flexible in timing the release of land for development*”
- the proposed NPS refers to a new policy to notify the Minister for the Environment if a local authority cannot meet requirements under the NPS-UD for development capacity (for any reason) and begin the discussion with the Government about how to address this (page 30);
- page 36 signals that if the Government is to allow for plan changes for out of sequence development or development in areas not identified in FDSs, then the onus for infrastructure should not fall on the local authority when not provided for by their long term plan and/or development plan process.

What improvements could be made to this policy to make development more responsive to demand in suitable locations beyond areas already identified for urban development?

Implementation plans for FDSs will be key, supported by regular monitoring and reporting on take up of residential zoned land, building consents, creation of section and demands according to up to date population projections.

This will allow progress to be monitored and may signal Plan Changes that are required if capacity is not keeping up with demand, or if e.g. housing preferences are changing and more of a certain type of residential zoning is required.

**Removing minimum car parking requirements (see discussion document, page 39)
Question 10. Do you support limiting the ability for local authorities in major urban centres to regulate the number of car parks required for development? Why/why not?**

Position (Not specified) Yes Somewhat No Unsure

Notes

Greater public and active transport options are available in the MUCs, so residents are more likely to consider purchasing/renting a property without dedicated car parking. This will help achieve the aims of the Government's zero carbon bill.

Which proposed option could best contribute to achieving quality urban environments?

Position (Not specified)

- Option 1: removing the ability for local authorities to regulate the requisite number of car parks
- Option 2: removing the ability for local authorities to set minimum car park requirements
- Option 3: removing the ability for local authorities to set minimum car park requirements in areas providing for more intensive development.

Notes

Option 3 on basis that intensive development areas generally have more transport options other than the private car. Not requiring car parking in an area that has few other transport options simply creates congestion on street, which in turn does not provide a quality urban environment.

How would the 18 month implementation timeframe impact on your planning processes?

Since neither Councils are identified as a major urban centre, these directive policies from the NPS that would need to be implemented via plan changes within 18 months do not apply. However if they did apply the timing would be awkward since we have recently embarked on a review of our Regional Policy Statement, District and Regional Plans.

More directive intervention to enable quality urban development (see discussion document, page 41)

Question 11. Do you think that central government should consider more directive intervention in local authority plans?

Position (Not specified) Yes Somewhat No Unsure

This section suggest rules similar to the powers in the current S360D of the RMA. Those powers are probably best placed for this type of intervention.

Which rules (or types of rules) are unnecessarily constraining urban development?

Notes

In preparing Plan Change 66 – Richmond Housing Choice, Tasman District Council formed an advisory group of external stakeholders. They concluded on factors constraining intensification, which did not solely include rules of the resource management plan. They are listed below (the plan change addressed them):

- Generally - Council needs to commit to Richmond's intensification and proactively help support it instead of just passively providing opportunity in the Tasman Resource Management Plan (TRMP) for people to seek resource consent if they are committed to pursue it.

- Location - Opportunity for different forms of housing should be maximised across all locations, but Council can provide particular leadership in signalling certain locations are more suitable, both currently and in the future, by unblocking some constraints. Where there are areas of particular suitability resulting from the analysis, there should be a more enabling process.
- Form - There is a need to maximise the development potential of every site to help meet demand. A clear framework approach is required that provides for a variety of form and approach.
- Feasibility and Non-Regulatory Options - Council needs to improve its understanding of risk associated with higher density residential developments including time, costs and little profitability. Action is required to improve the feasibility of such developments. Council should be a facilitator not just a regulator. Council should explore ways of making internal systems more streamlined and helping applicants through the decision making process. Council needs to improve the efficiency, positive support and consistency of plan administration.
- Regulatory - The TRMP has to be not only much more enabling in terms of outcomes, but also more positive and encouraging in terms of setting up that framework. The TRMP needs to support change in Richmond to meet the community's changing needs as a priority. Controlled activity status for subdivision and land use consents is favoured but a Restricted Discretionary status for each could be appropriate if:
 - i) there were clear non-notification provisions
 - ii) the policy framework was written to enable and encourage intensive housing as an inherently beneficial outcome for Richmond that should occur where possible.
 - iii) there was a framework of "Permitted" bulk and location controls that give basic certainty for developers.
- Stormwater – This is the number-one constraint affecting intensive housing in Richmond. An “acceptable solutions” approach based on Permitted activity status in the TRMP is desirable. Enabling regulatory provisions should be accompanied by a public information programme about reasonable expectations for stormwater management.

A recognised constraint to urban development is notification of resource consents, as it causes increased costs and can cause delays. Clear non-notification provisions were acknowledged as a key requirement by the advisory group that informed Tasman's intensification plan change (plan change 66). Consequently council decided in its decisions that applications for RC for controlled subdivision within Richmond intensive development area (RIDA) that comply with the conditions of this rule would be non-notified (without limited and public notification). Restricted discretionary applications for subdivision within RIDA that comply with the conditions of this rule are decided without public notification. Restricted discretionary applications for building construction or alteration within RIDA that comply with the conditions of the rule are also decided without public or limited notification.

Can you identify provisions that are enabling higher density urban development in local authority plans that could be provided for either nationally or in particular zones or areas?

During preparation of Plan Change 66 to the Tasman Resource Management Plan we evaluated the appropriateness of key provisions in our s.32 report. It was apparent from that evaluation that different provisions are required according to the area being rezoned. It is not a case of one size fits all, as it depends heavily on the prevailing typology of the area. When retrofitting a higher density to an established area, it is the impact on those existing dwellings that is a constraint, during the period that the area transforms to higher density.

It is not clear from the consultation paper what activity status the prescribed rules from Government may have but presumably they would be permitted? In this case it is very difficult to

write permitted rules that will work in every situation and not have an adverse effect on neighbour's amenity, for example in relation to building height. Such rules need to sit within a set of complementary provisions that, in combination, are designed to protect neighbours and neighbourhood amenity (eg on setbacks from road and title boundaries, outdoor living areas and access.)

In relation to the example rule on minimum floor areas/apartment sizes, the Tasman RMP sets no minimum size for house footprint, but private developer covenants do sometimes apply minimum floorspace thresholds and limit certain design/types of buildings in subdivisions. Tauranga City Council research into this issue has shown that private developer covenant can increase the cost of both sections and building. The Productivity Commission looked into covenants as part of its inquiry into land and housing. In its final report entitled "Using Land for Housing", September 2015, the Commission noted that:

"Private covenants can be a barrier to growth by restricting the current and future development capacity of land. Yet they can also create incentives for development and allow private individuals to make arrangements that increase their wellbeing. The Commission does not see a strong case to regulate the content of covenants or give local authorities the power to overturn covenants. However, the Commission considers that time limits on covenants, and reforms which make it easier for landowners to modify or extinguish covenants, have merit."

Examples of key provisions evaluated for Plan Change 66 are provided below, that show the tensions between changing one rule and the impact on urban form and environmental effects:

Number of storeys/building height - In enabling site design flexibility for developers by increasing permitted residential building height, this may subsequently impact on privacy of neighbours, if the rule does not sit within an adequate framework. If a significantly increased height was permitted it could lead to residents erecting fences and walls which have their own effect on urban form, street scene, natural surveillance of public spaces. Consideration was given to further increasing building height from 7.5m to 10m (three storeys) as a permitted rule, but due to the knock on effect on dwelling size (due to compliance with height to boundary rule) it was not proposed as a permitted rule at this stage. A restrictive discretionary level of consent was chosen for building construction and alteration for the intensive area, in order that consent could be refused should Council consider that the matters of restricted discretionary that apply to the rule on building height are not adequately addressed

Density and subdivision standards - To enable intensive housing, lot size and site coverage need to be reviewed in the rule framework. Environmental effects such as poor amenity could be more than minor from such rules by themselves and maintaining privacy is an important aspect of intensification. Rules on lot size and coverage therefore need to sit within an overall coherent framework that addresses potential environmental effects arising from other design restrictions, e.g. building envelope, setbacks, outdoor living space, height, building length, etc. to minimise such environmental and economic cost.

Building setbacks - Side boundary setbacks in the TRMP can lead to inefficient space that is not usable, particularly side boundary setbacks. However if setbacks are inadequate with denser dwellings, adverse effects on neighbour amenity and privacy can occur. Conversely multiple setback requirements can become difficult for applicants to incorporate in a small development and it can add unnecessary complication. The proposed privacy controls were ultimately based on existing rules in the TRMP, other councils' rules and discussions held with the stakeholder group (RRAG). They have been tested by Officers, using live proposals and are proposed as efficient and effective controls while enabling intensification. Instead of proposing a rule on window privacy, an amendment was included to the accompanying Urban Design Guide which encourages sensitive placement of windows in dwellings in close proximity.

Relief sought: In relation to our response to the previous question and a constraint to urban development being notification of applications, provisions nationally that discourage notification

of applications for intensification that comply with the rules could be encouraged. The proposed NPS-UD could remind councils to encourage use of sections 95A and 95B of the RMA where a rule in the Resource Management Plan can preclude public and limited notification of an application.

Should a minimum level of development for an individual site be provided across urban areas (for example, making up to three storeys of development a permitted activity across all residential zones)?

No see above.

Using market information to make decisions (see discussion document, page 45)

Question 12. Do you support requirements for all urban environments to assess demand and supply of development capacity, and monitor a range of market indicators? Why/why not?

Position (Not specified) Yes Somewhat No Unsure

Notes

As medium growth authorities under the NPS-UDC we have found the monitoring, reporting and capacity planning requirements to be useful, informing all areas of work across Council. Tasman District Council has always undertaken its own growth planning to inform its LTPs but monitoring and reporting inbetween prior to the NPS-UDC has been less regular. The adoption of a joint FDS with Nelson City Council has been very useful in articulating capacity planning. It is hoped that it will also lead to efficiencies in infrastructure planning across the two regions.

Will the MHUD dashboard of indicators be extended to include prices and rents for business land? The data available on business is much less than residential currently.

We agree that the price efficiency indicators for urban environments work less well, with the exception of the price cost ratio. This is often because the urban area is shared between two Councils' jurisdictions and hence the data does not fit as well as for cities.

Taking into account issues of concern to iwi and hapū (see discussion document, page 48)

Coordinated planning (see discussion document, page 50)

Question 14. Do you support amendments to existing NPS-UDC 2016 policies to include working with providers of development and other infrastructure, and local authorities cooperating to work with iwi/hapū?

Position (Not specified) Yes Somewhat No Unsure

Notes

Both Councils worked with iwi/hapu, NZTA, the DHB and Ministry of Education when preparing the FDS, as well as a large range of other stakeholders. We agree this is important and hope that in implementation of the FDS an ongoing relationship will be maintained with these infrastructure providers. Working with such providers is easier once an FDS is being prepared or is adopted. It was much harder to work with infrastructure providers with special housing areas as they were ad hoc and often unplanned. Infrastructure providers were in a position of reacting to proposals belatedly rather than involved in the planning for them.

Timing (see discussion document, page 53)

Question 15. What impact will the proposed timing for implementation of policies have?

Notes

Since our Councils are not designated as a major urban centre, these directive policies from the NPS that would need to be implemented via plan changes within 18 months do not apply. However if they did apply the timing would be awkward since we have both embarked on a review of our Regional Policy Statements, District and Regional Plans.

Guidance and implementation support (see discussion document, page 55)

Question 16. What kind of guidance or support do you think would help with the successful implementation of the proposed NPS-UD?

Notes

- Ongoing guidance with monitoring reports and the status of some of the Government's indicators on the MHUD dashboard.
- Increased data on business markets on the MHUD dashboard
- Assistance with the new feasibility methodologies outlined on page 73 of the proposed NPS-UD
- Some best practice for incentivising intensification would be useful.
- Page 72 comments that HBAs that have been undertaken to date could have provided some additional information. Such as *"more explicitly considering the impacts of increased capacity on housing affordability"*. There is no Government guidance on this currently and it is needed. The proposed NPS-UD fails to comment on ways to improve affordability. The rationale behind the proposed NPS-UD seems to be that an increase in housing supply and increase in density will improve affordability, however no evidence is provided to prove this. There are a number of factors that influence affordability, as outlined in the response to question 6. Evidence indicates that higher density housing in some locations (e.g Nelson urban area) is built for the higher end of the market, which only exacerbates unaffordability.

Alignment with other national direction under the RMA (see discussion document, page 57)

Question 17. Do you think there are potential areas of tension or confusion between any of these proposals and other national direction? If so, please identify these areas below and include any suggestions you have for addressing these issues.

Position (Not specified) Yes Somewhat No Unsure

Notes

The consultation paper does not make many links with the proposed NPS on highly productive land and indeed at times seems to work against it (e.g. proposal on page 16 to direct local authorities of MUCs to consider plan change requests for urban development in locations that are out of sequence or outside of areas identified.) This is in comparison with the proposed NPS-HPL, where e.g. policy 3 makes the link between the two NPSs.

The statement on page 58 *"The NPS-UD's increased focus on higher density development.....complements the NPS-HPL, as it will help alleviate pressure for outward development onto the highly productive land resource."* This statement is only true if

intensification works and is successful. It is questionable whether the proposed NPS-UD goes far enough in ensuring that intensification will be delivered, due to infrastructure funding constraints and lack of guidance on how to incentivise intensification.

We have outlined the confusion in the proposed NPS-UD surrounding funding of infrastructure for growth under an earlier question.

The following is suggested as a hierarchy that could be incorporated into the proposed NPS-UD:

- (a) 'give effect' to the National Policy Statement for Freshwater Management;
- (b) 'give effect' to the New Zealand Coastal Policy Statement;
- (c) 'have particular regard' to the National Policy Statement for Indigenous Biodiversity;
- (d) 'consider' National Policy Statement for Highly Productive Land;
- (e) 'consider' National Policy Statement for Renewable Electricity Generation; and
- (f) 'consider' National Policy Statement on Electricity Transmission.

Question A3. Are the margins proposed in policies AP3 and AP12 appropriate, if not, what should you base alternative margins on? (for example, using different margins based on higher or lower rural-urban price differentials)

Position (Not specified) Yes Somewhat No Unsure

As a urban environment under the proposed NPS-UD, we understand from a MHUD response received to a question, that we could apply demand margins where it makes most sense to do so, or not at all.

Question A5. Do you support the approach of targeting the HBA requirements only to major urban centres? Why/why not?

Position (Not specified) Yes Somewhat No Unsure

Notes

See answer to question 12