

Submission by

Hamilton City Council

PLANNING FOR SUCCESSFUL CITIES: A DISCUSSION DOCUMENT ON A PROPOSED NATIONAL POLICY STATEMENT ON URBAN DEVELOPMENT

17 October 2019

1.0 Introduction

- 1.1 Hamilton City Council (HCC) welcomes the opportunity to make a submission on the Proposed National Policy Statement for Urban Development (NPS-UD).
- 1.2 HCC is broadly supportive of the revised NPS-UD with its wider scope on delivering on more aspects of the Urban Growth Agenda, long-term strategic spatial planning and fostering quality urban environments as well as intensification by growing up as well as out.
- 1.3 Good spatial planning is critical to enabling growth in the right places to meet the demands of communities and encourage quality liveable urban environments. HCC also supports the increased emphasis on providing for changing amenity values.
- 1.4 This NPS-UD places increased emphasis on councils using their Housing and Business Analysis (HBA) evidence-base for planning for future intensification areas - both in existing brownfield and future greenfield areas. HCC supports fostering quality urban environments that support a range of housing typologies located in close proximity to public transport options.
- 1.5 HCC supports the requirements for all urban environments to assess demand and supply of development capacity, as this will enable a better understanding of current local conditions. However, Government still needs to acknowledge that this is constrained by infrastructure funding and alignment of the HBA work with the Long-Term Plans of councils.
- 1.6 HCC supports the increased weight proposed under the RMA given to the strategic objectives and outcomes in the Future Development Strategy (FDS), which sets the bigger spatial picture for the city and metropolitan regions.
- 1.7 It is considered important that the FDS aligns with existing strategic spatial planning initiatives like the Hamilton to Auckland (H2A) Corridor Plan and Metropolitan Spatial Plan in addition to current established regional growth strategies like Future Proof. Indeed, it is likely some of these existing spatial programmes, with the support of Treasury and the Ministry for Urban development (MHUD), will embed future FDS work.
- 1.8 A stronger link between the Local Government Act, Resource Management Act (RMA), and Land Transport Management Act should be required through the NPS-UD. We also note the importance of Te Ture Whaimana o Te Awa o Waikato the Vision and Strategy for the Waikato River as the primary direction-setting document for the Waikato and Waipa Rivers and their catchments.
- 1.9 HCC consider that greenfield development should be restricted unless certain criteria are met, or that they have been through existing Government supportive spatial planning initiatives, and that the costs of infrastructure (including three-waters management infrastructure) associated with

unplanned greenfield development, would need to be met by the developer or alternative Government funding and financing mechanisms that may become available.

- 1.10 Greater recognition needs to be given in the proposed NPS-UD around the cumulative effect of increased out-of-sequence development on the existing infrastructure network.
- 1.11 Our submission focuses in more detail on those key areas of how Government defines what is meant by quality urban environments, the proposed intensification objectives and how best to plan for greenfield development. There is also commentary in the Appendices on the carry over policies from the NPS-UDC, especially the price efficiency indicators, take up and business demand projections.

2.0 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?

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?

- 2.1 HCC supports the NPS-UD, which aims to support quality urban environments while making room for growth, although the detail on how quality is defined and what the parameters are for accepting that growth cannot occur everywhere (given infrastructure funding and financing constraints) needs to be acknowledged.
- 2.2 The approach of concentrating development around identified urban centres, with clear parameters around greenfield developments, aligns well with current spatial planning work and recent transport infrastructure investments (e.g. passenger rail) in the Hamilton to Auckland corridor.
- 2.3 The NPS-UD will only meet expectations if the necessary infrastructure to support intensification is planned for and able to be funded – in this respect we note the importance of the Productivity Commission’s current Inquiry into Local Government Funding and Financing. The Commission’s discussion document states that the NPS-UD will be supported by new tools for infrastructure funding and financing and investment in modern transport systems.
- 2.4 There are non-statutory tools available that are more effective in setting the national framework in defining what is meant by quality urban environments, such as the existing mandated 7 Cs of the New Zealand Urban Design Protocol, of which most major urban centres are signatories. This is already managed by MFE and would be an easy reboot of this non-statutory guidance that has already been embedded in many councils day-to-day practice.

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

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

- 3.1 Yes, the approach of targeting the most directive policies towards fastest growth urban environments is supported, although there needs to be further clarification of what is captured by Major Urban Centres when it comes to intensification policies proposed. For example, in Hamilton’s case, are the intensification policies only relevant to the city, or does this also apply to townships of Cambridge and Te-Awamutu, given the definition of an urban environment?
- 3.2 The impact of the proposed intensification policies on these smaller town settlements would be materially different to providing for intensification of 60 DPH within 1.5km of the city. Conversely, there needs to be clarification for inter-regional coordination under proposed Policy P10A that may be affected by the definition of ‘urban environment’.

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

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?

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

- 4.1 HCC supports the increased weight and importance attached to the Future Development Strategy (FDS). The precise role of the FDS in the wider RMA planning framework needs to be made clear and there is still uncertainty on the statutory weight afforded to these documents in the context of the greenfield policies that are being proposed.
- 4.2 The timing of producing the FDS needs to be better aligned with a councils LTP delivery. The removal of arbitrary timeframes is also therefore supported. We note that it is intended for Future Development Strategies (FDSs) to inform Resource Management Act (RMA) plans as well as Long-Term Plans (LTPs) and Infrastructure Strategies required under the Local Government Act 2002 and Regional Land Transport Plans (RLTPs) under the Land Transport Management Act 2003.
- 4.3 It would be helpful if the relationship of the FDS to these existing strategies is better articulated in the NPS-UD. Government is encouraged to look at SOLGM's timing for LTPs for the lead-in time for an FDS to be of best input.
- 4.4 The FDS needs to be underpinned by the capacity assessments undertaken in HBAs, but equally infrastructure funding and financing needs to be addressed to inform sequencing of future growth cells and funding gaps identified in the FDS.
- 4.5 Timing of an approved FDS for Hamilton will need to align with the other spatial planning initiatives currently underway in the H2A and Metro Plan. It is considered that the FDS could, in part, be informed by these existing documents and initiatives with their own consultation and governance to avoid unnecessary duplication.
- 4.6 Ideally, the adopted FDS will set the framework for strategic chapters of District Plan reviews, noting that these are less flexible and not reviewed every three years. Consideration should be given to explicitly providing for a streamlined path for amending District Plans and Regional Policy Statements to give effect to an FDS that recognises the requirements for public consultation under P1F.
- 4.7 The requirement to update the FDS every three years has the potential to create uncertainty in public and private investment and create planning churn. At the three-year point a review should be undertaken, where shown to be necessary by the most recent HBA.
- 4.8 The allocation of development across existing and future urban areas is challenging as different councils will have different planning and infrastructure pressures and work to different District Plan and Infrastructure Strategy review timeframes.
- 4.9 There are always strategic benefits for other local authorities undertaking strategic spatial planning processes, whether this is just within their own jurisdictional boundaries or wider. However, this needs to be weighed against their own residential, employment and community pressures and what the wider strategic benefits of what can be a time and resource intensive collaborative process.

5.0 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?

Do you support the features of quality urban environment stated in draft objective O2? Why/why not?

What impacts do you think the draft objectives O2-O3 and policies P2a-P2B will have on decision – making?

- 5.1 HCC supports the proposed approach to enable a range of housing choices, working environments and business locations. Enabling density and provision for a range of uses has the potential to create more vibrancy and mixed use in identified centres.
- 5.2 Reflecting and having regard to heritage and cultural heritage in the urban environment needs to be a clear policy rather than just left in the preamble, otherwise little weight would be given to this when deciding what constitutes a quality urban environment. This is especially important with the policy emphasis for intensification in the NPS-UD.
- 5.3 HCC supports a clearer objective on what is meant by quality urban environment, but this needs to be articulated better than proposed Objective O2. We consider there is opportunity here to refer to the MFE Urban Design Protocol and well established 7Cs, which is already mandated, but could be given increased weight as an objective. The objective as it stands is unclear.
- 5.4 The matter of precedence in giving urban design due consideration in the assessment of an application has been previously established in Section 34(1)(e) of the Housing Accord and Special Housing Areas Act 2013 (HASHAA). This gives weight to the key urban design qualities expressed in the MFE's *New Zealand Urban Design Protocol (2005)* and any subsequent editions of that document.
- 5.5 Objective O2b) is not supported. Providing business with economies of scale is not considered relevant to a quality urban environment – what does this mean or encourage?
- 5.6 Objective O2d) is not supported. What is meant by responding to challenging needs and conditions? What does this mean and how does it encourage quality urban environments?
- 5.7 There is no mention of character, context or choice. If this NPS is to encourage quality intensification there needs to be an appreciation of local context of the existing urban fabric, what is already special about an area, and how infill can be sensitively incorporated into areas which have a character and heritage that should be enhanced or acknowledged.
- 5.8 Objective O3 is not supported. The way this is written is open-ended and meaningless unless quality urban environments is better defined in O2, and arguably not needed if Objective O1 is drafted correctly with regards to enabling development.
- 5.9 Policy P2a) is supported.
- 5.10 Policy P2Ab) is not supported. It is not for quality urban environments to limit adverse impacts on the competitive operation of land and development markets. There are numerous exogenous macro-economic factors at play outside the control of a council that have a bearing on this, as well as labour costs, materials, innovation, bank lending etc. This policy also has no bearing on providing for a quality urban environment. We suggest that it is removed.
- 5.11 Policy P2Ac) is supported. Providing for a range of dwelling types, locations and business locations is supported.
- 5.12 Policy P2Ad) is not supported. Again, the competitive operation of land and development markets is not a function of the RMA. One needs to put themselves in the position of a consenting planner, and how they would reasonably and fairly assess an individual application and its adverse effect on the competitive operation of development markets.
- 5.13 Policy P2Bb and P2Bd) assessing the benefits and cost of urban development at the national and inter-regional scale is a 'lofty' policy and hard to determine, depending on the scale of a consent application and could have conflict between the local and national considerations. This policy would largely depend on access to and ability to leverage alternative funding and financing tools.

5.14 The ability to assess the spectrum of cost-benefits at the regional and national scale would be easier for spatial plans policy-making, but not considered helpful when making decisions on individual TA consents, particularly given statutory timeframes and cross-boundary consultations that would be required.

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

6.1 HCC supports in part Objective O4. Amenity can change over time and new development can create amenity or contribute to existing amenity values. It is considered local communities, Iwi and TAs are best placed to determine what amenity values are and this could be explored by councils through early engagement and consultation exercises.

6.2 The proposed objective is very broad and undefined – what is meant by the diverse and changing amenity values? What is considered amenity to one can be different to another and is subjective - some clear examples should be provided.

6.3 The NPS-UD needs to make it clearer that new development, can if it is done well enhance amenity and have a positive outcome rather than just be seen to stifle existing residential amenity or seen as negative by those wanting to maintain the status quo.

6.4 The current RMA is geared towards assessing the existing environment not 'what could be'. Plans need to identify what areas have recognised character or heritage characteristics that should be maintained and those areas that are expected to change and what this could look like.

6.5 Policy P3A is not supported. Again, it is difficult to see how a consent planner would assess an application against Policy P3A a) and b) – anyone could argue that their application for housing is providing for amenity among individuals and communities and it changes over time. Equally, an individual could argue that new development is varying their existing amenity and there is a change which is unsupported.

6.6 One alternate approach is that District Plans identify what amenity is for the zone and how applications would be assessed against them. One option is where intensification is proposed - these are assessed against community expectations for an area and communities are asked what type and where intensification should occur first.

6.7 An alternative way to address urban amenity would be to stipulate that councils need to undertake 'blueprint' or community planning exercises prior to rolling out intensification zoning.

6.8 Communities, through neighbourhood plans, could identify what is special about an area, what they consider amenity could look like as an area grows, but also acknowledge that there is a need to make room for growth in other areas. Unless this work is done first, then intensification will be ad-hoc and developer-led, with the community automatically resorting to a defensive or status quo behaviour as they have not been consulted or notified.

7.0 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).

7.1 Do not support. A mandated focus on take-up will not result in development opportunities that more accurately reflect demand. The key issue with the use of past take-up as a key indicator of future demand is that take-up to date is only reflective of constrained demand which has occurred to date.

8.0 Question 7. Do you support proposals requiring objectives, policies, rules, and assessment criteria to enable the development anticipated by the zone description? Why/why not? Do you think that amenity values should be articulated in this zone description? Why/ why not?

- 8.1. HCC supports this proposal, requiring objectives, polices and rules to ensure zones provide for anticipated development. Most District Plans already set outcomes and objectives for their respective residential and commercial zones. Hamilton has several business zones already in its District Plan where an expected level of commercial and residential land use is anticipated and further qualified by floor area and planning activity status.
- 8.2. Hamilton already differentiates between general-residential, medium-density residential and intensification-residential zoning and the various typology outcomes expected in these zones with accompanying height, scale bulk and location rules. These, together with assessment criteria, are already directing expectations for that zone.
- 8.3. HCC has recently undertaken its own Regulatory Efficiency and Effectiveness Plan Change (Plan Change 6 REEP), which has already looked at how effective some of the rules and provisions in the plan are in terms of customer efficiency and delivering the outcomes expected in the plan.
- 8.4. Policy P5A would be an alignment issue in terms of many District Plans are likely to be lagging behind recent spatial planning and FDS initiatives. In time, the FDS would likely inform the strategic framework for District Plans and align with growth and new intensification areas and expected levels of amenity identified. HCC supports the implementation and monitoring of proposed policy P5a and b. The next District Plan review would be the time to align the FDS spatial objectives.
- 8.5. Amenity values should be articulated if relevant to the zone description. This is already done in terms of broad amenity areas identified in Hamilton’s District Plan e.g. river amenity, promenade, open spaces. Amenity outcomes communities can expect in their urban environments that it will depend on what has been identified by whom and through separate engagement processes. Amenity values for one community might differ from another community, depending on a case-by-case basis.
- 8.6. Policy P5D a)-f) is not supported – HCC would like to see some case law examples here of planning decisions that have taken into account NPS development capacity matters. There needs to be some guidance on the weighting given to FDSs, especially if this Policy is to apply immediately in all planning decisions as proposed.

9.0 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)

- 9.1 Intensifications objectives are broadly supported, although there needs to be clarification of what is meant by increasing density in areas where benefits are best realised. Is this for the developer, the community, the neighbouring authority or council balance sheets?
- 9.2 Objective O7 is supported in part. Proposed policies under Objective O7 rely on existing or planned active transport and public transport networks to enable higher-density development in Policy 6A. The inference is therefore that RLTPs will need to respond as the legal mechanism by which regions will access transport funding through the National Land Transport Plan and National Land Transport Fund.
- 9.3 The decision on whether to intensify needs to be underpinned by several considerations, such as:
 - The need to intensify based on housing and business capacity assessments.
 - The availability and funding of infrastructure.
 - The availability of existing or planned mass transit option and over what timeframes. Is it acceptable, for example, to direct intensification if there are no planned mass transit networks

- for the next 5-10 years?
- The demand, identified housing preference and need for more intensive typologies.
 - The alignment and policy direction of the NPS-HPL.
- 9.4 P6C Option 1 - the descriptive approach is preferred as this gives more scope and independence to local authorities to decide on location-given local constraints. The NPS-UD and HBA capacity requirements will force the shift in councils reviewing the capacity and planned capacity of its growth areas and exiting infill areas. It does not preclude councils from identifying intensification nodes as Hamilton does now for example.
- 9.5 Option 2 a) is little different to Option 1, except that it refers to the 800m walkable catchment, with exemptions which are not qualified.
- 9.6 Option 2b is not supported and is far too prescriptive to require high density zoning for all residential land and mixed-use zones within a blanket 1.5km radius of city centres. This is likely to conflict with existing local constraints, whether it be physical, character, or heritage areas. This 'carte blanche' approach takes no account of local circumstance, existing infrastructure capacity or status of existing transport networks.
- 9.7 This approach does not follow good urban design or placemaking where higher density should be considered holistically and where it is appropriate based on a wider understanding of infrastructure and mass transit options available or planned in future LTPs to align with community facilities and evidential need.
- 9.8 The proposed density of 60 dwelling per hectare (DPH) needs to be clarified as to whether this is net or gross measurement. DPH is a universal notation and preferred rather than minimum floor area per hectare, which does not readily lend itself to density measurements and is open to interpretation on whether a floor area is covered, uncovered, habitable etc.
- 9.9 The impact of this policy on current consenting decisions will be problematic when the underlying base zoning might be for general residential, which for many areas of New Zealand is only 8-12 DPH. Moving from an assessment of standalone typologies with the existing parameters of site coverage, amenity, parking and setbacks and scale to inserting a requirement for 60 DPH with little consultation or prior placemaking will likely meet some resistance from communities.
- 9.10 Intensification polices need to be consulted on first with the community to highlight where these areas might best be placed and what the compensatory offsets might be in terms of shared amenity space or improved public transport options. Just zoning ALL residential and mixed-use areas high density will inevitably create conflict with existing vehicle demands and leave councils unprepared for the upsizing and stress upon existing brownfield infrastructure and three-waters servicing.
- 9.11 Policy P6Da is supported in part, but with the following proposed amendments:
- I. The site is in an area that is identified in the District Plan and required under the NPS-UD to enable intensification.
 - II. The development will provide a greater choice of housing as identified by typology and for the timeframes shown in the NPS-UD.
- 9.12 It is considered the above changes need to be more transparent and accountable in decision-making - the consent planner will need to know what area and what typology is needed over which timeframe, otherwise what is meant by choice? And for whom?
- 9.13 Depending on individual councils HBAs, the level of detail will not necessarily anticipate where the future infill capacity areas are to go as this will be the responsive part of the FDS and then considered in the next Plan Review.
- 9.14 In other words, where to intensify and in what area is unlikely to be worked through until the next plan review and so Policy P6D cannot apply immediately. The areas will need to be informed

through the correct S.32 analysis with knowledge of infrastructure capacity constraints.

10.0 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?

- **How could the example policy better enable quality urban development in greenfield area?**
- **Are the criteria in the example policy sufficiently robust to manage environmental effects to ensure a quality urban environment, while providing for this type of development?**
- **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?**
- **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?**

- 10.1 HCC broadly supports the proposal for providing for out-of-sequence greenfield development policy, although as currently written the example policy is not considered sufficiently robust to manage environmental effects to ensure a quality urban environment.
- 10.2 Out-of-sequence greenfield development needs to be aligned with strategic growth strategies, existing strategic agreements and the outcomes of the FDS, or subject to selection criteria that can robustly assess and prioritise greenfield sites based on their merits.
- 10.3 Sequencing of greenfield development needs to consider the ease of servicing, benefit to the community and whether environmental effects can be managed - and importantly that the full cost of development (including on the wider network) can be met or planned to be met by alternate funding and financing mechanisms such as SPV or through acceptable development plans as part of future Urban Development Authorities.
- 10.4 This 'open on all fronts' policy does however, lead to uncertainty in infrastructure programming and can have the unintended effect of directing investment and certainty away from existing planned investments.
- 10.5 There is a balance to be struck between being flexible and responsive and being too reactive to unplanned and unaligned plan changes that can be resource intensive and dependant on time consuming and expensive private development agreements to secure the necessary infrastructure funding.
- 10.6 There would need to be a proper consideration of effects and alignment with the proposed NPS-HPL. This includes the future cumulative effects of developments, and councils need to be able to pass the costs of these effects on when assessing impacts of new greenfield development.
- 10.7 Out-of-sequence development or plan changes need to be better considered against the strategic planning framework, growth strategy, FDS or approved spatial plans. Options or call for sites could follow a similar Local Area Assessment (LAA) process to that used in the UK, where there is a call for sites on a rolling basis for site inclusion in District Plans. This enables a proper consideration of sites against other competing NPSs and time to assess actual availability and 'take up' of plan development in plan change proposals before investing time and resources.
- 10.8 The developer should pay and recent examples of SHAs is how this would likely play out. There are difficulties when there are arguments around upsizing or expectations that the developer future

proofs their site to accommodate the 'next stage' of development in the network. Sites through the LAA process would only be brought forward for plan change consideration with full knowledge of the expectations for infrastructure service and delivery.

- 10.9 The use of a similar LAA process would help councils better target or prioritise those sites more able to meet demand in suitable locations for certain typologies. Sites could be selected based on their proximity to transport nodes, existing or future planned nodes in an FDA and with a knowledge of ability to service or how the site fits into the wider mass transit and infrastructure network.

11.0 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? Which proposed option could best contribute to achieving quality urban environments?**
 - **What would be the impact of removing minimums in just high – and medium- density commercial, residential and mixed-use areas, compared with all areas of a major urban centre?**
 - **How would the 18month implementation timeframe impact on your planning processes?**
 - **What support should be considered to assist local authorities when removing the requirement to provide car parking to ensure the ongoing management of car parking resources?**
- 11.1 HCC supports the modal shift towards alternative public transport options and has already removed the minimum parking standards for land use within its most intensive Central City Zone of its District Plan. However, caution is advised should this approach be applied to all zones as the success will depend on the existence and funding of alternate transport options in the area or zone concerned.
- 11.2 Removing car parking requirements will not necessarily equate to increased public transport use, particularly in major urban centres that do not have particularly good public transport networks, or the funding for this. Car owners will find other ways of parking, shifting on-site parking into surrounding commercial, industrial and residential streets. This will lead to congested streets with adverse amenity and safety issues.
- 11.3 HCC agrees that there are benefits to removing minimum parking standards in targeted locations and this can include the more efficient use of land. In some cases, it will make developments more viable and encourage better urban design and healthier communities with less reliance on the motor vehicle, but this needs to be tempered with the availability of alternative transport options available at the time.
- 11.4 The discussion document states that the parking removal policy does not extend to accessible parking or the provision for electric vehicle charge points or car share services. Local authorities play a key role in ensuring the transport disadvantaged are catered for, so accessible parking provisions are still required.
- 11.5 The 18-month timeframe is considered too short, given the National Planning Standards implications and the work required on alternate mass transit plans which should set the strategic direction on preferred location and identify funding needs of alternative transport options before removing car parking standards across all zones.
- 11.6 HCC supports Option 3, P7A in that District Plans must not regulate car parking using minimum parking requirements in medium and high-density residential, commercial and mixed-use areas. This option would best align with the proposed policies on intensification, providing this option is supported by good access to existing or planned active transport and public transport networks.

11.7 Given the above, the NZ Transport Agency should support councils through funding and planning and integrated transport cases that assist local authorities to develop and implement their alternate transport options.

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

- 12.1 HCC cautions more direct intervention to enable quality urban development without first understanding the implications of replacing or removing rules in District Plans. The Government's position is predicated on the assumption that planning regulation is the sole reason for restricting development, when there are in fact a range of exogenous market factors at play.
- 12.2 There needs to be a clear causal link and justification that certain rules, whether that be height or site coverage, have a proven impact on market feasibility and they are adding costs that are hindering development opportunities. A cost-benefit analysis needs to be undertaken on what the community and environmental impact of removing such rules would be before a national environmental standard is imposed.
- 12.3 Removal of height restrictions in more urban central city locations may be appropriate. However, in general residential locations where this an expectation of residential amenity, tall buildings may not be appropriate given the shading, bulk and scale issues that may arise. Equally, site coverage standards are likely to be in place to ensure a level of permeability, reduction of surface water runoff and protection of healthy rivers.
- 12.4 The removal of private outdoor space may be appropriate in certain locations where there are opportunities for wider borrowed amenity from public or shared outdoor spaces - but how is this assessment undertaken? There is only so much leverage one can use in terms of proximity to shared-spaces - what is this distance and is the shared space genuinely available, accessible and useable for all?
- 12.5 HCC accepts the view that minimum lot sizes, subdivision standards and density controls in urban environments can be unduly constraining. However, we caution that if removed, that this should be done with care so that other development controls and/or design standards such as controls on site coverage, impervious surface, daylight access, privacy, bulk etc. can be included to ensure good urban design and environmental outcomes.
- 12.6 The removal of minimum floor areas/ apartment sizes also needs to be considered in terms of urban design standards, daylight and practicality of habitable living spaces for the occupants. It is agreed however, there needs to be a range of typologies to provide great choice, variety and price point in the market.

13.0 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?

- 13.1 **Support, in principle.** HCC supports requirements for all urban environments to assess demand and supply of development capacity, as this will enable better understanding of current local conditions. However, the current suite of market indicators provided by MHUD require further review to ensure these are all fit for purpose, resourced appropriately and provided as per a set timetable.
- 13.2 **HCC does not support the** use of price differential indicators, see response to question A3 below.

14.0 Question 13. Do you support inclusion of policies to improve how local government works with iwi, hapū and whānau to reflect their values and interests in urban planning? Why/why not? How do you think local authorities should be directed to engage with Maori who do not hold mana whenua over the urban environment in which they now

live?

- 14.1 HCC seeks to ensure Maaori interests are identified, the principles of Te Ture Whenua Maaori Act 1993 and the Treaty of Waitangi are upheld, and Treaty settlements are honoured in any urban development project and that there is provision for meaningful engagement.
- 14.2 HCC supports collaboration and effective partnerships and having early and meaningful engagement with Maaori and offering Maaori opportunities to participate in urban development projects. This is especially important in the Waikato, and any future project should also ensure the Vision and Strategy for the Waikato River is also given effect to as part of any future development plan.
- 14.3 We understand the intent to include consultation with Maaori who reside within a main centre but do not hold mana whenua over the urban environment where they live.
- 14.4 HCC should seek to connect and engage with whanau or other Maaori groups who are not Mana whenua, understanding that their connection to the place is different to mana whenua. Engagement should be designed around the principles of the Treaty of Waitangi.
- 14.5 HCC therefore supports proposed Objective O9 and policies P9A and B so that local authorities provide opportunities for Maaori to be involved in decisions that shape their urban and natural environment.

15.0 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?

- 15.1 HCC supports Objective O10, which seeks integrated and coordinated cross-boundary infrastructure land use and decisions. This is considered especially relevant to FDS and Metropolitan Spatial Planning in the future.
- 15.2 HCC supports Policy P10A b), which seeks increased collaboration for the NPS-UD and HBA to cooperate and agree principles and practices for partnering with iwi and hapū.

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

- 16.1 HCC supports the proposal to remove the rigid timeframes imposed in the first rounds of HBAs and their recognition that they did not align with LGA planning and LTP cycles. Government should also realise that there are several competing demands on existing resources and therefore capability is not built up in the space of six months.
- 16.2 HCC would like to caution that the proposed 18-month timeframe from the gazettal of this new NPS to notification of intensification plan changes is too tight and limiting, particularly given the alignment with National Planning Standards and infrastructure modeling capacity work that would be required as an evidence-base for future intensification plan changes.
- 16.3 There also needs to be consideration of the timeframes for new settlement patterns and identification underway through current collaborative cross-boundary spatial planning and mass transit exercises that are already underway.
- 16.4 HCC does not therefore consider 18 months a reasonable or practicable timeframe for major urban centres.

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

- 17.1 The support for the first round of NPS-UDC can best be described as ad-hoc and inconsistent from Government, with delays between gazettal and the release of guidance, rendering much of the guidance largely ineffectual by the time it was released. There have been a range of consultants and staff which lack a consistent thread and complicit understanding of local government

processes. This needs to change given the potentially far reaching implications of the changes proposed in this NPS-UD.

- 17.2 HCC would like to see a dedicated resource team that supports some of the methodological approaches proposed in the NPS HBA assessment, a clear and regularly updated dashboard on the website on indicators, and targeted guidance on what the Government deems to be a quality urban environment.
- 17.3 We consider urban and environmental design guidance would help with successful implementation of this NPS-UD, with specific crossover to the Urban Design Protocol which could be updated and refreshed to focus more on support for urban intensification, amenity and higher density typology guidance.
- 17.4 While some territorial authorities are well equipped in this area, others are not. A significant intensification of urban form above what currently exists in some urban areas will require high quality urban design to maintain amenity and environmental values.
- 17.5 Finally, there needs to be clear evidence that the Government is aware of and can demonstrate in their engagement and offer of support; alignment with other national direction under the RMA.
- 17.6 The NPS-HPL is, in some cases, at odds with the direction of this NPS-UD when it comes to greenfield development. The NPS-FM, the NPS-IB (especially when considering quality urban environments), not to mention Kiwi Build reset, the proposed Kaianga Ora and assessment of its 'development plans' and of course the H2A spatial corridor initiatives currently supported by the Ministry of Housing and Urban Development and Treasury, all have implications for this far reaching growth agenda.

18.0 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.

- 18.1 HCC consider there is misalignment with the proposed NPS-HPL, the Government's urban growth agenda and the proposed NPS-UD. The urban growth agenda includes narrative of building cities both "up and out" and the proposed NPS-UD provisions enable consideration of greenfield development that is out of sequence or not envisaged by current urban limits or spatial plans.
- 18.2 Whilst Hamilton's own urban limits would be largely exempt from the NPS-HPL classification of LUC 1-3 Class land, in practice many urban areas will either include or have within its peripheral growth boundaries areas of highly productive land which will form part of future strategic agreements, urban expansion areas or integral to spatial planning exercises underway.
- 18.3 The proposed NPS-HPL will largely stymie greenfield area from achieving their intended outcomes, unless there is a coherent planning framework that shows the weighting to be given or the methodology for a clear cost-benefit analysis to be used for local government implementation and decision-making.

19.0 Question 18. Do you think a national planning standard is needed to support the consistent implementation of proposals in this document? If so, please state which specific provisions you think could be delivered effectively using a national planning standard?

- 19.1 HCC supports a national planning standard for clear definition on a) what is deemed to contribute towards a quality urban environment and b) density and typologies – what is meant by apartments, duplexes, standalone dwellings, walk up apartments and mixed use. This will go some way to assist councils to enable the consistent interpretation and implementation of quality urban intensification that has high amenity.

19.2 Outcomes to date from urban development across District Plans indicate that the market and current statutory provisions are not currently delivering quality urban development and high amenity outcomes, particularly while there is inconsistent application of what is expected from medium density and high-density zoning.

20.0 Appendix on Policies for Housing and Business Development Capacity Assessments (see discussion document, Appendix 3, page 67)

Question A1. Do you support the changes to the HBA policies overall? Are there specific proposals you do or do not support? What changes would you suggest?

20.1 See comments against proposed HBA policies in Appendix 1 below.

21.0 Question A2. What do you anticipate the impact of the proposed policies (and any related changes) would be on planning and urban outcomes?

21.1 The impact of these proposed policies, should they be implemented, are indeterminable on planning and urban outcomes. Various outcomes may eventuate however how attributable they will be to the specific policies within this NPS-UD will be hard to discern.

22.0 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)

22.1 **Conditional support** for use of margins in the short to medium-term, provided the margins setting are substantiated by policy analysis and an evidence-base.

22.2 **Do not support** using different margins based on higher or lower rural-urban price differentials.

22.3 Despite numerous requests, the policy analysis and evidence-base or the setting of the margin levels has never been provided and appears not to exist. Given the potential financial implications which these margins may impose on the balance sheet of local government, by way of additional infrastructure provision required, it is unacceptable and irresponsible to simply state that they “appear to be about right”, with no further substantiation for these policy settings.

22.4 The simplistic and overly mechanistic conceptualisation of the connection between what the rural-urban price differentials supposedly illustrate and the release of further capacity via an increase in the required margins reveals a very abstract and detached approach by MFE/MHUD from the actual processes of enabling capacity.

23.0 Question A4. How could these policies place a greater emphasis on ensuring enough development capacity at affordable prices?

23.1 There is limited scope for these policies to place greater emphasis on ensuring enough development capacity at affordable prices as the policy statement already clearly sets out direction for creating broadly enabling urban planning context which does not overly inhibit development opportunities.

23.2 Other policy mechanisms, which would place greater emphasis on ensuring the capacity and/or the provision houses at affordable prices, is the use of inclusionary zoning or similar requirements to work with social housing providers to enable increased supply of affordable housing opportunities to the intermediate market.

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

24.1 In principle, yes. However, in practice monitoring and/or conducting a stocktake of capacity in the sub-region is useful to inform the local picture of supply.

25.0 Further Information

25.1 Should the Ministry for the Environment require clarification of the above points, or additional information, please contact Paul Bowman (City Planning Team Leader) on 07 838 6520, email paul.bowman@hcc.govt.nz in the first instance.

Yours faithfully



Richard Briggs
CHIEF EXECUTIVE

APPENDIX 1. HCC SUBMISSION ON PROPOSED HBA POLICIES:

AP1: Local authorities that have part, or all of a major urban centre within their district or region must prepare or update and publish a housing and business development capacity assessment (HBA) at least once every three years in time to inform the Future Development Strategy (FDS). The purpose of an HBA is to inform Resource Management plans, bottom lines set under policy [P4D] and the FDS, and to be able to inform long term plans (LTPs) prepared under the Local Government Act 2002.

Support. No change required.

AP2: Every HBA must estimate scenarios for total demand for dwellings in the short, medium and long term

Support in principle.

Recommend that the concept of 'scenarios' be flexible enough to contemplate different supply-side interventions (e.g. a range of possible land use zones that could also achieve the NPSUD objectives), population variations (change in household composition) and variation in household income. Noting that irrespective of the range or total number of scenarios, there is a practical, logical, statutory and audit requirement under the LGA to utilise one main scenario.

AP3: On top of the estimate of total demand for dwellings, the HBA must add an additional margin of:

a. 20% in the short and medium term and

b. 15% in the long term.

This number should inform the bottom lines for development capacity that is feasible and likely to be taken up, to be incorporated into local authority plans under policies [P4D, P4E and P4F].

Conditional support for use of margins in the short to medium-term, provided the margins setting are substantiated by policy analysis and an evidence-base. Refer response to question A3 above.

AP4: Every HBA must estimate development capacity for the short, medium and long term for greenfield and existing urban areas according to the table below

Conditional support. This table is inconsistent with other policies that cover the same ground. Either the table remains (but corrected) and the redundant repeating policies are removed, or the table is redundant and removed.

AP5: Every HBA must estimate the difference in dwellings in the short, medium and long term between:

a. scenarios for total demand plus additional margins specified in [AP3] and

b. total development capacity for greenfield and existing urban areas that is feasible and likely to be taken up.

This estimate must factor in any existing shortfall between demand and supply.

Support the intent of AP5 to identify differences in expected demand and enabled supply.

Remove the portion of AP5.b requirement that 'take up' be applied to the medium and long-term.

Projecting current patterns of potentially constrained 'take-up' 20 to 30 years into the future provides no additional assistance or insight into possible future patterns of changes in demand.

AP6: AP6: Every HBA must use price efficiency indicators along with other information including the assessment of feasibility and take up of development capacity, to analyse how plans may affect the supply and price of dwellings.

Support in principle the use of a suite of indicators, and other methods, to determine how planning may affect supply and dwelling prices.

Do not support the compulsory use of the price efficiency indicators currently provided by MHUD as they are not fit for purpose and have not been adequately resourced and updated regularly.

Recommend MHUD and local government work together to develop and refine a fit for purpose set of price efficiency measures that isolate the role or impact of 'planning' from other explanatory or

confounding impacts.

AP7: AP7: Every HBA must estimate in the short, medium and long term, the demand for dwellings (plus the additional margin specified in policy [AP3]) by type and location.

Support in principle.

AP8: Every HBA must estimate in the short, medium and long term the development capacity that would be feasible and likely to be taken up, for dwellings of different types and in different locations.

Support in principle.

Recommend that 'likely to be taken' up be removed as a criterion for medium and long-term.

AP9: Every HBA must estimate the difference in the short, medium and long term between:

- a. demand and additional margins specified in [AP3] for dwellings of different types and in different locations**
- b. development capacity that is feasible and likely to be taken up, for dwellings of different types and in different locations.**

Support in principle difference comparisons to identify times/locations/types of dwellings that may not meet demand.

Recommend that 'likely to be taken' up be removed as a criterion for medium and long-term.

AP10: Every HBA must use market indicators along with other information, to analyse how plans may constrain or enable the supply of dwellings by type, location and price point to meet the demands of households with different incomes.

Support in principle the analysis of planning's role in precluding (or enabling) the development of certain dwelling types in certain locations.

AP11: Every HBA must estimate, in hectares and/or floor area, scenarios for the demand of different business sectors for business land in the short, medium and long term.

Support: No change required. Suggest that this policy is combined with AP12 as these two do not need to be separate policies.

AP12: On top of the estimate of the demand of different business sectors for business land the HBA must add an additional margin of:

- a. 20% in the short and medium term, and**
- b. 15% in the long term**

Support: No change required, except combine with AP11 – these do not need to be separate policies.

AP13: Every HBA must estimate development capacity in hectares and/or floor area, for business land in different zones, in the short, medium and long term.

Support: No change required.

AP14: Every HBA must estimate the difference, in hectares and/or floor area, between scenarios for demand by different sectors (+ the margin in [AP12]) and development capacity for business land in different zones in the short, medium and long term.

Support: No change required.

AP15: AP15: Every HBA must analyse and compare:

- a. different business sectors demand for business land by size, tenure and location**
- b. the development capacity for business land by size, tenure and location**

Support in principle, with changes.

Recommend that tenure be removed as a criterion for analysis, as per Housing where tenure is not a requirement). It will be very difficult to objectively determine and model demand for different tenures as tenure decisions occupy a complex spectrum specific to the circumstance and decisions of each individual business.

AP16: Every HBA must use industrial zone price differentials along with information from [AP15], to assess the relative feasibility and likely take up of that development capacity for business land.

Support in principle, with changes.

Recommend removing price differentials as they do not provide insight to the current feasibility of development of land either side of the line. It is also unclear why the draft policies have focused so heavily on the least fit for purpose indicator from the MHUD dashboard.

Irrespective of the potential utility of the price differentials, Industrial land Price differentials are completely irrelevant to non-industrial business land considerations.

AP17: In carrying out the HBA, local authorities must seek and use input from the property development sector, (including major land owners and social housing providers where relevant), requiring authorities, and the providers of development infrastructure and other infrastructure.

Support. No change required.