This is a submission on the Proposed National Policy Statement for Urban Development (‘NPS UD’).

1. **The Submitter (Background)**

a. Hugh Green Limited (‘HGL’) is a long-established management company of the Hugh Green Group who is a provider and developer of residential and business zoned land within the Auckland Region. Combined, the companies which fall under the Hugh Green Group umbrella own a range of business, residential and rural zoned properties, including sizeable landholdings strategically located to meet the needs of Auckland’s population growth.

b. These landholdings include:

   - Approximately 95 hectares of live (residential and business) zoned land at Hingaia (South Auckland), where development has only recently commenced;
   - Approximately 255 hectares of live urban zoned land at Redhills (West Auckland), where development has yet to commence; and

c. HGL’s landholdings at Hingaia and Redhills have previously been identified as Special Housing Areas under the Housing Accords and Special Housing Areas Act 2013 (HASHAA).
2. **Feedback on the NPS UD**

2.1 **General Comments**

a. Overall, HGL supports the NPS on Urban Development in that it aims to deliver quality urban environments in major centres through the requirement of Future Development Strategies (‘FDSs’) and associated Housing and Business Development Capacity Assessments (‘HBAs’).

b. HGL supports the approach to target the most directive policies to the largest and fastest growing urban areas. HGL believes that the requirement of FDSs will improve alignment between development strategies, long term plans and district and regional plans, and between different parts of Council and Council Controlled Organisations.

c. HGL particularly supports the general approach to the FDSs being clear about how infrastructure support and funding will be provided for new growth areas. HGL further considers that there should be specific policies related to greenfield development as these issues differ substantially to brownfield development, particularly in terms of servicing requirements for new growth areas (that are not currently serviced appropriately).

2.2 **Future Development Strategies and Timing of Infrastructure Provision**

a. HGL supports the requirement for Councils to provide future development strategies, particularly for major urban centres such as Auckland. HGL acknowledges that local authorities such as Auckland Council currently have a Development Strategy and Long-term Plan, however HGL considers that local and regional plans and strategies should also be consistent with a FDS.

b. HGL supports Policy P1H, which states that local authorities are ‘strongly encouraged’ to use the FDS to inform relevant plans and strategies. However, HGL seeks that this wording is amended to ‘require’, so that local authorities are required to give effect to the FDS, and Long Term Plans enable the infrastructure required for Council-identified growth areas within appropriate timeframes. Accordingly, HGL seeks to amend Policy P1H to be more prescriptive as follows:

   *Local authorities are strongly encouraged required to use give effect to their FDS to inform the within relevant long-term plans and infrastructure strategies required under the Local Government Act 2002, the Regional Land Transport Plans under the Land Transport Management Act 2003, and any other relevant strategies, plans and documents. [See P2F]*

c. HGL also considers that more certainty for timing of infrastructure provision is required, particularly for short term development and live zoned greenfield areas. In Auckland, there has been a disconnect between the zoning of land and servicing. For example, HGL’s recent experience at Hingaia Peninsula, South Auckland, was that live urban zoned land did not have bulk water infrastructure or critical roading upgrades provided or funded. This placed significant upfront costs on HGL and has resulted in significant delays to development. It is therefore suggested that relevant policies require that this scenario be avoided, particularly for land identified for short term greenfield development (i.e. within the next three years).
d. Accordingly, HGL supports policy P4A relating to feasible development capacity and that short term development capacity is required to be serviced with development infrastructure. HGL would like confirmation as to how this policy will be enforced, and whether this will be through policy P4B (i.e. Ministerial notification). HGL considers that the NPS US should provide for further accountability of local authorities to ensure that sufficient development infrastructure is provided to service identified short term greenfield development areas. Ideally, this should be in place when rezoning occurs, such that it is financially feasible for all short-term development capacity areas to be developed.

e. Consistent with Policy P4A, it is considered that policies such as Policy P4C relating to infrastructure provision could be more specific and robust. For example, policy P4C states a local authority must be satisfied that the ‘other infrastructure required to support urban development is, or is likely to be, available’. It is suggested that this wording could be more specific as follows:

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P4C: \text{In providing development capacity, a local authority must be satisfied that the other infrastructure required to support service urban development is, or is likely to be available.}
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f. In addition, it is considered that policy P4C could be further refined to distinguish between short and medium/long term development capacity, and/or that separate policy could be added specifically relating to infrastructure provision in greenfield areas.

2.2.1 Landowner Engagement

a. HGL supports Policy P1D iii) which requires the FDS to identify processes for working with landowners, developers and infrastructure providers to implement the FDS. HGL considers that engagement should also occur with major landowners when developing the FDS, to inform the FDS, through determining potential infrastructure gaps which may affect the timing and feasibility of development of their land. As mentioned in the discussion document, the land identified for development needs to be feasible for development, i.e. appropriately serviced to meet development requirements. That development land should not impose unreasonable and/or inequitable costs for developers to an extent that development is delayed or frustrated.

b. Policy P1E requires local authorities to engage with neighbouring local authorities, central government agencies and local iwi and hapu when developing their FDS. HGL considers that this should also include major affected landowners, and it is therefore suggested that Policy P1E be amended as follows:

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P1E: \text{In addition to the policies P10A–P10C, when local authorities are developing or updating FDSs for a major urban centre they must:}
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\[
a) \text{ engage on their FDS with neighbouring local authorities where there are significant connections between infrastructure or communities}
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b) \text{ work with relevant central government agencies}
\]
c) give local iwi and hapū opportunities to identify the resource management issues of concern/significance to them relating to urban environments.

d) engage with major affected landowners to identify development infrastructure required to inform feasibility and timing of anticipated development.

2.3 Housing and Business Development Capacity Assessments

a. HGL supports the requirements for local authorities to create HBAs every three years. In particular, HGL supports Policy AP4 with regards to short term development and that the actual development infrastructure be in place for this (for the reasons discussed in section 2.2 above). HGL considers that it would be helpful if CCOs were consistent with their commitment to details on the appropriate infrastructure required in terms of cost and timing, and supports changes to the policies that give effect to certainty of infrastructure provision within the HBAs.

b. Furthermore, HGL suggests a consultation requirement with major landowners of greenfield development areas regarding the feasibility of development and servicing identified through HBAs. Policy AP17 goes some way toward this and HGL supports this policy. However, HGL’s experience has been that Council has often assumed the feasibility of development based simply on its zoning without fully considering the full spectrum of costs involved by developers (which may not always be financial costs) that often result in development being infeasible or imposing an inequitable economic burden.

c. For example, an existing rural road, Park Estate Road in Hingaia, Auckland, was required to be upgraded to urban collector road prior to development of any of the 20 undeveloped urban zoned properties it serves; however this was not budgeted for by Council or Auckland Transport. A fair and reasonable agreement between landowners for the cost of this upgrade was also unable to be agreed to. This lead to significant delays to development being provided, and no urban development has occurred in the four years since the urban zoning was made operative, with some landowners developing their land in an ad hoc manner that would avoid requiring the upgrade. Therefore, HGL has had to concede to provide significant upfront cost to enable this road upgrade, with the cost being much greater than would be proportionate to their shared of benefiting land holdings.

d. In terms of accountability, HGL considers that the policies for HBAs could be refined to include consideration of areas of live zoned land or land previous identified for short term development capacity that are not being developed, and the reasons for this. Accordingly, HGL seeks the inclusion of a process that Councils are required to follow when identified development land for short-term capacity is not appropriately serviced with development infrastructure, irrespective of the reasons for this. As discussed in section 2.2, this could be similar to Policy P4B in terms of ministerial notification (although that a specific policy is linked to HBAs and located within the AP policies). For example:
AP18: If the short term development capacity identified in the HBA is not likely to be met within the identified timeframe, then a local authority must notify the Minister and consult with affected landowners. The HBA and FDS must then be amended to reflect the modified timing of the identified development capacity.

e. In addition, HGL supports Policy AP4 in that it requires at least 10 years of development capacity to be identified in an operative or notified plan or plan change. However, HGL seeks that this policy should be further refined to specify whether the identified short term and medium term ‘development capacity’ refers only to ‘live’ urban zoned, or land within a future urban zone. It is not clear whether future urban zones contribute to ‘bottom lines’ and development capacities identified in the NPS UD. HGL would support Policy AP4 on the basis that the district plan is appropriately zoned to meet the short and medium term development capacities identified in the FDS (i.e. up to 10 years).

2.4 Development Capacity Requirements

a. HGL supports the requirement for Councils to provide development land that meets a minimum number of dwellings (a bottom line) rather than aiming for a specified number of dwellings (a target). HGL seeks to ensure that development infrastructure is ideally in place (and not just funded) for land identified for short-term development capacity. Where restrictions in development infrastructure exist that are preventing short term development, this land should not contribute towards the bottom line requirements of the NPS UD. HGL also considers that local authorities need to be accountable for achieving the bottom lines set, and that consultation with major landowners is necessary to inform the feasibility of development capacity and bottom lines. These matters are further discussed in section 2.3 above.

2.5 Providing for Intensification

a. HGL has a preference for the intensification policies in the NPS to be descriptive rather than prescriptive, in order to provide for flexibility and enable this to be determined through plan change processes, consideration of resource consent applications and analysis of specific areas. It is considered that the prescriptive approach may not be suitable in all contexts and that local areas may have various constraints which may prevent high density development, despite being close to city centres and public transport routes.

b. Notwithstanding, it is considered that intensification is necessary to achieve stated development capacities and ‘bottom lines’ specified in the FDS.

2.6 Out-of-Sequence Greenfield Development

a. HGL supports inclusion of a policy providing for plan changes for both out-of-sequence greenfield development and greenfield development in locations not currently identified for development.
b. For out-of-sequence greenfield development, HGL considers that policies should enable local authorities to consider the applications for development on merit (in terms of effects on the environment) and infrastructure funding and availability. A successful application would demonstrate that development infrastructure can be provided for without adversely affecting Council’s anticipated programme for development infrastructure provision.

c. HGL further considers that if a viable, financially neutral solution to providing infrastructure is available that does not compromise the ability for Council to continue to provide for identified development capacity, then Council should not oppose out of sequence development on the basis that development infrastructure for the area is not planned for. In addition, if the cost of development infrastructure is solely met by the developer (i.e. privately funded), then it is considered that additional development contributions should not be necessary. Furthermore, it is considered that for future urban zoned land, the FDS should support plan changes proposing rezoning to urban when alternative infrastructure delivery arrangements can be provided.

d. With regards to development outside areas currently identified for urban development, it is considered that this must occur in a way that does not significantly adversely affect the infrastructure provision for areas that are already identified for urban development. In general terms, it is considered that the example policy needs to be amended to ensure that development enabled by the plan change does not significantly adversely affect the short, medium or long term development capacity identified within the relevant FDS. Furthermore, it is considered that the FDSs and HBAs should support the location and timing of the proposed development.

e. With regards to the example policy, HGL supports e) that infrastructure can be provided to enable development. However, to reflect the concerns above it is considered that this should be more specific, with suggested wording as follows:

   e. **Infrastructure to enable the long-term development of the land can be provided and will not significantly adversely affect infrastructure provision for short, medium or long term development capacity identified within the relevant future development strategy.**

f. With reference to the proposed policy wording provided in the NPS UD discussion document, it is considered that the reference to “protected areas” is too vague, and should instead refer to “areas scheduled or otherwise identified in a district or regional plan or that are providing for the matters of national importance listed in section 6 of RMA”.

3. **Conclusion**


b. Notwithstanding, HGL is concerned with the ability for the policies to deliver the necessary infrastructure to service urban development identified in the Future Development Strategies, particularly for short and medium term development, and accordingly seeks clearer policies which support this.

c. Furthermore, HGL seeks review and accountability of FDSs that do not meet identified development capacities and bottom lines, particularly in the short term. HGL also considers that local authorities undertake engagement with major landowners in formulating FDSs and HBAs and considers that this process would be beneficial for both parties, towards the ultimate goal of timely housing provision.

d. To address the concerns of the submitter, the following relief (or similar) is sought:

   i) Amend Policy P1H as follows:

   Local authorities are *strongly encouraged* to use their FDS to inform the within relevant long-term plans and infrastructure strategies required under the Local Government Act 2002, the Regional Land Transport Plans under the Land Transport Management Act 2003, and any other relevant strategies, plans and documents. [See P2F]

   ii) Amend Policy P4C as follows:

   In providing development capacity, a local authority must be satisfied that the other infrastructure required to support service urban development is, or is likely to will be, available.

   iii) Amend Policy P1E as follows:

   In addition to the policies P10A–P10C, when local authorities are developing or updating FDSs for a major urban centre they must:

   ...

   d) engage with major affected landowners to identify development infrastructure required to inform feasibility and timing of anticipated development.
iv) Add Policy AP18 as follows:

*If the short term development capacity identified in the HBA is not likely to be met within the identified timeframe, then a local authority must notify the Minister and consult with affected landowners. The HBA and FDS must then be amended to reflect the modified timing of the identified development capacity.*

v) Amend the policy relating to urban development in areas not otherwise enabled as follows:

... 

b. *Development enabled by the plan change would not have adverse effects on protected areas scheduled or otherwise identified in a district or regional plan or that are providing for matters of national importance listed in section 6 of RMA, or areas identified for restoration.*

... 

e. *Infrastructure to enable the long-term development of the land can be provided and will not significantly adversely affect infrastructure provision for short, medium or long term development capacity identified within the relevant future development strategy.*