Submission to the
Ministry for the Environment

Proposed National Policy Statement on
Urban Development

October 2019
Introduction

1. Tauranga City Council (TCC) welcomes the opportunity to submit on the Ministry for the Environment’s (MfE’s) discussion document on a proposed national policy statement for urban development (NPS-UD). We are happy to discuss our submission further with you or provide additional information and evidence that would be of assistance. Enquires should be directed to:

2. Rather than responding to each of the questions in the discussion document, TCC has chosen to focus on our key issues and challenges. These are generally linked to one or more of the questions in the discussion document. We have also included an attachment with TCC’s recommended amendments to proposed NPS provisions in Appendix A. The appendix should therefore be read in conjunction with this submission.

3. TCC supports the submission provided by the New Zealand Society of Local Government Managers (SOLGM). This submission should be read as providing additional information and in support of that submission.

TCC supports in principle the intent of the proposed NPS for Urban Development

4. TCC supports the general intent of the proposed objectives and policies for the NPS-UD. We welcome a NPS that supports long-term change to plans and decision-making frameworks that effectively enable the type of urban growth that maximises prosperity and wellbeing.

5. As with other growth councils around New Zealand, TCC has struggled to respond effectively to growth pressures under the current planning system. TCC therefore supports change that aims to enable local government to more effectively facilitate quality urban growth that will help alleviate some of the problems felt in Tauranga City and many other urban areas of New Zealand – housing unaffordability, housing capacity, homelessness, congestion and poor transport choice. A well-functioning city that contributes positively to people’s wellbeing, that is inclusive, better connected and provides certainty to developers and the community about future growth are laudable goals. These align well with TCC’s strategic objectives for urban growth that are being developed through our SmartGrowth, the Urban Form and Transport Initiative (refer to discussion below), the Te Papa Spatial Plan for intensification and a range of other projects.

6. We consider that changes proposed through the NPS-UD will go a long way in assisting local authorities to move from an approach of reacting and managing our significant growth pressures towards facilitating quality urban growth that delivers the benefits that our communities want. TCC therefore supports all three aims of the proposed NPS-UD:
   - a clear direction from central government in relation to planning for growth and how to do this well;
   - support local government to apply more responsive, effective planning and consenting; and
   - clarify for others the intended outcomes for urban development across New Zealand.
7. In addition, TCC encourages MfE to further develop the proposed NPS-UD and the proposed NPS-for Highly Productive Land to provide further clarity and provide certainty to local government in relation to competition and pressure between land for urban development and the need to retain highly productive land.

8. While TCC fully supports the direction and philosophy of the NPS and NES freshwater proposals we can see how the implementation of these two NPS, can cause conflicts during implementation. For example, there is a potential grey area between what constitutes farm drains compared to modified streams. These are not easily identifiable in certain low lying areas. Depending on the classification the available land for development can be very different. This is a significant matter that we are investigating for in relation to the Tauriko West project which is well advanced and essential to meeting short and medium term development capacity requirements.

9. TCC is currently developing case studies on the effects that the freshwater proposals would have on two large scale new urban community developments currently being planned in Tauranga – Tauriko West (3,000 homes) and Te Tumu (7-8,000 homes). These case studies will not be completed in time for the NPS-UD submission deadline but will be ready for the submission deadline for the freshwater proposals. Nonetheless TCC will provide MfE with a copy of these case studies when they are complete.

10. TCC encourages MfE to work collaboratively with MPI, MHUD and other relevant government departments to ensure the suite of new national direction is integrated, conflicts are minimised and provisions are drafted that enable suitable trade-offs to be made at a regional and local level between competing priorities. We believe that there is further work required to achieve this outcome.

Context for TCC submission

11. Background information on TCC’s growth issues and challenges with land capacity are provided as context for this submission.

Tauranga City Council is a high-growth Council

12. TCC is a ‘high-growth’ council. It is New Zealand’s fifth-largest city and is growing fast. Currently, 135,000 people call Tauranga home. Our city is projected to grow to almost 200,000 people by 2063. This is all occurring in a small harbour landscape with many physical constraints.

13. As a council, TCC experiences a number of key challenges and competing priorities. For example, significant urban development pressures, a lack of housing supply, natural hazard considerations and substantial transport issues to name a few. Such competing issues require careful consideration and balance throughout the planning process.

14. In 2004, SmartGrowth was established to address growth issues in the sub-region. With our partners, TCC started to plan for future growth in a sustainable and coordinated way. More recently, the ‘Urban Form and Transport Initiative’ (UFTI) builds on the successes of SmartGrowth to develop a vision and plan for the next 50 years. UFTI aims to develop a long-term, integrated masterplan for urban development and transport that aligns with the

2 refer to https://ufti.org.nz/ for further information about the Urban Form and Transport Initiative
government’s new transport policy statement and urban growth agenda. UFTI will coordinate some 20 to 30 Western Bay of Plenty projects that are already underway. Some of these projects are critical for easing congestion and unlocking housing supply.

Challenge with development capacity

15. The supply of land and infrastructure to support growth is a high priority for our city.

16. During the next one to three years there will be an undersupply of around 1,000 homes. The development shortfall is expected to increase in later years – up to 6,000 homes in total over the next 10 years if more supply is not enabled. Several factors are contributing to this. They include natural hazard risks, requirements for zoning changes, dependence on landowners releasing land, historical land covenants, dependence on state highway planning, funding and delivery and competing views amongst Maori land owners.

17. The issue is compounded by changes in legislation, such as the removal of Special Housing Areas. We have been working with central government and NZTA to develop responses to address these issues in a manner aligned with the government’s urban growth agenda.

18. To help resolve the short-term housing supply challenges, we are finalising structure plans on greenfield areas for the Te Tumu (7-8,000 homes) and Tauriko West (3,000 homes) new communities. Te Tumu is largely free of highly productive land, but Tauriko West is approximately 1/3 LUC 2 and 3 soils. Te Tumu is facing substantial risks and delays outside of TCC’s control associated with Maori Land and Maori Land Court matters.

19. TCC has also been looking at ways to accommodate growth in existing areas through intensification to complement the planning of greenfield areas such as Te Tumu and Tauriko West. In this regard, spatial planning and plan changes are underway to support duplexes, terraced housing, apartments and other more intensive residential typologies across the city. However, there are real constraints in much of Tauranga to going ‘up’ such as:

   a. Climate change, flooding and earthquake shaking risks across most of the coastal strip from the Mount to Papamoa;
   
   b. Private covenants on land titles that prevent further subdivision and intensification in most subdivisions built from the 1990’s (approximately half of Tauranga’s urban area);
   
   c. Predominance of rear lot infill subdivision that has occurred over the older part of the city. This has created highly fragmented land ownership and increased the value of capital improvements that need to be written off to enable redevelopment, as well as increasing the complexity of assembling sufficient land area to enable development to occur at a reasonable scale;
   
   d. The lack of any large-scale brownfield sites available for redevelopment; and
   
   e. Challenges around the current development economics from a funding and profitability perspective for the development industry.

20. For these reasons, if Tauranga is to continue to grow; to accommodate our population projections; and to meet the requirements of the NPS-UDC and the proposed NPS-UD; it must continue to grow outwards as well as upwards.

21. As shown in Figure 1, other than Te Tumu and Welcome Bay, all other rural areas signalled suitable for future urban growth are located on highly productive land with Class 2-3 soils under
the Land Use Capability (LUC) classification system. This demonstrates the need for the NPS-UD and NPS-HPL provisions to be closely aligned.

Figure 1: Map of Tauranga city showing land use capability classifications and planned and potential urban development areas

Broader challenges not addressed by the NPS-UD
22. While the NPS-UD proposals are a set in the right direction they can only be successful if they are coupled with a broader set of solutions, especially around infrastructure funding, financing and delivery. Presently TCC faces substantial fiscal challenges in the funding and financing of infrastructure to support growth. While work is underway within central government to address these issues more needs to be done as with respect we don’t currently have confidence that solutions will be in place in a timely manner or at the scale required. In simple terms if infrastructure cannot be funded and financed appropriately it will not be delivered and development capacity will not be realised.

23. This leads to the second issue which we see as a critical disconnect between the government’s housing and transport policies. The government is committed to the delivery of more houses and more affordable housing, yet on the other hand it is not funding the necessary transport investment to accommodate this growth. Presently in Tauranga the 3,000 home Tauriko West project is in jeopardy as the result of NZTA putting its business case project on hold and because
of a lack of funding available in the State Highway activity class. The 1,800 home Omokoroa Stage 3 project in the neighbouring Western Bay of Plenty District is in a similar situation. As a consequence these issues and other factors outside the Council’s control involving Maori land in Te Tumu, we are woefully short of meeting the short, medium and long-term development capacity requirements set out in the NPS-UDC and proposed NPS-UD.

Identification of key issues with the NPS on urban development

24. We acknowledge that there will be a range of challenges for councils relating to urban development. This submission focuses on urban growth issues relevant to Tauranga City. The key submission points relate to:

- Improve the integration of various NPS and NES across urban development, highly productive soils, freshwater and indigenous biodiversity to provide clarity and certainty to local government on competing land use and environment priorities and to ensure that the objectives of the NPS-UD are not undermined by other national direction;
- Carparking provisions are too directive and there needs to be a balance with other interventions;
- Descriptive approach to directing intensified development through district plan policies is preferred over the prescriptive approach (with some amendments and clarifications);
- More directive intervention to enable quality urban development needs to be carefully considered to ensure perverse outcomes do not occur;
- In principle support for a more enabling approach to greenfield development;
- Timeframes for implementation are too short for implementation of the intensification provisions.

Improve the integration of NPS and NES to clarify competing priorities and ensure urban growth is enabled

25. With the various proposed NPS and NES for urban development, highly productive land and freshwater there is the possibility of tensions between the three in practice. We suggest that further work is needed to clarify how all three sets of national direction, as well as existing national direction on other matters are to be integrated and implemented by local government. This has become more important due to recent RMA case law such as “King Salmon” and “Davidson”. These cases effectively reduced councils’ abilities to make broad balance judgements on competing matters through plan making and consenting processes, and also reduced councils’ ability to make appropriate trade-offs where directive language is used such as “avoid”.

26. Further integration of NPS/NES framework to provide increased clarity and certainty to local government on competing land use and environmental priorities would be highly valuable. Protecting highly productive land is one of many competing issues for TCC with regards to land use. Transport, urban growth pressures, natural hazards, and infrastructure provision amongst others are all contending factors. This is further heightened by Tauranga City’s small land area; topographic constraints; along with an escalating population – all putting pressure on our city networks and planning frameworks. Strengthening the RMA to provide a mechanism for prioritisation of such issues and achieving broader balance amongst competing priorities would be beneficial for local government.
27. We note that there is a potential 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. In practice, both proposed Policy 6 of the NPS-HPL ‘Consideration of requests for plan changes’ and the definition of highly productive land classes 1-3 in the proposed NPS-HPL will largely stymie these provisions from achieving their intended outcomes. These conflicting provisions need to be reconciled to ensure central government provides a coherent planning framework for local government implementation and decision-making.

Recommendation

28. We strongly suggest that Policies 3 and 6 of the proposed NPS-HPL and the NPS-UD proposal on providing for greenfield development need to be aligned to enable consideration of growth that may not be consistent with council’s statutory and non-statutory plans and policies for growth management and planning.

Removing minimum car parking requirements in major urban centres

29. The NPS-UD proposes to include a policy that limits the ability for local authorities in major urban centres to regulate the number of car parks required for a development and proposes three possible options:

- 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.

30. TCC 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.

31. 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.

32. TCC agrees that there are benefits in considering 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 by a range of other factors.

33. TCC is hesitant to support any of the options identified in the NPS discussion document, noting that they may create some adverse environmental effects due to higher demand for on-street parking. This may compromise initiatives to improve street amenity or to reallocate road space to active modes or for public transport priority as supported by the Government Policy Statement for Land Transport.
34. If one of the three options was adopted, TCC would prefer that it was option 3 as in city centres and higher density areas, the economic case can be stronger for removing parking requirements. However, there is also some evidence that developers will respond to market demand and continue to include on-site parking based on economic benefit, despite there being no council regulation to do so.

35. We note that the Options provided do not address mobility parking which may result in no mobility parking being provided in new developments. Further, no thought appears to be given to requirements to provide minimum cycle parking and end of trip facilities, particularly for commercial developments, education and apartment blocks to ensure viable alternative transport options are provided to at least partially offset potential reduced car parking outcomes.

Recommendation

36. That this proposal is put on hold and addressed through future processes following further assessment and engagement with local government. However if one of the options is adopted that it is Option 3 subject to further consideration of mobility parking and cycle parking/facilities.

Descriptive approach to directing intensified development through district plan policies

37. The discussion document puts forward two options for consideration for directing intensification through district plan policies for major urban centres.

- **Option 1: descriptive approach** – District plans must zone for higher density residential activities within a suitable catchment area (i.e., accessible by active transport modes) around frequent public transport stops and centres. ‘High density residential activities’ are those with a concentrated bulk of buildings such as terraced housing and apartments.

- **Option 2: prescriptive approach** – District plans must:
  (a) zone for high density residential activities within an 800m walkable catchment of centres and frequent public transport stops, except where evidence demonstrates intensification should not be enabled; and
  (b) zone all residential and mixed-use areas within 1.5 km of city centres for high density developments. ‘High density’ is where there is minimum overall density of 60 residential units per hectare.

38. Both options link to public transport and centres and the discussion document highlights that Option 1 (the descriptive approach) provides more scope for local authorities to decide on location, while still giving direction on this. However, it may not be as effective at shifting the focus to higher density in these areas. Option 2 (the prescriptive approach) is clearer in identifying locations. However, 800 metres is a fairly crude measure for walkable catchments, and a density descriptor of 60 dwellings per hectare may not be workable in all locations.

39. Further clarification is also required on how 60 dwelling per hectare is measured as this could require quite different outcomes in the built form. Density can be measured in many different ways for example it could be based on net site area which would exclude areas like roads and reserves from the calculation or it could be based on net developable area which typically includes roads and reserves but not undevelopable areas like steep escarpments or stormwater...
ponds. Roads and reserves often make up 30% of land area and therefore can make a big difference to the density calculation. As such, it is important the term “density” is defined if minimum densities are used in the NPS-UD.

40. TCC is not convinced that either option as currently drafted will deliver desirable outcomes. Although we support the intent of Option 1, we consider the proposed wording to be one-dimensional, focusing on frequent public transport stops and centres.

41. Public transport routes, especially bus routes, are relatively easy to change. In addition, if there is a good quality public transport hub (maybe next to a reserve or in a heritage area) it does not necessarily follow that high-density residential activities are the best use of that land. Proposing high-density zoning around frequent public transport stops (current bus routes in Tauranga City) is therefore considered relevant but too simplistic.

42. We strongly suggest that Option 1 be broadened to include infrastructure, natural hazards, current zonings and land uses, open space, community services and facilities (such as schools) as well as public transport and centres. These factors will guide where intensification is appropriate. For example:

a. Much of the land around the Tauranga crossing Subregional shopping centre in Tauranga is zoned industrial, is developed into high volume state highways or is low lying flood prone rural land. These areas are not suitable for residential intensification and the NPS-UD provisions should be drafted such that they do not require TCC to provide for inappropriate intensification opportunities in these areas which would create poor urban form outcomes and significant reverse sensitivity problems.

b. As set out in the following figure (orange overalys), much of the land in the coastal strip in Tauranga between Mt Maunganui and Papamoa is subject to a range of climate change, flooding and earthquake shaking natural hazards, including land around existing centres like the Mount Maunganui town centre and the Bayfair Subregional shopping centre. While TCC aspires to enable intensification in these areas much more work is required to determine whether the natural hazard risks can be appropriately avoided, remedied or mitigated to give effect to the RMA and the Regional Policy Statement. As such it is imperative that the NPS-UD is drafted such that these factors can be considered rather than simply mandating the zoning for intensification in these locations.
43. We recommend that a definition of “centre” is required to clarify the scope, for example, is a very small centre with good public transport connectivity within the definition of a centre or is the reference to centre aimed more at city centres, town centres, larger shopping centres and potentially large scale hospitals and tertiary institutes? Likewise, a definition or guidance what constitutes “frequent public transport” is required as this is subjective.

44. We note that in some areas where intensification is suitable there are other challenges to implementation. The Bethlehem Town Centre is a good example of this. The town centre and surrounding area is almost fully developed. This development has occurred mainly in the last 10 years meaning capital values are high and redevelopment is unlikely in the short-term. Further, the surrounding residential areas have private covenants registered on their titles which typically prevent further subdivision, redevelopment and intensification. This is a significant matter that
cannot be addressed by the NPS-UD but will constrain intensification outcomes long-term if not addressed through legislative reform.

45. Policy 6D requires territorial authorities to include a policy within their district plan to give weight to intensification proposals ahead of plan changes zoning for intensification. This is supported however in light of recent RMA case law (King Salmon and Davidson in particular) it needs to be supported by an objective within PD6 that would also be inserted into the District Plan otherwise the new policy may not be effective in supporting the outcomes it is designed to achieve. Further, to ensure PD6 was implemented in a timely manner there should be no requirement for Schedule 1 to apply to this plan change.

Recommendation

46. Integrate P6C Option 1 into the NPS-UD with amendments that widen the factors taken into account as set out above and drafting that enables councils to avoid having to zone for intensification in unsuitable locations.

47. For clarification purposes, include definitions or further guidance on the terms “centres”, “frequent public transport” and “density”.

48. Provide an objective to support the policy to be included in district plans with P6D.

49. Enable changes to District Plans required by PD6 to occur without a schedule 1 process.

More directive intervention to enable quality urban development

50. The section on a more directive intervention to enable quality urban development concentrates purely on removing specific rules that may unduly limit the type and form of development that occurs rather than recognising and supporting provisions that encourage and ensure quality urban development.

51. As an example in 2017, the Victorian State Government in Australia recognised that they provided limited design guidance for intensification developments. This resulted in poor designs that provided inadequate long-term living environments. State-wide requirements were introduced to improve the standard of apartment living and provide attractive living opportunities for a variety types. There were requirements introduced for:

- Layout of apartments, including setbacks, private open space and landscaping;
- Internal amenity, including access to daylight, outlook, visual and acoustic privacy and storage; and
- Minimum room size and accessibility requirements.

52. All of the requirements set out above are considered appropriate to retain and provide for good quality environments. In our planning we need to provide a positive impact on a local area and the internal amenity of a development while balancing the need not to stifle innovation or increase development costs unnecessarily.

53. In this context we tentatively support further national direction on the matters addressed in this section of the NPS-UD consultation document so long as:

   a. They are subject to robust assessment
b. They are developed in partnership with local government, especially high growth Councils

c. They are implemented through future process (not the current NPS-UD)

d. These processes provide the ability for formal submissions to be made.

Recommendation

54. TCC suggests that it may be more appropriate at this stage for the NPS-UD to more clearly describe outcomes that are desirable for quality urban development. This would effectively remove unnecessary constraints and allow for appropriate outcomes to be achieved in a localised context without dictating criteria or rules.

55. In future consideration could then be given to more detailed national direction on specific matters.

Providing for further greenfield development

56. This section of the discussion document outlines that local authorities may need to provide for growth ‘out’ as well as ‘up’. The intention is that plan changes for urban development are well connected to jobs and amenities through transport choice and that the onus of infrastructure should not fall on the local authority. An example policy is provided for feedback.

57. We note that the example policy allows for innovation in the market subject to criteria and therefore TCC supports the intent of the policy. In recent years a number of urban development proposals have been promoted in Tauranga that have not fully aligned with our current urban limits and some of these projects have had significant merit. We were able to progress some of these proposals through Special Housing Areas however this avenue is no longer available. As such some projects are unable to proceed at this stage and others, like Tauriko West, have been subject to time and resource consuming Plan Change processes to amend the current urban limits within the Regional Policy Statement which has reduced our ability to respond to our local urban growth pressures.

58. We note that there are some missing elements in the example Policy that are outlined below. In addition, and as stated earlier in this submission, we note that this policy is in direct conflict with proposed policy 6 of the NPS-HPL which would compromise the purpose and effectiveness of these proposed NPS-UD provisions.

Recommendation

59. We suggest that the example policy is amended to include:

- A lower standard than “must provide” is sought given that other resource management issues may arise through the Plan Change process that determine an area may not be appropriate to zone for urban development (including, but not limited to, provisions of the NPS-HPL). It is not appropriate to pre-determine the outcome of an RMA Plan Change process through a NPS.
- In point e. “infrastructure” is expanded to include “infrastructure and services”
- In point e. “provided” is expanded to include “provided and funded”.
- Clarity that it is recognised that there should be no obligation on territorial authorities to provide and fund this infrastructure.
60. That this Policy and Policy 6 of the proposed NPS-HPL are reconciled, most probably through amendments to the NPS-HPL Policy.

**Timeframes for implementation are too short to meet intensification requirements**

61. The most significant concern TCC has with the timeframes for implementation of the proposed NPD-UD is the 18 month timeframe for notification of intensification plan changes.

62. TCC is currently progressing intensification plan changes which it intends notifying in early to mid 2020. However in some parts of the city these plan changes may not fully implement the NPS-UD requirements. This is because further work is required in some parts of the city before high density provisions can be implemented. For example:

   a. On the coastal strip further assessment of natural hazards is necessary;

   b. In Welcome Bay and Ohauiti there are significant transport constraints associated with both local roads and NZTA’s State Highway network

   c. In Bethlehem there is limited value in progressing rezoning at this stage because of how new development is in the area, high capital values which make development economics challenging and private covenants which prevent further subdivision, redevelopment and intensification.

   d. The desire to undertake detailed community led spatial planning for intensification with a high degree of community engagement, which is a resource intensive proposition and bespoke process for each part of the city which will not fit within the 18 month timeframe imposed by the proposed NPS-UD.

63. The requirement to commence and notify a plan change within 18 months will also provide significant implications to the preparation to the full review of district plans which is required to be notified by 2024 and will implement the National Planning Standards. TCC’s work program to undertake the full review is to commence in 2021 after the completion of intensification plan changes that are currently underway. The Plan Review also needs to be accommodated around significant plan changes for greenfield development of Te Tumu and Tauriko West. These timeframes have been prepared considering resources and budget to reach notification by 2024.

**Recommendation**

64. TCC submits that the timeframes for implementation of policies for intensification are extended to align with the requirements to notify the National Planning Standards. This would mean for Tauranga that notification would occur in 2024, noting however that significant intensification potential will be created through our current intensification plan changes to be notified in early/mid 2020. In addition, implementation of Policy P6D would continue to support resource consent applications until such time as the NPS-UD intensification provisions were fully implemented.
Appendix A – Recommended amendments to proposed NPS-UD

TCC suggested changes shown via underline and strikeout

TCC comments shown in [square brackets]

Future Development Strategy

O1: To ensure long-term strategic planning, reflected in planning documents, provides for:

a) integrated land use and infrastructure
b) quality urban environments.

P1A: Local authorities must, every three years, prepare or update a Future Development Strategy (FDS). An FDS is to demonstrate, for the medium and long term, how the local authority will:

a) achieve quality urban environments in its existing and future urban areas and
b) meet residential development capacity bottom lines
c) allocate development capacity across existing and future urban areas.

P1B: An FDS need not be published as a separate document, but can be part of any other suitable document, for example a spatial plan.

P1C: Every FDS must be informed by:

a) the most recent HBA for the major urban centre
b) analysis of costs and benefits of different spatial scenarios for accommodating growth
c) scenario testing of different growth rates to ensure strategy is robust
d) the long-term plans and infrastructure strategies required under the Local Government Act 2002, and any other relevant strategies, plans and documents
e) iwi and hapū resource management issues of concern/significance for the urban environment, including those expressed in any relevant planning document recognised by an iwi authority.

Every FDS must consider other national direction.

P1D: Every FDS must identify:

a) areas where evidence shows urban development must be avoided
b) future infrastructure corridors/locations
c) broad locations for long-term feasible residential and business development capacity
d) broad locations for residential intensification that contributes to quality urban environments
e) the development infrastructure and other infrastructure needed to support growth
f) how to provide for business land
g) how hapū and whānau aspirations for urban development on whenua Māori within their rohe will be taken into account

[Hapū and whanau may not be the right terms here, Maori land is typically administered by Maori Land Trusts through Trustees, and by post treaty settlement entities; as such engagement with hapū and whanau may not result in engagement with those mandated to represent Maori Land under the Te Ture Whenua Act or otherwise]
h) how the strategy will be implemented. This must include:
   i. estimates of local authority contributions to development infrastructure funding and the indicative timing and sequencing
P1E: In addition to the policies P10A–P10C, when local authorities are developing or updating FDSs for a major urban centre they must:

a) engage on their FDS with neighbouring local authorities where there are significant connections between infrastructure or communities
b) 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.

P1F: When developing or updating an FDS, local authorities:

a) must undertake a consultation process that complies with either Part 6 of the Local Government Act 2002 or Schedule 1 of the Act
b) may combine that process with any other consultation process occurring on another related matter, such as the documents referred to in [P2H].

P1G: Local authorities must have particular regard for their medium to long-term development capacity allocation as set out in the FDS, when preparing changes to regional policy statements, regional plans, and district plans.

P1H: Local authorities are strongly encouraged to use their FDS to inform the 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]

[We submit that there should be an equivalent Policy here that government agencies and other infrastructure providers are strongly encouraged to use FDS’s to inform their planning processes, strategies and funding priorities etc otherwise a FDS can easily become a document that cannot be implemented on the ground due to a misalignment with infrastructure capacity]

P1I: Local authorities shall update their FDS every three years, in time to inform relevant long-term plans and infrastructure strategies required under the Local Government Act 2002, and Regional Land Transport Plans required under the Land Transport Management Act 2003.

Making Room for Growth

O2: To enable quality urban environments that make it possible for all people, whānau, communities and future generations to provide for their well-being, including by:

a) offering people access to a choice of homes that meet their demands, jobs, opportunities for social interaction, high-quality diverse services and open space
b) providing businesses with economies of scale, with access to many consumers, suppliers, skilled people and sources of innovation
c) using land, energy and infrastructure efficiently
d) responding to changing needs and conditions.

O3: To enable development in locations and in ways that maximise its positive contribution to, and minimise its negative impact on, quality urban environments.
P2A: When making planning decisions that affect urban development, and the way and rate at which development capacity is provided, local authorities must have particular regard to:
   a) enabling a range of dwelling types and locations, working environments and business locations
   b) limiting as much as possible adverse impacts on the competitive operation of land and development markets.

When making decisions on consent applications that affect urban development, and the way and rate at which development capacity is taken up, decision-makers must have regard to the need, consistent with this NPS, to:
   c) provide a range of dwelling types and locations, working environments and business locations
   d) limit as much as possible the adverse impacts on the competitive operation of land and development markets.

P2B: When making or updating policies, plans and strategies, local authorities must have particular regard to:
   a) the positive impacts of urban development to contribute to a quality urban environment as described in O2
   b) the benefits and costs of urban development at national, inter-regional, regional and district scale, as well as locally.

When making decisions on consent applications, decision-makers must have regard to:
   c) the positive impacts of urban development to contribute to a quality urban environment as described in O2 and
   d) the benefits and costs of urban development at national, inter-regional, regional and district scale, as well as locally.

Amenity values in urban environments
O4: Urban environments provide for the diverse and changing amenity values of individuals and communities.

P3A: In making planning and consent decisions, decision-makers must recognise that amenity values:
   a) vary among individuals and communities
   b) change over time.

Enabling opportunities for development
O5: To ensure local authority policies, plans and strategies enable enough opportunities for development to meet diverse demands for housing and business land.

P4A: Local authorities must ensure at all times their plans enable at least enough development capacity that is feasible and likely to be taken up to meet the demand for dwellings (in terms of location, typology and price) and business land (in terms of location, floor area and extent of land) over the short, medium and long term.
A local authority meets these obligations by ensuring:

a) Short term – that the development capacity is enabled by resource management plans and serviced with development infrastructure

b) Medium term – that the development capacity is enabled by resource management plans and either:
   i. is serviced with development infrastructure, or
   ii. the funding for the development infrastructure required to service that development capacity must be identified in a Long Term Plan required under the Local Government Act

c) Long term – that:
   iii. the development capacity is identified in all relevant plans and strategies (including the FDS)
   iv. the development infrastructure required to service it is identified in the relevant Infrastructure Strategy required under the Local Government Act 2002.

P4B: As soon as a local authority determines that it cannot provide the required development capacity, it must notify the Minister.

P4C: In providing development capacity, a local authority must be satisfied that the other infrastructure required to support urban development is, or is likely to be, available. [This is a challenging area due principally to changing government transport priorities and funding availability – Councils need more certainty around future NZTA investment programmes to be able to comply with this provision. As an example the most recent change in government resulted in NZTA transport investment for around 5,000 homes in Tauranga/Western Bay being put on hold indefinitely – Local authorities cannot effectively plan and invest with this degree of uncertainty].

P4D: Every local authority must set bottom lines for the total amount of development capacity it must provide to meet the demand (as determined under the most recent HBA) for dwellings. Bottom lines must:
   a) be set for both the medium term and the long term
   b) be reviewed every three years.

P4E: Regional authorities must incorporate a bottom line set under P4D in their regional policy statements. This must be done without using the process in Schedule 1.

Territorial authorities must incorporate an appropriate proportion of every bottom line in their district plans, as informed by the strategic guidance in the current applicable FDS. This must be done without using the process in Schedule 1.

[But note that Schedule 1 must be used when amending a plan to give effect to the bottom lines.]

P4F: If an HBA indicates that a bottom line in a policy or plan is inadequate in the medium or long term, the local authority must revise the bottom line and update their policy or plan accordingly.

P4G: If an HBA or any other evidence or monitoring indicates that there is inadequate development capacity, the local authority must:
   a) consider all options (under any legislation) to enable development, such as integrated and coordinated consenting processes
b) increase development capacity by changing policy statements and plans, including changes to zoning, objectives, policies, rules and spatial layers that apply in existing urban environments and greenfield areas

c) if the inadequacy relates to the long term, update its FDS

d) consider all other options for increasing development capacity.

Ensuring plan content provides for expected levels of development

O6: To ensure local authorities:

a) make decisions on urban development based on the best available evidence

b) respond promptly to evidence about changing demands for housing and business land

c) identify the evidence on which decisions about urban development are made.

PSA: District plans must include, for each zone in an urban area, a zone description that describes the expected types and nature of development, [including expected levels of amenity], consistent with growth identified in the FDS.

PSB: Territorial authorities must:

a) make an assessment to ensure the objectives, policies, rules, and assessment criteria set out in district plans are individually and collectively consistent with the expected development for each zone as described in the zone description

b) enable the development of the zone to occur as described in the plan

c) monitor and report on whether development is occurring as described in the plan as a component of section 35 efficiency and effectiveness monitoring.

PSC: If monitoring indicates that development capacity is not being taken up to achieve the development expected in a zone, the local authority must undertake a review to understand why, and:

a) change relevant objectives, policies, rules and assessment criteria through a plan change to the extent needed to achieve the development expected, and/or

b) identify any constraints outside their resource management plans to achieving the expected development for the zone.

PSD: When making planning decisions that affect the development of urban environments, local authorities demonstrate analysis that includes:

a) a clear articulation of the resource management matters being managed

b) an assessment of the costs and benefits of different options for urban development and their contribution to achieving a quality urban environment (as described in Objective 1)

c) an assessment of the impact of different urban development options on providing enough development capacity

d) an assessment of regulatory and non-regulatory options for contributing to a quality urban environment and providing enough development capacity

e) an analysis of consistency with the relevant FDS

f) demonstration that they have been informed by relevant evidence and monitoring required under this NPS.
Providing for intensification
O7: To provide for the benefits of urban intensification by allowing for increased density in areas where those benefits are best realised.

P6A: Enable higher-density development, especially in areas where there are one or more than one of the following:
a) proximity to many employment opportunities
b) urban amenities and services, education facilities and open space are easily accessible by existing or planned active transport and public transport networks
c) proximity to frequent public transport services;

and the following apply:
d) high demand for housing; and
e) best use can be made of existing or planned infrastructure, services and facilities.

P6B: Regional councils must include the following objective into their regional policy statements:
To enable residential intensification that ensures the efficient use of existing urban land, infrastructure, services and facilities.
This must be done without using the process in Schedule 1.

Options for directing intensified development
P6C Option 1: descriptive approach [TCC preferred approach]
District plans must zone for higher-density residential activities within a suitable catchment area (ie, accessible by active transport modes) around frequent public transport stops and centres except where evidence demonstrates intensification should not be enabled.

Higher density is where there is a minimum overall density of 60 residential units per hectare. [60 dwellings / hectare is not likely to be appropriate in all circumstances]

[Definitions or guidance on what constitutes a centre appropriate for intensification, frequent public transport and how to measure density are required. In relation to centres we think this should be focused on larger centres eg city centre, town centres, subregional shopping centres and around public hospitals and universities/polytechs but with some flexibility for this to be refined by local authorities. In relation to frequent public transport services this could include frequencies of at least 1 service every 10 minutes in peak periods].
Considering the benefits of higher-density development in consenting decisions

P6D: Territorial authorities must include the following policy in their district plans:

When considering an application for a higher-density residential activity than is currently provided under this plan, the consent authority must have particular regard to whether:

a) the site is in an area that is required under the NPS-UD to enable intensification
b) the development will provide more choice of housing.

This must be done without using the process in Schedule 1.

[Also add a corresponding Objective to support this Policy]

Providing for further greenfield development

Example policy:

When considering a plan change that enables urban development that is not otherwise enabled in the plan, local authorities must provide [‘must provide’ is too directive] for urban development when all of the following apply:

a) Development enabled by the plan change would contribute to a quality urban environment, including access to transport choice. [As these will be out of sequence greenfield areas there will be no existing or planned public transport services hence to satisfy this criteria regional councils would have to agree to run new services]
b) Development enabled by the plan change would not have adverse effects on protected areas or areas identified for restoration.
c) Development under the plan change can occur in a way that is appropriate, safe, and resilient in the long term in respect of natural hazards and the effects of natural hazards.
d) Reverse sensitivities are appropriately managed within and adjacent to the location or locations that are the subject of the plan change.
e) Infrastructure and services to enable the long-term development of the land can be provided and funded without putting additional financial obligations on local authorities.

Removing minimum car parking requirements

P7A Option 1
Local authorities must remove any district plan rule or standard that requires the provision of car parking for any activity.

P7A Option 2
District plans must not regulate car parking using minimum parking requirements.

P7A Option 3
District plans must not regulate car parking using minimum parking requirements in medium- and high-density residential, commercial and mixed use areas.

[TCC has concerns about all of these options, but Option 3 is preferred over Options 1 & 2].

Using market information to make decisions

O8: To ensure every local authority with an urban environment has a robust, comprehensive and frequently updated evidence base about its urban environments.
P8A: Local authorities must use evidence and information about the land and development markets for dwellings and business land, and reflect this in their section 32 reports.

P8B: Local authorities must monitor a range of indicators, including the following, on a quarterly basis, to ensure they are well-informed about their markets for housing and business development capacity, and urban development activity and outcomes:

a) prices and rents for housing, residential land, and business land by location and type, and changes in these over time
b) the number of dwellings receiving resource or building consents relative to the growth in households
c) the type and location of dwellings receiving resource or building consents
d) the housing price to cost ratio
e) indicators of housing affordability
f) available data on business land.

Local authorities must publish the results of their monitoring of indicators at least annually.

P8C: Local authorities must:

a) use information from indicators of price efficiency in their land and development market as it becomes available
b) analyse that information to understand how well the market is functioning and how planning may affect this, and when additional development capacity might be needed
c) prepare and publish a report on the analysis.

[TCC has significant concerns about the quality of price efficiency data available which have been raised with MfE. This limits the usefulness of this analysis. We also note that analysis of price efficiency data is technical and complex and unlikely to be able to be undertaken internally within Councils].

P8D: Local authorities must assess demand for housing and business land, and the development capacity required to meet that demand in the short, medium and long term.

Taking into account issues of concern to iwi and hapū

O9: Urban development occurs in a way that takes into account resource management issues of concern to iwi and hapū.

P9A: When preparing a proposed policy statement, plan or strategy that affects how development capacity is provided for in urban environments every local authority must:

a) provide iwi and hapū with opportunities to identify the resource management issues of concern to them relating to urban environments; and
b) indicate how those issues have been or will be taken into account addressed in the proposed policy statement, plan or strategy. [We note here that it may not be possible in all circumstances to address all of the issues identified by iwi and hapū therefore we would be concerned about national direction being drafted that requires all issues to be addressed in the context that local authorities must give effect to this national direction].
P9B: When preparing a proposed policy statement, plan or strategy that affects how development capacity is provided for in urban environments every local authority must:

a) provide hapū and whānau with opportunities to identify their aspirations for urban development on whenua Māori within their rohe
   [Hapu and whanau may not be the right terms here, Maori land is typically administered by Maori Land Trusts through Trustees, and by post treaty settlement entities; as such engagement with hapu and whanau may not result in engagement with those mandated to represent Maori Land under the Te Ture Whenua Act or otherwise]

b) take into account their aspirations for urban development on whenua Māori within their rohe.

Coordinated planning

O10: To ensure decisions within local authorities and across local authority boundaries are coordinated and aligned with the provision of development and other infrastructure.

P10A: Local authorities that share jurisdiction over an urban environment are strongly encouraged to work together to implement this NPS, having particular regard to cooperate and agree on:

a) the provision and location of feasible development capacity required by it; and

b) principles and practices for partnering with iwi and hapū.

P10B: Local authorities must work with providers of development and other infrastructure to

a) achieve integrated land use and infrastructure planning

b) implement policies P4A and P4C.

P10C: Local authorities that share jurisdiction over a major urban centre are strongly encouraged to collaborate and cooperate to agree on:

a) the preparation or review and content of a joint HBA

b) the specification and review of the bottom lines required under this NPS

c) the development or review of a joint FDS.

Timing

[As addressed in the body of the submission we seek amendment of the implementation dates for Policies on intensive development and removing car parking minimums to align with implementation of the national planning standards].

[It will not be possible for an updated / new FDS to be drafted to support the upcoming 2021-31 long-term plans – suggest this requirement is implemented from the 2024-34 long-term plans onward].
Definitions and acronyms proposed for the NPS-UD
[new definitions have been suggested through our submission in relation to centres, high frequency public transport and the calculation of density]


*Business land* means land that is zoned for business uses in urban environments, including but not limited to land in the following examples of zones:
- industrial
- commercial
- retail
- business and business parks
- centres (to the extent that this zone allows business uses)
- mixed use (to the extent that this zone allows business uses).

*Consent decisions* means decisions made on resource consent applications.

*Development capacity* means in relation to housing and business land, the capacity of land intended for urban development based on:
(a) the zoning, objectives, policies, rules and overlays that apply to the land, in the relevant proposed and operative regional policy statements, regional plans and district plans
(b) the provision of adequate development infrastructure to support the development of the land.

*Development infrastructure* means network infrastructure for water supply, wastewater, stormwater and land transport as defined in the Land Transport Management Act 2003, to the extent that it is controlled by local authorities.

*FDS* means Future Development Strategy.

*Feasible* means development is commercially viable in terms of the developer’s costs and revenue. Feasibility has a corresponding meaning.

*HBA* means Housing and Business Development Capacity Assessment.

*Local authority* has the same meaning as in section 2 of the Resource Management Act 1991.

*Long term* means between 10 and 30 years.

*Medium term* means between 3 and 10 years.

*Other infrastructure* means:
(a) public open space
(b) community infrastructure as defined in the Local Government Act 2002
(c) land transport as defined in the Land Transport Management Act 2003, that is not controlled by local authorities
(d) social infrastructure such as schools and healthcare
(e) telecommunications as defined in the Telecommunications Act 2001
(f) energy
(g) other infrastructure not controlled by local authorities.
Planning decisions means decisions made about the content of policies, plans or strategies under the Resource Management Act 1991.

Short term means within the next 3 years.

Urban environment means 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.


[this definition may exclude some Maori Land e.g. land that was given back to Maori as commercial redress through Treaty settlement processes, and land that was acquired with the proceeds of Treaty settlement funds as well as potentially other land owned by Maori – it is uncertain whether this is intentional].

Policies on Housing and Business Development Capacity Assessments

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.

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

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. [The purpose of this 15% margin is unclear given the additional weight given to take-up in capacity assessments and the need to have a rolling 20% margin in the short and medium term. We suggest that this requirement is removed].

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].

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.
[It is unclear how feasibility should be considered in the medium term – is it the same as in the short-term? In addition, it does not seem appropriate to consider current costs and revenues when considering feasibility in the 10-30 year long-term period given how these relationships change over time, we submit that in the long-term less weight should be given to feasibility as a tool that can assist with long-term planning as feasibility can change rapidly over property and economic market cycles].

<table>
<thead>
<tr>
<th>Time</th>
<th>Plan-enabled capacity (Development capacity)</th>
<th>Supported by development infrastructure</th>
<th>Feasible</th>
<th>Likely to be taken up</th>
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<tbody>
<tr>
<td>Short term (within 3 years)</td>
<td>The cumulative effect of all zoning, objectives, policies, rules, spatial layers and existing designations in operative plans for permitted, controlled or restricted discretionary activities.</td>
<td>The actual development infrastructure in place.</td>
<td>Commerically viable to a developer based on the current relationship between costs and revenues.</td>
<td>Likely to be built, using as a starting point information about past development in building consent data.</td>
</tr>
<tr>
<td>Medium term (3–10 years)</td>
<td>As above plus additional development capacity in a notified plan.</td>
<td>As above plus additional development infrastructure funded in an LTP and/or funded or financed by an external party.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long term (10–30 years)</td>
<td>As above plus additional capacity identified in an FDS.</td>
<td>As above plus additional development infrastructure identified in an infrastructure strategy prepared under the Local Government Act 2002.</td>
<td>Commercially feasible to develop based, as a starting point, on the current relationship between costs and revenues.</td>
<td></td>
</tr>
</tbody>
</table>
[It is similarly unclear how take up should be considered in the medium and long-term. Take up is an important issue however again it is more relevant to the short and medium term than the long-term given the requirement to provide a rolling 3 and 10 year supply with additional 20% margins. We submit that take-up is not a relevant factor for the long-term and should be removed from consideration.

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.

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. [This becomes very technical, econometric and theoretical. It seems unnecessary as if sufficient short, medium and long-term development capacity can be shown (as covered by other parts of the NPS-UD) the effects of planning on the efficiency of land and property markets should be minimised].

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.

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.

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.

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.

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.

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

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.

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.

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.

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.

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.