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Committee Secretariat  
Environment Committee  
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Wellington

Tēnā koutou

## **DUNEDIN CITY COUNCIL SUBMISSION: URBAN DEVELOPMENT BILL**

### **INTRODUCTION**

1. The Dunedin City Council (DCC) appreciates the opportunity to make this submission on the Urban Development Bill.
2. The availability of affordable and high-quality housing is one of Dunedin's most pressing problems, largely as a result of a recent significant increase in population growth. The demand for housing is expected to continue as major redevelopments in the city, such as Otago University's capital works programme and the hospital rebuild, get underway.
3. The DCC initiated a variation to District Plan in 2019 for notification towards the middle of this year in response to the identified shortage of residential development capacity as assessed under the National Policy Statement for Urban Development Capacity (NPS-UDC). This response may include identifying new greenfield areas, rezoning areas to allow for greater intensification, and changing plan provisions to enable increased development. The DCC has been consulting with Kāinga Ora on these changes, including specific provisions and rezonings that would help Kāinga Ora deliver on the provision of public housing. The DCC welcomes the opportunity to continue to work with Kāinga Ora on housing issues and improving urban development outcomes.
4. The DCC is also undertaking other work on housing, with the Mayor's Taskforce for Housing producing a wide-ranging Housing Action Plan in 2019. Work identified in this action plan includes advocacy, working with community housing providers, and providing guidance and financial assistance to homeowners improving their housing conditions.
5. As a result of past and present work to cater for growth, the DCC submits that most land use developments and major projects in Dunedin should be able to proceed through conventional planning processes without requiring access to the powers proposed in the Bill.

### **COLLABORATION BETWEEN KĀINGA ORA AND TERRITORIAL AUTHORITIES**

6. The DCC acknowledges that in some cities there is a need for significant land use changes to catch up with growth or significant infrastructure projects, the scale or timing of which means the traditional planning and regulatory systems will not be efficient enough, on their

own, to deliver outcomes in a timely way. The DCC acknowledges that the proposed processes created in the Urban Development Bill will be necessary from time to time to deal with these situations. However, the DCC submits that local planning documents that have been developed with substantial community engagement and local decision-making should not be set aside lightly.

7. The DCC recommends that section 30(h) of the Bill is strengthened so that SDPs are not established without the support of relevant local authorities unless there are exceptional circumstances. The DCC recommends that the Bill provides greater clarity and specificity regarding the 'national interest' test in section 30(h)(ii), which allows for SDPs to be established without the support of the relevant territorial authorities.
8. The DCC recommends that there is early and ongoing collaboration between Kāinga Ora and territorial authorities, including in assessing the need for any specified development projects (SDPs).
9. Territorial authorities will hold ongoing future responsibility over the subject area of any SDPs, including ownership of any new infrastructure, so are well-placed to advise on potential long-term impacts. The DCC believes that territorial authorities are also in a unique position of understanding their local communities and environment through their ongoing relationships with residents and history of engagement in the development of strategies, plans and bylaws. As such, the views of local authorities, on behalf of the community, should be given significant weight when SDPs are considered.
10. The DCC recommends that the time given to territorial authorities under section 43(2)(b) to indicate their support of a proposed SDP is extended to at least 30 working days. The proposed timeframe of 10 working days is insufficient in light of the scale and significance of SDPs. Council meetings, at which a response would be considered and approved, typically occur monthly and sufficient time is required for preparation of advice and to meet legal requirements to publish reports in advance of the meeting. Reports are required to be published at least two full working days before a meeting, so the currently proposed provision of ten working days would require councils to investigate the impact of a proposed SDP and prepare a report in eight working days, which is not viable.
11. The DCC recommends that the requirement for draft project assessment reports to be 'sufficiently advanced' when submitted to territorial authorities for an indication of their support is replaced by clearer and more descriptive terminology. The DCC notes that it is important that the reports contain sufficient detail about the proposed development for territorial authorities to take an informed view on the complex and far-reaching matters of SDPs. In short, territorial authorities need sufficient information to make an informed assessment of the impact of the development, both on the city and on council's infrastructure.
12. Section 284 of the Bill states that territorial authorities may nominate a person to be appointed to an SDP project governance body; however, this only applies where the territorial authority had previously indicated their support during the project set-up. The DCC recommends that this is changed to allow for a territorial authority nomination

regardless of whether support was previously given and that this be extended to two persons, so that there can be staff as well as political representation.

## **INFRASTRUCTURE**

13. The DCC supports, in principle, the ability for Kāinga Ora to undertake required infrastructure projects, subject to the broad comments made above.
14. The DCC recommends that Kāinga Ora is required to meet, at a minimum, the same infrastructure standards as other developers and agencies. This would help to ensure that the community that lives in the development receives a similar level of service to other communities.
15. The DCC recommends that Kāinga Ora works directly with territorial authorities to prepare any plans for removal of, alteration of, or addition to local infrastructure. Any large-scale development requires a territorial authority to address the following issues in the planning stages, to support achievement of fair and affordable infrastructure outcomes in the long term:
  - the quality of infrastructure it will later own, operate and maintain
  - implications for existing infrastructure within the development area, as well as upstream and downstream of the development (including infrastructure constraints and mechanisms for upgrading wider networks to service growth and meet appropriate levels of service)
  - implications of development for wider planning requirements and processes (for example, the preparation and implementation of the Infrastructure Strategy under section 101B of the Local Government Act 2002 and water safety plans under section 69Z of the Health Act 1956).

## **PLANNING**

16. The Bill requires development plans to 'not be inconsistent' with specified national directions (section 60) and to 'have regard' to other planning instruments (section 69). The DCC submits that these provisions need to be strengthened.
17. The DCC recommends that evaluation reports be required to comment on each of the matters of national significance listed in section 6 of the Resource Management Act 1991. As the Bill currently stands, the evaluation report need not report on any of the matters of national significance other than historic heritage. These are fundamentals that every other developer and infrastructure provider is obligated to address.
18. The DCC submits the requirement should be for development plans to 'give effect to' objectives and policies in any local or regional spatial plans or planning instruments, as far as practicable, unless this would be contrary to the project's objectives.
19. Planning instruments should only be overridden or amended where it is necessary to achieve the project objectives and any changes should be constrained to the project area as far as possible. This would help ensure alignment with community expectations and mitigate the risk of unintended consequences on the wider integrity and functioning of planning instruments.

20. The DCC supports the objective of the Bill to better coordinate use of land, infrastructure, and public assets to maximise public benefit from complex urban development projects, as set out in the explanatory note attached to the Bill. This principle of integrated planning has also been supported in the DCC submission on the review of the Resource Management System as a core principle that should be applied to all urban planning.
21. The DCC submits that the Bill itself should be clear that SDPs are only to be used for complex urban development projects, where the public good arising from exercising the additional powers clearly outweighs the costs and risks of using this process. Such costs and risks particularly relate to lessened opportunity for public participation and the risk of undermining locally determined strategic land use planning objectives.
22. The DCC recommends that the principles for SDPs (under section 5 of the Bill) be amended to incorporate sustainable urban development and best practice urban design/development. This would help ensure that SDPs have a positive legacy on the urban environment.
23. The DCC recommends that, when identifying constraints and opportunities (under section 34 of the Bill) relating to SDPs, Kāinga Ora be required to consider community facilities, employment, and the local economy.

#### **CLIMATE CHANGE ADAPTATION**

24. The DCC believes that there may be a role for Kāinga Ora to assist with climate change adaptation where communities agree that normal planning processes would be ineffective or inefficient.
25. Adapting to climate change can be a difficult, costly and drawn out process. Kāinga Ora will be well-placed to build climate change adaptation into their projects with minimal additional effort and cost due to the scope and scale in which Kāinga Ora will operate when undertaking SDPs. For example, if raising floor levels would reduce flood risk, it would be more efficient to do so during an SDP than afterward. The DCC would like the Select Committee to build in more stringent requirements for Kāinga Ora to plan for long-term climate change when completing urban development projects.
26. The DCC has been working on climate change mitigation and adaptation for many years and is signing a partnership with the Ministry for the Environment with the objective of working together to better understand the challenges local and central government face when adapting to climate change. The Bill currently requires Kāinga Ora to 'identify reports on climate change matters relevant to the proposed project area', and states that Kāinga Ora must 'have regard to any emissions reduction plan or national adaptation plan applying in a project area', but the Bill does not require Kāinga Ora to consult local authorities on their past and present climate change work. The DCC encourages the Government to strengthen these requirements to ensure Kāinga Ora aligns with existing climate change work that has been completed or planned for within the project area.
27. The DCC encourages the Select Committee to ensure that Kāinga Ora's approach to developing infrastructure and housing aligns with national best practice guidance for climate change adaptation, for example Ministry for the Environment's Coastal Hazards and Climate Change Guidance for Local Government. This will help to ensure that the work and

investment that is undertaken by Kāinga Ora and its partners is long-lasting and equipped for future climate change.

28. The Bill states that particular regard must be given to providing or enabling low emission urban environments. The DCC recommends the Select Committee elevate this provision in the legislation to ensure that climate change mitigation and regenerative measures are key outcomes of specified development projects. We see this work as a good opportunity to ensure that environmentally sustainable infrastructure and buildings are constructed, and renewable energy is promoted. Examples include the use of green roofs, LED lighting rather than traditional halogen, and the use of solar where possible.

#### **OTHER COMMENTS**

29. The DCC acknowledges the changes made to the Urban Development Bill as a result of previous submissions. In particular, the DCC appreciates the addition of work to avoid, remedy, or mitigate the effects of natural hazards or climate change as a 'specified work' that can be undertaken through SDPs under section 249(1).
30. The DCC supports the role of Kāinga Ora in addressing issues of unaffordable housing, increasing homelessness and pressure on the public housing register, as set out in the explanatory note attached to the Bill. The DCC recommends that the Bill itself be more explicit in its role of enabling affordable housing and public housing outcomes by including this function as a principle for specific development projects in section 5(1)(a). We further submit that it may be beneficial to add a definition of 'affordable housing' for clarity.
31. The DCC submits that the use of SDPs may not be effective where industry capacity to deliver is constrained. For instance, planning, design and construction workforces are already strained and large-scale SDPs may exacerbate this issue rather than result in a net increase in what can be delivered across an urban area.

#### **CONCLUSION**

32. The DCC looks forward to working with Kāinga Ora.
33. Thank you again for the opportunity to submit.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Aaron Hawkins', with a stylized flourish at the end.

Aaron Hawkins

**MAYOR OF DUNEDIN**