

Thursday, 4 April 2024

Te Hui o Te Kaunihera ā-Rohe o Heretaunga
Hastings District Council
Hearings Committee Meeting

Kaupapataka
Agenda

Introduction

(Plan Change 5 - Medium Density Housing)

Te Rā Hui:
Meeting date: **Thursday, 4 April 2024**

Te Wā:
Time: **9.00am**

Te Wāhi:
Venue: **Council Chamber
Ground Floor
Civic Administration Building
Lyndon Road East
Hastings**

Te Hoapā:
Contact: **Democracy and Governance Services
P: 06 871 5000 | E: democracy@hdc.govt.nz**

Te Āpiha Matua:
Responsible Officer: **Group Manager: Planning & Regulatory Services - John O'Shaughnessy**

Hearings Committee – Terms of Reference

Fields of Activity

The Hearings Committee is established to assist the Council by hearing and determining matters where a formal hearing is required in respect of a planning or regulatory function of the Council, including under the provisions of the:

- Resource Management Act 1991
- Building Act 2004
- Health Act 1956
- Dog Control Act 1996
- Litter Act 1979
- Hastings District Council Bylaws
- Local Government Act 1974
- Local Government Act 2002; and
- Hastings District Council Class 4 Gambling Venue Policy.

Membership - Up to 10 Hearings Commissioners (comprising up to 7 elected members of Council and at least 3 external appointed Independent Hearings Commissioners)

- Chair appointed by Council from the membership including external appointed members.
- Deputy Chair appointed by the Council from the membership including external appointed members.
- Under s. 39B of the Resource Management Act, the Chair must be accredited, and unless there are exceptional circumstances, appointees on hearings panels must have accreditation to make decisions on;
 - Applications for Resource Consents.
 - Notice of Requirements given under s. 168 or 189 of the Resource Management Act.
 - Requests under clause 21(1) of Schedule 1 of the Resource Management Act for a change to be made to a Plan.
 - Reviews of Resource Consents.
 - Applications to change or cancel Resource Consent Conditions.
 - Proposed Policy Statements and plans that have been notified.
 - Any hearing of an objection under s. 357C of the Resource Management Act.

Quorum

- a) For Hearings other than Council Initiated Plan Change hearings, a maximum of three members including the Chair (or Deputy Chair, in the Chair's absence) to meet for any one hearing.
- b) For Council Initiated Plan Change hearings, all members may attend and take part in the decision-making process unless the Chair exercises the power of delegation to assign any function, power or duty of the Hearings Panel to any one or more Commissioners.
- c) For Hearings other than Council Initiated Plan Change hearings the quorum shall be two members.
- d) For Council Initiated Plan Change Hearings, the quorum shall be three members.
- e) Members to sit on any hearing other than a Council Initiated Plan Change Hearing shall be selected by agreement between the Chair (or Deputy Chair, in the Chair's absence) and the Group Manager: Planning and Regulatory Services.
- f) For the purpose of hearing any objection in respect of the matters detailed under the Dog Control Act 1996 the Hearings Committee will consist of any three members selected by the Chair.

Kaupapataka

Agenda

Hearing Panel Members:

Chair: George Lyons (Commissioner Chair - External appointee)

Bill Wasley (Commissioner External appointee)

Councillors Tania Kerr (Deputy Chair), Alwyn Corban, Eileen Lawson,

Wendy Schollum and Marcus Buddo

Ngā mema o te Komiti

Committee Members:

Heretaunga Takoto Noa Māori Standing Committee appointee: -

Vacancy

Apiha Matua

Officer Responsible:

Group Manager: Planning and Regulatory Services – John O’Shaughnessy

Reporting Planner

Senior Environmental Planner – Policy (Anna Summerfield)

*Te Rōpū Manapori me te
Kāwanatanga*

Democracy

Christine Hilton (Ext 5633)

Governance Services

Te Rārangī Take

Order of Business

Apologies & Leave of Absence – Ngā Whakapāhatanga me te Wehenga ā-Hui

- 1.0** Leave of Absences had previously been granted to Councillor Lawson and Councillor Buddo
-

Plan Change 5 - "Right Homes, Right Place" - Medium Density Housing

- 2.0** **DOCUMENTS CIRCULATED FOR HEARING - COMPILED AS THREE SEPARATE DOCUMENTS**

<u>Document 1</u>	The covering administrative report	Pg 1
	S42A Report - Introduction	Pg 3

Thursday, 4 April 2024

Te Hui o Te Kaunihera ā-Rohe o Heretaunga

Hastings District Council: Hearings Committee Meeting

Te Rārangi Take

Report to Hearings Committee

Nā:
From: **Christine Hilton, Democracy and Governance Advisor**

Te Take: **Plan Change 5 - "Right Homes, Right Place" - Medium Density**
Subject: **Housing**

1.0 Purpose and summary - Te Kaupapa Me Te Whakarāpopototanga

- 1.1 This is a covering report relating to the Proposed Hastings District Plan hearing – Plan Change 5, “Right Homes, Right Place” – Medium Density Housing.
- 1.2 The agenda documents can be viewed on the Council’s website.
- 1.3 The recommendations are included in the relevant sections of the agenda documents and are not summarised in this covering report.

2.0 Recommendations - Ngā Tūtohunga

That the covering report titled Plan Change 5 - "Right Homes, Right Place" - Medium Density Housing, the hearings report and associated attachments, dated 4 April 2024, be received.

Attachments:

S42A Report - Introduction	ENV-17-4-24-518	
S42A Report - Topic 1 - Overview of Strategic Approach to PC5	ENV-17-4-24-519	Separate Document – Topic 1
S42A Report - Topic 2 - Zone Introductions and Objectives and Policies	ENV-17-4-24-520	Separate Document – Topic 2

*Section 42A Report for Plan Change 5: Right Homes, Right Place
Introduction Report*

PC5: Right Homes, Right Place INTRODUCTION REPORT

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6. Submissions
 - 6.1. Original and Further Submissions
 - 6.2. Late Submissions
 - 6.3. Structure of Submissions Analysis

Interpretation

Throughout this report, a number of abbreviations have been used in the interest of conciseness. The following tables outline those abbreviations:

Abbreviation	Explanation
BCA	Business Capacity Assessment
CPTED	Crime Prevention Through Environmental Design
CRD	Comprehensive Residential Development
ECOP	Engineering Code of Practice
EPA	Environmental Protection Authority
FC	Feasible Capacity
FDS	Future Development Strategy
GRZ	General Residential Zone
HDC	Hastings District Council
HGRZ	Hastings General Residential Zone
HIRB	Height in Relation to Boundary
IAF	Infrastructure Acceleration Fund
HBA	Housing and Business Capacity Assessment
HCA	Housing Capacity Assessment
HPUDS	Heretaunga Plains Urban Development Strategy
LAP	Local Area Plan
LTP	Long Term Plan
MDRS	Medium Density Residential Standards
MDRZ	Medium Density Residential Zone
M.E.	Market Economics
MfE	Ministry for the Environment
MRZ	Medium Density Residential Zone
MVMC	My Voice, My Choice
NPS	National Policy Statement
NPS-HPL	National Policy Statement for Highly Productive Land 2022
NPS-UD	National Policy Statement on Urban Development 2020
NPS-UDC	National Policy Statement on Urban Development Capacity 2016
PC5	Plan Change 5: Right Homes, Right Place
PDC	Potential Development Capacity
PEC	Plan Enabled Capacity
RER	Reasonably Expected to be Realised
RMA	Resource Management Act 1991
RPS	Regional Policy Statement
S42A	Section 42A of the RMA referring to the Officers' Report
TARZ	Te Awanga Residential Zone
the Council	Refers to Hastings District Council
website	www.hastingsdc.govt.nz

1 INTRODUCTION

1.1 Purpose of the report

- 1.1.1 This report is prepared in accordance with section 42A of the Resource Management Act 1991 (RMA).
- 1.1.2 This report considers and assesses the submissions and further submissions that have been received in relation to proposed Plan Change 5 (PC5) to the Partially Operative Hastings District Plan 2020, against the relevant provisions of the RMA. It concludes by recommending whether each submission should be accepted, accepted in part, or rejected. Where submissions are recommended to be accepted or accepted in part, the report also recommends the amendments to be made to the Operative District Plan provisions.
- 1.1.3 The report should be read alongside the tracked changes version of the Sections of the Operative Plan which shows the recommended amendments resulting from the assessment of submissions in Appendix 1.

1.2 Statement of Experience

- 1.2.1 The entire environmental policy team and two members of the environmental consent team at Hastings District Council have been involved in the writing of this report and analysis of submissions. Each member of the team involved in the writing of this report has prepared a statement of their experience, a description of their role in PC5 and the report topics that they analysed. They also each confirm compliance with the Code of Conduct for Expert Witnesses, as relevant. These statements are included in Appendix 2.

1.3 Preparation of the Report

- 1.3.1 In preparing this report the role of the team members has included to review, provide analysis on, and make recommendations on the submissions and further submissions received in relation to the contents of PC5. The majority of those involved in writing the report were also involved in undertaking public consultation on PC5.
- 1.3.2 Where changes or amendments to the District Plan are recommended, these have been assessed in accordance with section 32AA of the RMA and an evaluation provided within the specific issue or topic report, at a level of detail corresponding to the scale and significance of the recommended change.
- 1.3.3 A separate section 32AA evaluation has been undertaken in respect of the general approach to submissions on PC5 and the philosophy behind the revised medium density residential zone spatial extent, discussed in section 5 of this report. This section 32AA report is included in Appendix 3.

1.4 Code of conduct

- 1.4.1 The team confirm that they have read the Code of Conduct for Expert Witnesses in the Environment Court Practice Note 2023 and have complied with it when preparing this report. The evidence stated in the analysis of the submissions is within the areas of expertise of the team, other than when it is expressly stated that reliance is on the advice of another person.

*Section 42A Report for Plan Change 5: Right Homes, Right Place
Introduction Report*

- 1.4.2 The data, information, facts and assumptions that have been considered in forming the writers' opinions are set out within the submissions analysis. Where opinions have been given, the reasons for those opinions are stated. The writers of this report have not omitted to consider material facts known that might alter or detract from the opinions expressed.
- 1.4.3 The team members are authorised to give this evidence on the Council's behalf in relation to PC5.
- 1.5 **Conflict of Interest**
- 1.51 It is confirmed that there are no real or perceived conflicts of interest amongst the team members who have prepared this report.
- 1.6 **Scope of report and hearing**
- 1.6.1 The hearing addresses the following parts of the operative plan:
- New Residential Overview chapter
 - New Medium Density Residential Zone chapter
 - Section 2.4 Urban Strategy
 - Section 2.6 Medium Density Housing Strategy
 - Section 7.2 Hastings General Residential Environment and General Residential Zone
 - Section 8.2 Havelock North General Residential Environment and General Residential Zone
 - Section 9.2 Flaxmere Residential Environment and Flaxmere Residential Zone
 - Section 30.1 Subdivision and Land Development
 - Section 33.1 Definitions
 - Appendix 26 – Scheduled Sites and Activities
 - Appendix 27, 38 and 29 Sites suitable for comprehensive residential development
 - Appendix 38 Hastings Character Areas
 - Appendix 60
 - Amendments to the Hastings Medium Density Design Framework (formerly called Hastings Residential Intensification Design Guide).

2 OVERVIEW OF PC5 AS NOTIFIED

- 2.1 PC5 is a first step in aligning the District Plan with Policy 5 of the National Policy Statement on Urban Development 2020 (NPS-UD). As Hastings District is part of a Tier 2 urban environment, the NPS-UD requires that a plan change to implement Policy 5 be notified no later than 2 years after the commencement date, that is, by 20 August 2022. Policy 5 relevantly provides:
- ... district plans applying to tier 2 ... urban environments enable heights and density of urban form commensurate with the greater of:
- (1) the level of accessibility by existing or planned active or public transport to a range of commercial activities and community services; or
 - (2) relative demand for housing and business use in that location.

- 2.2 A staged approach to meet the NPS-UD was considered appropriate given that the Future Development Strategy (FDS) for the region was in the very early stages of development at the time that PC5 needed to be notified. Furthermore, the FDS had not been completed to a sufficient level that could inform the plan change prior to the timeframes outlined by the Ministry for the Environment (MfE) for Territorial Authorities to meet the requirements of the NPS-UD. To date, the FDS development has been delayed due to Cyclone Gabrielle and is not likely to be finalised until late 2024.
- 2.3 Given the timeframes set by the NPS-UD and the pressure of demand for new housing in the District, the Council proposed a plan change that sought to implement provisions that aligned with HDC's existing Medium Density Housing Strategy and was cognisant of infrastructure constraints across the urban areas of the District.
- 2.4 After an independent review of the Council's Medium Density Housing Strategy, several development barriers were identified, particularly in respect of existing District Plan provisions. This work informed the development of PC5.
- 2.5 The express purpose of PC5 is to amend the existing plan provisions to provide a more enabling framework for residential intensification, particularly comprehensive residential development (CRD) in existing locations already recognised in the District Plan and Council strategies as being suitable for greater housing densities. In essence the plan change was predicated on the existing Medium Density Housing Strategy, 2014 adopted by the Council.
- 2.6 The areas identified as being particularly suitable for medium density development were chosen as part of the Urban Issues workshops and Urban Design Framework studies in 2009/2010 and these formed the basis of the Council's Medium Density Housing Strategy.
- 2.7 The areas identified for medium density development have accessibility to public open space, amenities, employment, shops, services, and public transport. As part of the District Plan review process in 2015, two of these areas were zoned City Living zone (Mahora and Heretaunga Street East area) and others (including Raureka, Windsor Park, and areas close to the Havelock North village centre) were identified as sites suitable for CRD. The sites and areas identified as suitable for CRD were shown in the Appendices to the District Plan.
- 2.8 The overall purpose and objectives of PC5 are:
- To make it easier to build more houses on existing residential land within Hastings, Havelock North and Flaxmere, and
 - To provide certainty through a less onerous rule framework that encourages high quality CRD (medium density housing).
- 2.9 PC5 as notified proposes amendments that to:
- Change the name of the existing 'City Living Zone' to 'Medium Density Residential Zone;'

- Rezone land identified in existing district plan Appendices 27, 28, 29; as appropriate for CRD to Medium Density Residential Zone
- Provide a rule framework that encourages CRD without the need for public notification subject to a set of standards that ensure high quality design outcomes and sufficient infrastructure capacity to service development;
- Lower the activity status of CRD to Restricted Discretionary (Non-Notified) in the General Residential Zones (Hastings, Havelock North and Flaxmere) to enable quality medium density housing development on sites in these areas where infrastructure capacity, amenity, open spaces, services, employment, and public transport are most accessible and available;
- Ensuring design quality is a high priority for CRDs in both Medium Density Residential and General Residential zones, meaning it is critical to require the assessment of all applications in respect of the key design elements of the updated Hastings Residential Intensification Design Guide 2020.

3. STATUTORY CONSIDERATIONS

3.1 In assessing the submissions on PC5, this report has been prepared in accordance with the RMA which requires consideration to be given to a number of matters. These include the overall statutory framework against which PC5 is considered and assessed under Section 74 and 75. These matters include:

- Part 2, Purpose and Principles;
- Section 31, The functions of Territorial Authorities under the Act
- Section 32, Consideration of alternatives, benefits and costs;
- Section 74, Matters to be considered by territorial authorities
- Section 75, Contents of District Plans

3.2 As set out in the original section 32 evaluation report for PC5, there are a number of higher order planning documents that provide direction and guidance on the content of the District Plan, including the NPS-UD, the National Policy Statement on Highly Productive Land (NPS-HPL) and the Hawkes Bay Regional Policy Statement (RPS). These documents are discussed in detail in the original section 32 report.

4. BACKGROUND TO MEDIUM DENSITY DEVELOPMENT IN HASTINGS

4.1 The intensification of our urban environments is not a new issue in the context of the Heretaunga Plains. Recognition of the finite nature of the highly productive land that surrounds the Napier and Hastings residential boundaries has been recognised in district plans and growth strategies dating back to the 1970's.

4.2 However, our greater level of knowledge around natural hazards, climate change, and increased levels of housing demand has only recently provided the impetus for realising greater levels of intensification. Aligned with this, is new national policy that directs us to give much greater protection to highly productive land and requires us to provide for greater levels of intensification within our existing urban boundaries. These are compelling justifications for providing for medium density development within the existing urban boundaries of the city. There are, however, numerous other factors which also influence

the appropriate strategy for implementing medium density housing and these are discussed in the following sections of this document.

Heretaunga Plains Urban Development Strategy 2017

- 4.3 The Heretaunga Plains Urban Development Strategy (HPUDS) 2017 replaced the 2010 version of HPUDS, which in turn replaced the 1993 Hastings Urban Development Strategy. HPUDS directs residential, commercial and industrial growth across the Heretaunga Plains for the period 2015 through to 2045.
- 4.4 It was a collaborative strategy between the Hawkes Bay Regional Council, Napier City Council and Hastings District Council, that treated the Heretaunga Plains as one urban environment.
- 4.5 It was the first of any of the Council's strategic documents to initiate the concept of using land more efficiently by intensifying both from a greenfield and infill basis. The growth model adopted by the community was based on transitioning from a predominantly greenfield and rural housing model in 2015 (65%) to that of a predominantly infill one (60%) by the end of the period 2045. One of the objectives of the strategy was also to obtain greater yields by increasing the density to an average of 15 lots/dwellings per ha for greenfield development and between 20-30 dwellings per ha for infill intensification areas. While the density objectives for greenfield developments have been realised this has not been achieved to the extent expected for infill developments. Controlling the outward expansion of existing urban areas has always been a challenge in a provincial setting where rapid growth has not been immediately obvious and land does not seem scarce.
- 4.6 The provision for growth demand is based on a medium /high growth scenario and the strategy identifies the priority areas for growth. The strategy also makes provision for reserve areas which would come into play if the levels of growth were higher than those predicted in the growth model, or if any of the greenfield priority areas were not to proceed for some reason.
- 4.7 HPUDS is a strategic document that needs to be implemented by means of the statutory based plans. HPUDS policy direction was adopted into the Regional Policy Statement and the greenfield priority areas and medium density aspirations were also included in the district plans by means of the plan change process under the Resource Management Act. It became clear that further strategic, infrastructure, and financial planning would also be required to help facilitate the intensification outcomes sought by HPUDS.

Medium Density Strategy 2014

- 4.8 In response to HPUDS objectives, a Medium Density Strategy was embarked on to look at how and where medium density development might be best achieved within the residential areas of Hastings City to meet both the intensification and density targets. This would need to be achieved by means of a planned and coherent strategy, rather than sporadic growth which can lead to pressures on infrastructure and urban environments where the quality of the environment is not maintained. Quite often medium density is seen as lowering amenity values and this is a perception that needs to be overcome.

- 4.9 The Medium Density Strategy sought to provide guidance on how the intensification targets set out in HPUDS could best be achieved and provided something of a toolkit to this end. As a first step medium density was defined as "housing at densities of more than 250m² and less than 350m² gross area of land per unit".
- 4.10 The recommendations arising out of the Medium Density Strategy include;
- Promoting positive and appropriate district plan provisions for medium density housing.
 - Developing an education strategy to address negative perceptions of medium density housing.
 - Providing design guidance through "how to" guides and development checklists.
 - Looking at opportunities for reducing consent requirements for medium density housing to ensure that they are efficient and relatively risk free.
 - Undertaking a review of the current development contributions policy for potentially reducing the contribution required for medium density housing.
 - Preparing Local Area Amenity and Infrastructure Plans to integrate above and below ground infrastructure.
- 4.11 A number of these recommendations have been implemented to date including, a policy framework in the district plan to support medium density development and the production of a Medium Density Design Framework to show that good design outcomes can be achieved in medium density housing.
- 4.12 Through the last district plan review, specific provision was made for CRD which was more enabled in those parts of the city which have greater levels of accessibility and where the infrastructure is available.
- 4.13 These initiatives have not resulted in the level of infill development that was hoped for and as a result a review of the medium density housing strategy was undertaken in 2022.

Medium Density Housing Strategy Review 2022

- 4.14 The purpose of the Medium Density Housing Strategy Review was to look at the methods that had been put forward to implement the 2014 Strategy to see if they remained relevant or whether there were additional measures that needed to be adopted to encourage greater levels of intensification.
- 4.15 While there have been a number of actions implemented it is evident that detached houses still dominate housing activity in Hastings. The question the review sought to consider was how we can better promote the shift to medium density development.
- 4.16 The review found that the Medium Density Housing Strategy outcomes are well aligned with the outcomes of the NPS-UD, which is fundamentally to increase urban density to support greater levels of housing delivery, that is both affordable and meets a diverse range of community needs. The need to achieve a reduction in greenhouse gas emissions is another driver for seeking greater levels of intensification of our housing.
- 4.17 While the district plan enables intensification in some parts of the city (the City Living Zones) the higher activity status for CRD in the remaining areas of the city does not signal

encouragement for this type of housing. One of the recommendations from the Medium Density review was to look at the activity status of CRD outside of the City living zones and in conjunction look at the objectives and policies that they would be assessed under.

- 4.18 One of the difficulties identified for CRD was that they needed to meet objectives in the district plan that place a lot of weight on the protection of the existing amenity values. If there is a move to more intensive development the objectives and policies need to reflect the proposed change in the residential environments of the city and not place such a high weighting on the protection of the current environment. This is not to say that amenity values such as privacy and shading should be devalued but rather that the District Plan needs to acknowledge that the current character of residential neighbourhoods will need to transition and change. This aligns with Policy 6 of the NPS-UD which requires decisions that affect urban environments to be guided by the planned urban built form anticipated by the district plan and that the planned urban built form outlined in the district plan provisions may involve significant changes to an area.
- 4.19 The recommendations from the Medium Density Strategy Review also acknowledge that the city has some infrastructure constraints that will need to be addressed ahead of any wide scale roll out of medium density across the city. This is mostly in relation to wastewater limitations, but stormwater constraints also feature across parts of the city. In combination this could lead to significant public health and safety issues if they are not addressed ahead of any release of land for more intensive purposes. The recommendation is that a portal be established where developers can obtain information on the infrastructure readiness of the different areas of the city to enable medium density development investment decisions. Council Asset Managers are aware of the infrastructure limitations and have been assessing in detail the infrastructure constraints across the city to report to Council.
- 4.20 In acknowledging the infrastructure constraints the medium density review recommended a strategic approach to intensification based around facilitating development within the existing City Living zones in the District Plan and providing additional future capacity through the concept of Local Area Plans. Local Area Plans are place based and ensure that infrastructure, amenity, and planned decision making are integrated at a local level to achieve the goal of a "well-functioning urban environment".

Infrastructure Constraints Report 2023

- 4.21 The purpose of the Infrastructure Constraints Report is to analyse the current physical capacity of infrastructure that supports the Hastings urban area including Havelock North and Flaxmere. It does not set out to provide solutions to the constraints identified.
- 4.22 In assessing each service, the intent of the report is to identify where capacity is available and to focus on the constraints that must be addressed in order to support growth over the next 30- year period. Central to this assessment is the need to identify areas where Medium Density development is unlikely to be hindered by inadequate infrastructure. It also identifies areas where any further development may lead to lower levels of service or unacceptable costs to the community.
- 4.23 This report is central to the rationale behind PC5, and Council's future planning for achieving greater levels of intensity within the existing boundaries of the urban area.

- 4.24 The report findings show that there are constraints across all infrastructure sectors, with the wastewater network facing the most pressure. Demand across all sectors is expected to increase as a result of increasing population growth and the effects of climate change.

Water Constraint

- 4.25 The amount of water we take from the aquifer is limited by consent and from Hawke's Bay Regional Council and the potential to seek further increase in the consent volumes is likely to be limited.

Wastewater Constraint

- 4.26 The urban wastewater network is reaching full capacity. Predicted growth and objectives around intensification will require additional capacity beyond the capabilities of the existing system.

Stormwater Constraint

- 4.27 The Hastings urban stormwater system is vulnerable to higher intensity rainfall events arising from climate change. This combined with an increase of impervious surfaces as a result of intensification leads to challenges for achieving greater levels of intensification.

Transportation Constraints

- 4.28 Suburban roads are being used as de facto by passes to avoid more congested areas and there is a high reliance on private vehicle use.

Parks and Open Space Constraints

- 4.29 The availability of parks and open spaces is below the ideal level of service.
- 4.30 The Implications of these constraints, both individually and collectively, on the ability to achieve the intensification goals of HPUDS, the Medium Density Strategy, and the NPS-UD, are significant. It is evident from the report that intensification across the city is not a realistic option and until infrastructure upgrades can be achieved the implementation of intensification goals will need to be carefully considered. The constraints report does not identify the solutions for infrastructure planning as this is the purpose of the Essential Services Development Plans which are the next stage in the process. These plans need to be developed against a level of service and demand and in consideration of what is affordable for the community. The works asset team will base their upgrades on an average section size of 200m² across the city. This is a balance between providing for greater levels of intensification and ensuring that appropriate levels of service can be maintained.

Infrastructure Upgrade Works Programme

- 4.31 In order to address the issues outlined above, Council is currently progressing with major capacity upgrade projects to address deficiencies at a network wide level. This programme of works has also been prioritised to provide capacity to areas that Council has identified for intensification in a staged approach with an initial investment of \$40M over 3 years (2022 – 2025) as a *growth ready* package of works with a further \$180M

identified in the 2024 LTP and beyond to progressively unlock capacity in areas where further intensification is anticipated.

- 4.32 This programme has been developed to ensure that significant investment in wastewater can be implemented strategically over time to meet our immediate and future growth demands in a more planned and co-ordinated way. Increasing capacity in targeted residential zones in Hastings, Havelock North and Flaxmere ensures investment is aligned with Council's growth strategy rather than reacting in an ad-hoc and inefficient manner to growth pressures across all parts of the city.

NPS-UD 2020

- 4.33 The NPS-UD provides central government direction on how Tier 1, 2 and 3 Councils should be providing for growth within their area. This is done through setting out a set of objectives and policies that will ensure that there is sufficient land available for residential and business development to enable well-functioning and efficient cities. The intensification of urban environments is a central goal of the policy direction in the NPS and acknowledges the importance of accessibility principles in contributing significantly to a well-functioning urban environment. There are three tiers to urban environments within Aotearoa New Zealand, with Tier 1 being the fast-growing metropolitan areas, the second tier being larger provincial cities and the third tier the smaller provincial cities. The Hastings/Napier urban environments are tier 2 environments.
- 4.34 The NPS-UD requires Tier 2 territorial authorities to notify a plan change to meet the intensification policies of the NPS within 2 years of commencement. PC5 was promulgated in response to this requirement.
- 4.35 Policy 5 of the NPS-UD provides specific direction on how the Hastings District is to provide for its intensification which is through enabling heights and density of urban form that are commensurate with the:
- Level of accessibility by existing or planned active and public transport to a range of commercial activities and community services, or
 - Relative demand for housing and business use in that location.
- 4.36 As a tier 2 authority this policy is to be applied to the entire urban area of Hastings.

Housing Capacity Assessment

- 4.37 As well as indicating how it is to provide for intensification the NPS -UD also requires that tier 2 authorities must provide at least sufficient development capacity in its region or district to meet expected demand for housing in:
- Existing and new urban areas
 - For both stand alone dwellings and attached dwellings; and
 - In the short, medium and long term
- 4.38 To meet the test for what is sufficient, the development capacity must be:
- Plan Enabled
 - Infrastructure Ready
 - Feasible and reasonably expected to be realised

- Meet expected demand as well as providing for an appropriate competitiveness margin.
- 4.39 The NPS-UD requires Tier 2 authorities to undertake a Housing and Business Capacity report on the expected demand for, and currently enabled supply of, residential and business development capacity over the next 30 years. The Hastings Housing Capacity assessment is based on the medium- high growth scenario that was adopted for the Heretaunga Plains Urban Development Strategy which has proven to be a good indicator for long term average growth levels in the region. Housing capacity must also be calculated over the short, medium and long term based on whether it is plan enabled, infrastructure ready and feasible, and reasonably expected to be realised.

National Policy Statement – Highly Productive Land 2022

- 4.40 The NPS-HPL came into force in October 2022. The NPS-HPL is closely related to the NPS-UD. The NPS-HPL provides national direction on how land identified as highly productive should be managed and protected. This has significant implications for the Hastings District whose existing urban environment is surrounded by land defined in the NPS-HPL as highly productive. Proposed Plan Changes to rezone highly productive land to an urban zoning are where the NPS-HPL and NPS-UD directly interact. A number of the policies and clauses in the NPS-HPL encourage local authorities to consider the relationships between the two NPS documents to ensure that integrated decision making is achieved. There is a duty in the NPS-HPL to avoid subdivision of highly productive land except in very limited circumstances and this places significantly more emphasis on intensification within the existing urban boundaries.

**5. PREFERRED SCENARIO FOR THE MEDIUM DENSITY
RESIDENTIAL ZONE**

Meeting obligations under the NPS-UD

- 5.1 PC5 was drafted in response to the directives set out in the NPS-UD which requires Tier 2 authorities to enable intensification in suitable locations in the district plan. Both Hastings and Napier are classified as Tier 2 authorities requiring a sufficient supply of housing with an emphasis on infill housing, with a contingency figure built in. What this means is that we need to enable higher density development in locations with good access and amenity so that people can live close to where they work, learn, and undertake recreation. This raises the issue of accessibility and identifying the areas of the city which have good public transport and are close to commercial and recreation areas. The partially operative district plan had gone some way to achieving this with the introduction of city living zones, which are areas accessible to commercial services, public transport and open space where CRD was encouraged. While the NPS-UD requires Council to enable heights and density of urban form commensurate with the greater of accessibility to public transport or relative demand for housing across the entire urban area, part of providing for that demand requires land to be infrastructure ready.
- 5.2 PC5 was therefore drafted in the knowledge that there are some significant infrastructure constraints especially in relation to wastewater and that at least until the Essential Services Development Constraints Report was completed limitations must be placed on

- the extent of intensification. A strategic approach was therefore adopted to ensure that we could meet intensification goals.
- 5.3 That infrastructure assessment work has now been completed. This greater level of knowledge of the existing network, along with funding from the Infrastructure Acceleration Fund that will provide for the construction of a new wastewater link to free up internal capacity, allows for the medium density residential zone to be extended beyond what was proposed at the time of notification of PC5.
- 5.4 The submissions received on the spatial extent of the medium density zone were for the most part at opposite ends of the spectrum i.e. that it should be much wider in its extent or that intensification is not necessary. The Hastings community is largely of the view that it is not necessary and it is clear that they are finding it difficult to accept higher densities within their neighbourhoods. While it is important to be having the conversation with the community on intensification and the drivers for this, it is also important that we don't provide for more medium density than we need so that the community can transition into the effects associated with more intensive housing.
- 5.5 Our level of knowledge of infrastructure capacity combined with the viewpoints of the community through submissions have allowed us to revisit the boundaries of the medium density residential zone from those that were originally notified. The methodology (attached Appendix4) that provides the rationale for the extent of the medium density residential zone considers accessibility in terms of Waka Kotahi's VKT programme. This assessment determined that a 400 metre walkable catchment around the central business district and main transport corridors is an appropriate measure of accessibility to commercial needs and community services in a provincial city such as Hastings. This methodology provided the basis for where heights and density could be increased.
- 5.6 Under the NPS-UD tier 1 local authorities are required to base their intensification provisions on walkable catchments. Submissions proposing a 400m walkable catchment scenario have been lodged on PC5. Through the mapping of the 400m walkable catchment as it applies to Hastings, it became evident that there were four potential scenarios to consider for the medium density residential zone extent. These are outlined as follows:
- Scenario 1 relates to the medium density residential zone (MDRZ) as notified in PC5
 - Scenario 2A relates to the 400m walkable catchment around the Hastings CBD and main transport routes and around the town centres of Flaxmere and Havelock North plus those areas of the MDRZ identified in scenario 1 that are located outside the 400m walkable catchment;
 - Scenario 2B relates to the 400m walkable catchment only around the Hastings CBD and main transport routes and around the town centres of Flaxmere and Havelock North.
 - Scenario 3 relates to a submission that proposed that the MDRZ be applied across the full extent of the existing Hastings City Living zone and General Residential Zone and within an 800m walkable catchment from the Havelock North and Flaxmere town centres.

- 5.7 These four potential options have been adopted for consideration of the most appropriate spatial extent of the medium density zone. Maps of the 4 scenarios 1, 2A, 2B and 3 are included as Appendix 5.
- 5.8 The last part of the equation under Policy 5 of the NPS-UD is ensuring that the degree of intensification that is enabled is relative to the demand for housing and business in that location. The development capacity of the four spatial options identified to accommodate the anticipated level of growth has been modelled (refer Market Economic Report Appendix 6).
- 5.9 The HCA analysis established the following housing bottom lines that are to be provided for through a mix of intensification, greenfield and rural / lifestyle development:
- Short term (yrs 2020-2023) 1920 dwellings
 - Medium terms (yrs 2023-2030) 3270 dwellings
 - Long term (yrs 2030 – 2050) 7640 dwellings
- 5.10 In terms of the development capacity provided by each scenario the following table outlines the modelling results under a maximum profit approach.

Scenario	Plan-Enabled	Feasible Capacity	RER equivalent Potential Development Capacity
Scenario 1	18,970 – 76,040 dwellings	31,005 dwellings	3305 dwellings
Scenario 2A	14,915 – 52,030 dwellings	30,030 dwellings	3360 dwellings
Scenario 2B	14,465 – 50,585 dwellings	30,445 dwellings	3380 dwellings
Scenario 3	24,745 – 103,295 dwellings	26,980 dwellings	3295 dwellings

- 5.11 What this shows is that allowing for medium density development across the whole of the Hastings Urban area (Scenario 3) results in a feasible capacity that is considerably below the other scenarios. This is largely due to the reduced numbers of attached dwellings that will be supplied to the market and as stated in the Market Economics report *“is in part a function of the maximum profit approach and the different planning provisions (outside of the walkable catchment)”. The report states that “Scenario 3 could deliver greater levels of feasible capacity relative to any of the other scenarios if a different approach is taken (or a combination of development pathways)”. The modelling also shows that Scenario 1 has the largest feasible capacity due to it enabling more than twice the number of feasible dwellings in Havelock North and Flaxmere than scenario’s 2A and 2B. However, total feasible figures are not significantly different from those under scenarios 2A and 2B.*
- 5.12 In terms of the housing bottom lines, under all scenarios the potential development capacity (RER equivalent figure) across Hastings, Havelock North and Flaxmere exceeds the medium-term demand total through intensification alone, with no consideration of greenfield growth. When plan enabled capacity is considered (the long term outlook) the ability to meet housing bottom lines is far exceeded under all scenarios.

- 5.13 The recommended approach for the Medium Density Residential Zone is the adoption of Scenario 2B plus the operative Mahora City Living zone area.
- 5.14 Significant reasons for the preference for scenario 2B (as compared to scenario 1 PC5 as notified) is that it provides accessibility to the CBD, key transport links and main commercial areas of Havelock North and Flaxmere, it relates to a defined and legible area which enables the development of a more cohesive urban fabric, and provides a greater level of certainty for the residents of Hastings on where intensification is to be provided within the urban boundaries. A defined area also assists Council in its coordination, planning and provision for increased infrastructure capacity compared to the fragmented zone proposed in PC5 as notified.
- 5.15 In summary the adoption of Scenario 2B plus Mahora meets the growth responsibilities set down for Council under the NPS-UD while zoning the smallest extent of land based on the accessibility criteria of a 5-minute walk to a main commercial centre.
- 5.16 A Medium Density Residential Zone based on a walkable 400m catchment is considered appropriate for provincial cities and provides a clear and identifiable boundary for the residents of Hastings. This is important in light of the negative submissions that have been received on the intensification provisions under PC5. A defined and transparent boundary to the zone will help to ensure that we can transition into medium density development and properly plan for it within the infrastructure limitations that we currently face.
- 5.17 Taking an oversight of all the submissions to PC5, the most appropriate approach to address these, while still meeting Council's obligations under the national policy statements, is to recommend the implementation of a Medium Density Residential Zone within the boundaries of Scenario 2B plus the existing Mahora City Living zone. The MDRZ boundaries are shown in the map attached as Appendix 7.

Hastings Character Residential Zone within the 400m walkable catchment for MDRZ

- 5.18 It is noted that there are a number of properties within the 400m walkable catchment in Hastings that have a Character Residential Zoning. Some of these properties, specifically those located around the edge of Cornwall Park, were identified in Scenario 2B as having a medium density residential zone (as per PC5 as notified) for the purposes of modelling. Therefore, development of these sites was included in the modelling figures.
- 5.19 It is recommended that all character residential zoned properties within the 400m walkable catchment retain their Character Residential zoning rather than have the medium density residential zone applied to them. The reasons for recommending these sites retain to their operative zoning and removing development rights for CRD activities are:
- Retention of these properties as character residential zoned sites is valued by the community for their importance in establishing a high amenity environment surrounding Cornwall Park;
 - Sufficient development capacity can be provided with accessibility to main commercial centres without enabling further development of these properties.

- 5.20 The retention of the character residential zoning of these properties will have an impact on the total feasible capacity figures. However, to offset this, it is proposed to retain the area of Mahora that is currently zoned for medium density development through the existing City Living zone provisions (and located outside the 400m walkable catchment of the Hastings CBD) as part of the proposed medium density residential zone. The justification for this is based on the proximity of this area (within a 400m catchment) of the Mahora suburban commercial zone shops which offer a high level of service in terms of commercial and community facilities as well as access to public transport, Cornwall Park and walking and cycling facilities.

General Residential Zones outside the 400m walkable catchment

- 5.21 The modelling by Market Economics demonstrates that scenario 2B provides sufficient development capacity with the General Residential Zone outside the 400m catchment area retaining its operative minimum site size of 350m². Therefore, changes to the provisions of the General Residential Zones can be made to retain the suburban nature of these areas which are located further away from the main commercial centres. This would ensure a more transparent approach to providing for medium density development. It would provide certainty to the community and property developers by directing medium density development to the medium density residential zone and leaving the general residential zones to provide for more suburban development at the current existing density of one residential unit per 350m² net site area. Notwithstanding, it is noted that development proposals seeking densities higher than the standard could still be applied for and granted through a discretionary activity resource consent application.
- 5.22 A number of submissions including 004.1 (S Angus) and 152.1 G Wright were received that sought to retain the status quo albeit without any medium density development provided for. Furthermore, submission 134.1 from McFlynn Surveying and Planning sought *"that the plan change is withdrawn, and a new plan change prepared that is consistent with the NPS-UD, aligns with community aspirations, provides for development at an appropriate density"*. Submission 138.9 (P. Rawle) states *"I want further Comprehensive Residential Development in the now General Residential zones deferred until the effects of any changes that intensification has, have been identified and assessed. This may prevent negative consequences from the unproven scattergun approach to intensification"*.
- 5.23 To implement the recommended approach the provisions of the general residential zone would revert to their operative rule frameworks with some exceptions, including the removal of operative rules enabling comprehensive residential development on identified sites outside the Medium Density Residential Zone (i.e. those identified in Appendix 27, 28 and 29 of the District Plan, that fall outside the 400m catchment area). The operative rules providing for comprehensive residential development in the existing greenfield urban development areas of Howard Street, Hastings and Brookvale, Havelock North would be retained except that CRD on these sites would be required to comply with the as notified land use standards and assessment criteria / matters of discretion (subject to decisions on submissions). The operative CRD subdivision minimum site size standards for these areas would be retained to ensure that the infrastructure provided to these areas is capable of servicing development across the whole structure plan area and to

ensure that the concentration of dwellings is suitable given the location of these greenfield areas outside the 400m walkable catchment of the main commercial centres of Hastings and Havelock North.

- 5.24 Alongside this district plan approach, Council will be working with communities to undertake local area plans. These are plans developed outside the District Plan framework intended to ensure the identified medium density residential zone areas are set up to create livable and functional urban environments, potentially enabling the further expansion of the medium density residential zone over time (when additional development capacity is required) and where infrastructure and amenity services are sufficient to service such development. Council has committed to the local area planning process with consultation on the first areas (east, west and north) to be initiated in 2024.
- 5.25 This approach to PC5 is considered to provide a rule framework that is transparent - creating certainty in the expected development outcomes and planned urban built form environment of the different residential zones (ie a clear difference between urban residential environments (medium density zone areas) and suburban residential environments (general residential zone areas) which would meet many of the issues raised by submitters.
- 5.26 This methodology will still provide Council with the ability to meet the previous government's mandate (the NPS UD and NPS HPL) to ensure sufficient development capacity to meet residential demand in a sustainable way. It would also align with the current government's mandate for more options for medium density housing in greenfield locations and along transport corridors.
- 5.27 An evaluation report (under section 32AA of the Act) has been prepared to assess the appropriateness of the recommended changes arising from the revised approach to PC5 outlined above including any consequential changes required to implement this approach to the provisions of the Hastings District Plan. This report is included in Appendix 3.

6. SUBMISSIONS

6.1 Original and Further Submissions

- 6.1.1 PC5 was notified on 29 October 2022 and submissions closed on 25 November 2022. The summary of submission was published on 25 March 2023 with further submissions closing on 11 April 2023.
- 6.1.2 At the time PC5 was originally notified, some of the proposed changes were not correctly reflected in the hard copies or pdf versions of the Hastings District Plan. This was not discovered until May 2023. Council decided to provide a further opportunity for submissions on PC5 and these were re-opened on the 15th July 2023. Submissions closed again on 11th August 2023. Further submissions were able to be made on these submissions between 9 September 2023 and 22 September 2023.
- 6.1.3 A total of 152 submissions and 31 further submissions were received for PC5. Of the 152 submissions received, 118 were received in the initial round of submissions, and 34

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in the secondary round. Of the 31 further submissions received, 26 further submissions were received in the initial submissions period, and 5 in the reopened period.

- 6.1.4 A list of all submitters and further submitters on PC5 can be found in Appendix 8.
- 6.1.5 At times in this report, a submitter's name may be abbreviated for ease of reading. Below is a list of abbreviated submitters.

Abbreviations of Submitters' Names	
Abbreviation	Name
FENZ	Fire and Emergency New Zealand
HDC	Hastings District Council – Environmental Policy
KO	Kāinga Ora
MoE	Ministry of Education
Residents of Kaiapo Road etc	Residents of Kaiapo Road, Harding Road, Oliphant Road, Maraekākaho Road (as attached to Submission FS19)
Te Tuāpapa Kura Kāinga	Te Tuāpapa Kura Kāinga, Ministry of Housing and Development
Waka Kotahi	Waka Kotahi, NZ Transport Agency

6.2 Late Submissions

- 6.2.1 The Hearings Committee has the authority to waive the late receipt of the submission under Section 37 (1) (b) of the RMA, but only if it considers the interests of any person who in its opinion may be directly affected by the waiver, whether the interests of the wider community in achieving adequate assessment of the variation have been taken into account, and lastly whether unreasonable delay has been avoided.
- 6.2.2 Those submissions that were received after the close of the initial submission period are as follows:

Submission Number	Name of Submitter	Date Submission Received
043	Herselman, Germari	27 November 2022
055	Lifemark	28 November 2022
041	Heretaunga Tamatea Settlement Trust	30 November 2022
072	Oderings Nurseries Ltd	01 December 2022
033	Gaddum, Richard (on behalf of Save the Plains Group)	15 December 2022
078	Price, Jennifer	18 December 2022

- 6.2.3 Given that there were essentially two opportunities to make submissions and these late submissions were received in the initial round, it is considered that there is no one directly affected by the waiver as there was the ability lodge submissions in support of or

opposition to these 'late' submissions. The final point for consideration is whether the waiver caused unreasonable delay. PC5 has taken some time to reach a hearing, mainly due to the impact of Cyclone Gabrielle on capacity, but no delay is considered to have been caused by receipt of late submissions.

6.2.4 It is recommended that pursuant to Section 37(1)(b) of the Resource Management Act 1991 that the late submissions outlined above be accepted.

6.3 Structure of the Submissions Analysis

6.3.1 Due to the scale of PC5, the number of submissions received, and the issues raised, this Section 42A report has been broken down into topics with the submissions and further submissions considered under their relevant topics. Where there are cross overs in topics or provisions these have been cross referenced.

6.3.2 The topics included in this report are as follows:

Topic 1	Overview of Strategic Approach to PC5
Key Issue 1	PC5 in its entirety
Key Issue 2	National Policy Statement on Urban Development (NPS-UD) and National Policy Statement on Highly Productive Land (NPS-HPL)
Key Issue 3	Spatial extent of the MRZ
Key Issue 4	Section 2.4 Urban Strategy
Key Issue 5	Section 2.6 Medium Density Strategy
Topic 2	Zone Introductions and Objectives and Policies
Key Issue 1	Residential Overview Section (RESZ)
Key Issue 2	Medium Density Residential Zone (MRZ) – objectives and policies
Key Issue 3	General Residential Zones (Hastings, Havelock North and Flaxmere) (GRZ)- Introduction sections, anticipated outcomes, objectives and policies
Key Issue 4	Hastings Character Residential Zone (HCRZ)
Topic 3	Zone Rules
Key Issue 1	Affected parties' consent / notification
Key Issue 2	Medium Density Residential Zone – Rules
Key Issue 3	General Residential Zones (Hastings, Havelock North and Flaxmere) – Rules
Key Issue 4	Retirement Village provision
Key Issue 5	Community correction facilities
Topic 4	Specific Controls and Performance Standards
Key Issue 1	Density Controls
Key Issue 2	Height and Height in relation to boundary (MRZ & GRZ)
Key Issue 3	Performance Standards – MRZ
Key Issue 4	Performance Standards – GRZ
Key Issue 5	Section 30.1 Subdivision and land development

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Topic 5	Assessment Criteria / Medium Density Design Framework
Key Issue 1	Medium Density Design Framework
Key Issue 2	Medium Density Residential Zone (MRZ) – matters of discretion
Key Issue 3	General Residential Zone (GRZ) - matters of discretion
Topic 6	General Concerns / Infrastructure / Definitions / Appendices
Key Issue 1	General concerns
Key Issue 2	General traffic and parking concerns
Key Issue 3	General infrastructure concerns
Key Issue 4	Section 33.1 - Definitions
Key Issue 5	Appendices to the District Plan