

Te Hui o Te Kaunihera ā-Rohe o Heretaunga

Hastings District Council

District Planning and Bylaws Subcommittee Meeting

Kaupapataka

Agenda

Te Rā Hui:

Meeting date:

Wednesday, 22 September 2021

Te Wā:

Time:

1.00pm

Council Chamber

Ground Floor

Te Wāhi: Venue:

Civic Administration Building

Lyndon Road East

Hastings

Те Ноарā:

Democracy and Governance Services

Contact:

P: 06 871 5000 | E: <u>democracy@hdc.govt.nz</u>

Te Āpiha Matua:

Group Manager: Planning & Regulatory Services - John

Responsible

O'Shaughnessy and Environmental Policy Manager - Rowan

Officer:

Wallis

District Planning and Bylaws Subcommittee - Terms of Reference

A Subcommittee of the Strategy and Policy Committee.

Fields of Activity

The District Plan Subcommittee is responsible for advising the Strategy and Policy Committee by;

- Providing guidance to Council officers with regard to the drafting of the District Plan (or sections thereof) and consultation on discussion documents and drafts.
- Providing guidance to Council officers in respect of the drafting of Council's new or revised bylaws, and providing oversight of the Special Consultative Procedures.
- Te Tira Toitū te Whenua Hastings District Plan Cultural Values to consider and advise Council how the cultural values of Waahi Taonga and Waahi Tapu are to be integrated within the District Plan.

Membership

- 6 Councillors.
- 3 Heretaunga Takoto Noa Māori Standing Committee Members appointed by Council.
- 1 externally appointed member with relevant qualifications and experience.
- Chair appointed by Council.
- Deputy Chair appointed by Council.

Quorum – 5 members including 3 Councillors

Delegated Powers

- 1) To review and provide comment on draft new or received District Plan provisions and to recommend to the Strategy and Policy Committee the adoption of drafts for consultation.
- 2) To hear and consider all submissions reviewed in respect of any District Plan proposal and to recommend responses to the Strategy and Policy Committee.
- 3) To recommend to the Strategy and Policy Committee the final wording of any new or reviewed District Plan provisions for adoption by Council.
- 4) To review and provide comment on draft new or reviewed bylaws, and to recommend to the Strategy and Policy Committee the adoption of drafts for consultation for onward recommendation to Council to hear submissions and formal adoption.
- 5) To recommend to the Strategy and Policy Committee the final wording of any new or reviewed bylaw for adoption by the Council.



Wednesday, 22 September 2021

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Hastings District Council

District Planning and Bylaws Subcommittee Meeting

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Agenda

Mematanga: Koromatua

Membership: Chair: Councillor Kevin Watkins

Ngā KaiKaunihera

Councillors: Bayden Barber, Alwyn Corban (Deputy Chair), Simon Nixon,

Peleti Oli and Ann Redstone

Marei Apatu, Ngaio Tiuka and Tania Eden - Heretaunga Takoto Noa Māori

Standing Committee appointees

Mayor Sandra Hazlehurst

Tokamatua:

Quorum: 5 - including 3 Councillors

Apiha Matua Group Manager: Planning & Regulatory – John O'Shaughnessy

Officer Responsible: Environmental Policy Manager – Rowan Wallis

Te Rōpū Manapori me te

Kāwanatanga

Democracy & Christine Hilton (Extn 5633)

Governance Services:



Te Rārangi Take

Order of Business

Apologies – Naā Whakapāhatanga

1.0 At the close of the agenda no apologies had been received.
At the close of the agenda no requests for leave of absence had been received.

2.0 Conflict of Interest – He Ngākau Kōnatunatu

Members need to be vigilant to stand aside from decision-making when a conflict arises between their role as a Member of the Council and any private or other external interest they might have. This note is provided as a reminder to Members to scan the agenda and assess their own private interests and identify where they may have a pecuniary or other conflict of interest, or where there may be perceptions of conflict of interest.

If a Member feels they do have a conflict of interest, they should publicly declare that at the start of the relevant item of business and withdraw from participating in the meeting. If a Member thinks they may have a conflict of interest, they can seek advice from the General Counsel or the Manager: Democracy and Governance (preferably before the meeting).

It is noted that while Members can seek advice and discuss these matters, the final decision as to whether a conflict exists rests with the member.

Confirmation of Minutes – Te Whakamana i Ngā Miniti

Minutes of the District Planning and Bylaws Subcommittee Meeting held Tuesday 13 April 2021.

(Previously circulated)

- Proposed Plan Change 4 Protection of Eastern Face of Te Mata, Te Mata, Te Mata o Rongokako, Te Karanemanema Te Mata o Rongokako (herein 7 referred to as Te Mata ... Te Mata te Tipuna)
- 5.0 Inclusionary Zoning 15
- 6.0 State of the Environment Draft Report 2019 25
- **7.0** Minor Items Ngā Take Iti



8.0 Urgent Items – Ngā Take Whakahihiri



Wednesday, 22 September 2021

Te Hui o Te Kaunihera ā-Rohe o Heretaunga

Hastings District Council: District Planning and

Bylaws Subcommittee Meeting

Te Rārangi Take

Report to District Planning and Bylaws Subcommittee

Nā:

From:

Rowan Wallis, Environmental Policy Manager

Te Take:

Subject:

Proposed Plan Change 4 - Protection of Eastern Face of Te Mata, Te Mata, Te Mata o Rongokako, Te Karanemanema Te Mata o Rongokako (herein referred to as Te Mata ... Te Mata te Tipuna)

1.0 Executive Summary – Te Kaupapa Me Te Whakarāpopototanga

- 1.1 Proposed Plan Change 4 is the first stage in the amendments that are required to be made to the District Plan to ensure the appropriate level of protection for the eastern face of Te Mata, Te Mata, Te Mata o Rongokako, Te Karanemanema Te Mata o Rongokako (herein referred to as Te Mata ... Te Mata te Tipuna) are in place. This is an important step in ensuring that Council meets its obligations under Part 2 of the Resource Management Act, and more specifically by ensuring that we recognise and provide for the relationship of Māori and their culture and traditions with their ancestral lands, water, sites, wāhi tapu, and other taonga, and also that we have regard to Nga Hapū o Heretaunga's kaitiakitanga responsibilities.
- 1.2 The proposed amendments to the plan include a lowering of the building prohibition line from the current 240m contour to a line that includes almost the entire outstanding landscapes boundary. This work was undertaken in consultation with the report writers of the cultural assessment report. It is proposed that the prohibition extend to a wider range of buildings with an exception just applying to small scale farm buildings. The amendments will also reduce the volumes of earthworks that can be undertaken on the eastern face.
- 1.3 Guidance is being sought from the subcommittee on whether the proposed amendments are appropriate in meeting our responsibilities under the Resource Management Act.

2.0 Recommendations - Ngā Tūtohunga

- A) That the District Planning & Bylaws Subcommittee receive the report titled Proposed Plan Change 4 Protection of Eastern Face Te Mata dated 25 August 2021.
- B) That the Subcommittee provide guidance to Council officers on the approach that is being followed and, based on the guidance, instruct officers to proceed with finalising the Plan Change documentation and Section 32 Evaluation Report and recommendation to Council that the Plan Change be adopted and notified.

3.0 Background – Te Horopaki

- 3.1 Te Mata ... Te Mata te Tipuna is currently identified in the district plan as an Outstanding Natural landscape and recognised as the most iconic of any of the landscapes within the district. Its cultural significance extends beyond any natural values and a large number of Nga Hapū o Heretaunga whakapapa to Te Mata ... Mata te Tipuna.
- 3.2 The current provisions within the district plan do not give the maunga the appropriate level of significance or protection, particularly in regard to its significance to Māori. This was evidenced with consent being given to construct a track on the eastern face of the maunga in December 2017. This has resulted in the Council, in collaboration with Nga Hapū o Heretaunga, looking at the essence of Te Mata ... Te Mata te Tipuna and what is required to restore its mauri and better protect it in the future.
- 3.3 The Te Tira Toitū Whenua group was formed to discuss the way forward for implementing the recommendations that arose out of the Cultural Assessment Report "Towards an Understanding of the Māori Wellbeing and Survival Aspirations that Nga Hapū o Heretaunga have for Te Mata ... Mata te Tipuna". The group included one of the authors of the cultural assessment report.
- 3.4 It was agreed that a strategic approach be taken to implement the recommendations of the cultural assessment report which were much wider than district plan protection mechanisms for Te Mata ... Te Mata te Tipuna alone, and included such actions as introducing a Māori world view into the district plan and also giving consideration to the wider protection of Te Mata ... Te Mata te Tipuna to include Kohinerākau. As a result it was agreed that the most appropriate course of action was to undertake a two stage approach to implementing the recommendations as follows;
 - Leaving any changes to the wāhi taonga section until after the Environment Court decision on the Maungaharuru Tangitū Trust Appeal is received as this is likely to have a direct influence on the rules that relate to land use activities associated with wāhi taonga sites.
 - Not attempting to introduce the Māori world view into the district plan at this time. While this
 would form the foundations upon which the policies and rules of the district plan would be
 based, it will also be a complex and time consuming plan change to introduce and navigate
 through the Resource Management Act process, an opinion that has been endorsed by the
 Council's legal Counsel.
- 3.5 The suggested approach was to make the amendments to the district plan that are required to ensure that the district plan matters identified in the cultural assessment specific to the eastern face of Te Mata ... Te Mata te Tipuna are rectified. This is the basis of Plan Change 4. While the plan change is going through the statutory process there are sufficient internal processes in place to ensure that cultural values will be given proper consideration in any resource consent application undertaken on the maunga.

4.0 Discussion – Te Matapakitanga

- 4.1 In preparing for the plan change the specific recommendations from the cultural assessment report were looked at in detail. These included;
 - Drafting new criteria applying to Outstanding Natural Landscapes section of the district plan.
 - Amending the prohibited building line to the 200m contour.
 - Investigate the Te Aranga landscape design principles (adopted by Council) to ensure that they adequately reflect kawa, kaupapa and tikanga of the marae hapū of Te Mata ... Te Mata te Tipuna.
- 4.2 The application of the Te Aranga design principles is a project that is currently being undertaken by the Relationships Responsiveness and Heritage team under the guidance of their Pou Ahurea. The work being undertaken on cultural landscapes will also be woven into this project. Any changes that are required to be made to the district plan that arise out of that work will form part of the next stage of the cultural amendments to the plan.
- 4.3 The consideration of the amendment to the building prohibition line to the 200m mark was an important first step in ensuring the outcomes being sought could be achieved. The mapping of the 200m contour showed that there was a significant area of the eastern face that would not be protected from building development. As a result landscape architects Boffa Miskell were engaged to ascertain the most appropriate line for a building prohibition area. This work was undertaken in consultation with the report writers of the cultural assessment report. A new building prohibition line has now been identified and this can be seen in **Appendices 1 & 3.**
- 4.4 The amended building prohibition line will have significant impacts on the landowners whose properties will be affected and who derive economic returns from the land. It is therefore important that any amendment to the rules of the district plan that are required to implement the building prohibition area find a balance in protecting the cultural values of Te Mata ... Te Mata te Tipuna while recognising the operational needs of the landowners.
- 4.5 The building prohibition area on the western side of Te Mata ... Te Mata te Tipuna was implemented in response to the creep of residential development up the western face of the maunga. As a result the prohibition relates to the construction of residential and visitor accommodation buildings. This would not be an appropriate response on the eastern face and therefore it is proposed that all buildings would be prohibited within the line with the exception of small scale farm buildings. The proposed rule structure is outlined in **Appendix 2.**
- 4.6 The proposed amendments to the Earthworks rules as they apply to the Outstanding Landscape are also set out in Appendix 2. This includes a lowering of the existing 200m³ per site per year to 50m³ per site per year. No change is proposed to the volumes associated with maintenance of existing farm tracks.
- 4.7 The Significant Amenity Landscape (SAL6) adjoins the Outstanding Natural Feature Landscape (ONFL1) on the eastern face and extends down to the Waimārama Road. In order to ensure that the eastern face of the maunga is appropriately protected it was proposed that some level of control over the location and scale of buildings should be allowed for in the significant amenity landscape SAL6. As a result buildings under 50m² were proposed to be a controlled activity with those above 50m² a restricted discretionary activity. It was also proposed to place a higher level of control over earthworks, to limit it to 200m³ per site for new earthworks and 500m³ for maintenance of existing farm tracks, fences and drains.
- 4.8 Following consideration of these proposed provisions at its previous meeting the Committee undertook a visit to the site to ground truth (confirm on site) the proposed building prohibition line. At the site visit concern was expressed by some members of the Sub-Committee and the Heretaunga Takoto Noa Māori Standing Committee, following the viewing of the two building platforms for which certificates of compliance have been obtained on the Hutton property. As a result it was suggested

- that consideration should be given to lowering the building prohibition line as far as the Waimārama Road, and that this should be discussed by both Committees.
- 4.9 While this is possible it does create a number of issues that must be given careful consideration. After discussion with the landscape architect who assisted with plotting the proposed prohibition line it is clear that any justification for further lowering of the line would need to be based on cultural reasons. This may require some careful thought as the Cultural Assessment Report suggests that the 200m contour might be a suitable building prohibition line. The prohibition line that has been proposed as part of the plan change is closely aligned to the Outstanding Natural Landscape boundary and the landscape architect can provide good justification for the building line restriction that is proposed. It is worth noting that the Cultural Assessment Report does recommend that the Outstanding Natural Landscape area remains.
- 4.10 The second issue is deciding where the line would go once it went beyond the Hutton boundary on Waimārama Road. The Cultural Assessment Report identifies the wāhi whenua (Refer Appendix 4) being a much wider landscape and one that is suggested as being akin to the English expression of a "cultural landscape". However there is a lot of building that has taken place within the wāhi whenua on the western side of Te Mata ... Te Mata te Tipuna and it may prove very difficult to prohibit any further building using this classification. Much of this land is within the Significant Amenity Landscape.
- 4.11 The final area of consideration is the impact that the extension of the building prohibition line as far as Waimārama Road would have on the property owners and their farming operations. These properties are working farms and there are buildings that may be required as a result of normal farming operations. These could include covered yards, hay barns, storage sheds and a dwelling on the property. Under best planning practice the prohibition of activities should only be used in exceptional circumstances. While the prohibition line will avoid adverse effects on the cultural values of this important landscape, a balance needs to be found to enable the property to continue to be used as a working farm. This can be achieved by requiring those farm buildings that are required for the operation of the farm to be applied for by means of application for resource consent. Under the consent application, matters such as scale, alternative locations and design can be considered and conditions attached.
- 4.12 Consideration needs to be given to adopting a strategic approach to the implementation of the protection mechanisms for this eastern side of Te Mata ... Te Mata te Tipuna. The building prohibition line proposed under the plan change has not been opposed by the land owners. However their support for a further extension as far as Waimārama Road cannot be relied on. Strategically it is suggested that we should get a good level of protection in place now and work on an extension of the wāhi taonga areas through the review of the Wāhi Taonga section of the district plan which is programmed for commencement when we receive the final outcome from the Maungaharuru Tangitū Trust appeal. A staged approach will also fit in well with the timing of the Draft Natural and Built Environments Bill which replaces the RMA. Under the exposure draft it is clear that cultural outcomes will have a much stronger emphasis and will provide good justification for the further expansion of protection mechanisms.
- 4.13 The proposal to further lower the building prohibition line is being discussed by the Heretaunga Takoto Noa Māori Standing Committee at its meeting on the 25th August and it will provide guidance to this Sub-Committee on this matter.

5.0 Options – Naā Kōwhiringa

Option One - Recommended Option - Te Kōwhiringa Tuatahi - Te Kōwhiringa Tūtohunga

5.1 Proceed with the preparation of the formal plan change documentation and consultation based on the provisions appended to this report to be taken to the Council for adoption and notification under the Resource Management Act:

Advantages

- The protection mechanisms identified in the proposed plan change have been signalled as necessary by Nga Hapū o Heretaunga.
- The proposal will provide an appropriate level of protection to the eastern face of Te Mata ...
 Te Mata te Tipuna and ensure that recognition to the cultural values is given ahead of the next stage of the cultural amendments in the district plan.

Disadvantages

• The proposal will place additional constraints on the landowners around the ability to build and undertake earthworks on their properties.

Option Two – Status Quo - Te Kōwhiringa Tuarua – Te Āhuatanga o nāianei

5.2 This option involves retaining the current district plan provisions on the eastern face of Te Mata ... Te Mata te Tipuna, including a building prohibition line that only protects to the rocky outcrop at the top of the face.

Advantages

- Landowners are not subject to additional controls.
- No cost to Council

Disadvantages

- Does not appropriately recognise the cultural significance of Te Mata ... Te Mata te Tipuna to Nga Hapū o Heretaunga.
- Does not meet Council obligations under Section 6 of the Resource Management Act.

Option Three – Amendment to Recommended Option

5.3 This option involves an amendment to the Recommended Option by lowering the Building Prohibition Line as far as Waimārama Road.

Advantages

- It provides a readily identifiable boundary.
- It provides a greater degree of certainty that there will not be any buildings on the eastern side of Te Mata ... Te Mata te Tipuna.

Disadvantages

- It is not based on expert landscape evidence.
- It requires a greater degree of cultural evidence for the reasoning to bring it lower than the 200m contour recommended in the cultural assessment report.
- It places major constraints on the landowners around buildings that may be required for the operation of their properties.
- It brings difficulties in deciding just where the extent of the prohibition line should be once off the Wellwood Farm property.

6.0 Next steps – Te Anga Whakamua

6.1 Consult with Nga Hapū o Heretaunga on the proposed and amendments and with the affected landowners. The Section 32 Evaluation Report can then be completed and the Plan Change can be brought to Council for adoption and public notification through the Resource Management Plan Change process, set out in the First Schedule to the Resource Management Act:

Attachments:

1 <u>⇒</u>	Map Showing Prohibition Line with Landscape Areas	ENV-12-21-113	Under Separate Cover
2 <u>⇒</u>	Proposed Rules Table - Te Mata Eastern Face	ENV-12-21-117	Under Separate
3 <u>⇒</u>	Recommended Prohibition Line Te Mata	ENV-12-21-119	Cover Under Separate
4 <u>⇒</u>	Map from Cultural Assessment Report Showing Wāhi Whenua	ENV-12-21-127	Cover Under Separate Cover

Summary of Considerations - He Whakarāpopoto Whakaarohanga

Fit with purpose of Local Government - E noho hāngai pū ai ki te Rangatōpū-ā-Rohe

The Council is required to give effect to the purpose of local government as set out in section 10 of the Local Government Act 2002. That purpose is to enable democratic local decision-making and action by (and on behalf of) communities, and to promote the social, economic, environmental, and cultural wellbeing of communities in the present and for the future.

Link to the Council's Community Outcomes – Ngā Hononga ki Ngā Putanga ā-Hapori

This proposal promotes the wellbeing of communities in the present and for the future by ensuring that the cultural values of Te Mata ... Te Mata te Tipuna are appropriately recognised and protected. The proposed plan change will promotes the cultural wellbeing of the community while also ensuring the sustainable management of the natural resources.

Māori Impact Statement - Te Tauākī Kaupapa Māori

The proposed plan change has a high degree of significance to Nga Hapū o Heretaunga as it forms part of the remediation process for the damage done by the construction of the Craggy Range track. The amendments proposed form part of the recommendations that came out of the Cultural Assessment Report drafted in response to requirement for remediation of the track.

The item was discussed at the Heretaunga Takoto Noa Māori Standing Committee Retreat on 7th April 2021 and further discussed at its meeting on 25th August 2021.

Sustainability - Te Toitūtanga

The proposal is directly relevant to the sustainable management of our physical and natural resources and cultural wellbeing of our community and particularly to mana whenua. Council has a duty to protect our outstanding and cultural landscapes under section 6 of the Resource Management Act and it will also ensure that Nga Hapū o Heretaunga responsibilities for kaitiakitanga can be maintained.

Financial considerations - Ngā Whakaarohanga Ahumoni

The proposal is budgeted for under the Environmental Policy district plan amendment workstream:

Significance and Engagement - Te Hiranga me te Tūhonotanga

This decision/report has been assessed under the Council's Significance and Engagement Policy as being of high significance.

Consultation – internal and/or external - Whakawhiti Whakaaro-ā-roto / ā-waho

As a formal district plan change the consultation process set down under the First Schedule of the Resource Management Act will be followed: This entails;

- Public notification and period of formal submission.
- Notification of summary of submissions and invitation for submissions of support or opposition to original submissions.
- Commissioner Hearing of Submissions.

Ability to appeal Council decision to the Environment Court.:

Risks

Opportunity: There will be real benefits in ensuring that the cultural environment of Te Mata ... Te Mata te Tipuna will be properly recognised:

REWARD – Te Utu	RISK – Te Tūraru
Cultural safety, council reputation, and safeguarding the environment.	Legal compliance if we don't proceed.

Rural Community Board – Te Poari Tuawhenua-ā-Hapori

The Proposed Plan Change is restricted to the eastern face of Te Mata ... Te Mata te Tipuna and therefore it is not considered that input from the Rural Community Board is required. When Stage 2 of the project is commenced the Rural Community input will be necessary and vital.



Wednesday, 22 September 2021

Te Hui o Te Kaunihera ā-Rohe o Heretaunga

Hastings District Council: District Planning and

Bylaws Subcommittee Meeting

Te Rārangi Take

Report to District Planning and Bylaws Subcommittee

Nā:

Craig Scott, Environmental Planner (Policy)

Te Take:

From:

Subject: Inclusionary Zoning

1.0 Executive Summary – Te Kaupapa Me Te Whakarāpopototanga

- 1.1 This report is to provide the sub-committee with details regarding the potential of incorporating inclusionary Zoning within the District Plan as a potential to increase the affordability of housing within the District. The report will outline what Inclusionary Zoning is, national examples of inclusionary zoning and opportunities for incorporation within the Hastings District Plan.
- 1.2 The report seeks approval from the District Plan and Bylaws to confirm the scope of further investigations into incorporating inclusionary zoning within the Hastings District Plan.

2.0 Recommendations - Ngā Tūtohunga

- 2.1 That the District Planning and Bylaws Subcommittee Meeting receive the report of the Environmental Planner (Policy) titled Inclusionary Zoning dated 22 September 2021
- 2.2 To inform the Committee of the potential costs and benefits in including inclusionary Zoning within the Hastings District Plan
- 2.3 That the committee recommends that Inclusionary Zoning be further investigated for incorporation into the Hastings Housing Strategy and District Plan once a Hastings Housing Trust or similar entity has been established

3.0 Background – Te Horopaki

- 3.1 As a result of increasing unaffordability in the housing market and the significant increase in the amount of people on the social and emergency waitlist, officers were asked to examine the concept of inclusionary zoning. Inclusionary zoning is not currently included as an action within any of our existing strategies, including both the Medium Density and Hastings Housing Strategy. This paper is for informative purposes only to discuss the pros and cons of inclusionary zoning.
- 3.2 Inclusionary zoning is a relatively new tool in New Zealand planning terms which has been gaining favour as an option to provide affordable housing at a time of ever increasing housing price uplift. As a tool, it can be used as an instrument to provide an affordable housing option within new developments, by ensuring a certain proportion of new houses are sold below market value.
- 3.3 It is a 'planning approach' where developers are compelled to deliver a certain proportion of development as affordable housing delivered at a certain set price point and which must be retained in perpetuity as affordable housing. In return, developers may be provided with additional development rights, such as greater site coverage, or smaller lot sizes.
- 3.4 Inclusionary zoning has not been implemented in many other local authorities within New Zealand. The one exception is Queenstown Lakes District Council (QLDC) which requires developers of greenfield development to allocate 5% of the residential land for affordable housing. This process was ratified through the District Plan in 2013 and is managed by a community housing trust. The Queenstown example will be further discussed further in the report.
- 3.5 Auckland Council further proposed inclusionary zoning as part of their unitary plan which included a range of options which would include a range of provisions which would be affordable housing on multiple developments. However the provisions were dropped at hearing stage where the independent housing commission stated
 - "The panel was persuaded by the submisssions of MBIE and HNZC, among others, that the affordable housing provisions as proposed by the Council would likely reduce the efficiency of the housing market due to effectively being a tax on the supply of dwellings and be redistributional in their effect"
- 3.6 Following this the government also recommended against inclusionary zoning more broadly in response to the productivity commission, concluding that it would not benefit the development of Crown land which would require a certain amount of social housing as part of any development.
 - 'Inclusionary Zoning policies that apply across the board for all developments should be distinguished from developments involving Crown land whereas part of the development the Crown requires a certain proportion of affordable social housing'
- 3.7 At present there is no inclusionary zoning being considered for any plan in the Hawke's Bay. This report is to discuss potential options of establishing inclusionary zoning within the Hastings District Plan.

4.0 Discussion – *Te Matapakitanga*

What is Inclusionary Zoning?

- 4.1 Inclusionary zoning is a tool which requires developers to deliver a certain proportion or percentage of houses within a development at a level that is affordable for lower income households to purchase. The level can vary but is often recognised as where a household spends 30% of the income of mortgage repayments.
- 4.2 Inclusionary zoning has been undertaken in a multitude of ways in different areas worldwide, however it is recommended that the District Plan would be the most appropriate tool to implement inclusionary zoning. However it is also recommended that an overarching strategy would be required which clearly outlines the outcomes that inclusionary zoning is aiming to achieve.

- 4.3 If the decision was to proceed within inclusionary zoning within our District Plan, there are a number of different examples of how this could be incorporated into our planning documents. Two of the prominent examples are listed below.
- 4.4 One example, that has been utilised in New South Wales, is to include provisions that require that a certain percentage of houses to be provided for affordable housing, when new developments of over 10 houses are proposed (for example 20% of the houses would be affordable).
- 4.5 Another example to be used is that a certain area of a new urban development area (greenfields rezoning) be identified for affordable housing. In this example, an identified area of any new development, particularly those with high amenity (near a reserve/shops) can be developed for high density and smaller lot sizes, and provide for housing at a more appropriate price point.
- 4.6 There should also be provisions for ensuring the long term retaining of sites for affordable housing into the future. Mechanisms should be required to ensure that the houses cannot be sold for profit after originally being sold for a reduced price point. The housing stock should require administration by an independent body which would manage the ongoing ownership of affordable housing achieved through inclusionary zoning.
- 4.7 Furthermore a decision would need to be made as to what approach that Council would want to take to inclusionary zoning, primarily whether inclusionary zoning should be voluntary or mandatory. Where mandatory inclusionary zoning has been required, there has been a far greater success of getting greater levels of affordable housing. However, as an introduction, it may be preferred that the voluntary approach, where affordable housing is incentivised through other planning mechanisms rather than enforced, may help with a more acceptable, passive approach to the introduction of inclusionary zoning into the District.
- 4.8 One issue for the Hastings District is that Council is looking to incentivise developers to undertake medium density developments though a range of initiatives. As of yet, while developments are beginning to occur, the uptake has not been significant. As it is, through our comprehensive development provisions, we are already encouraging greater levels of density through the easing of planning provisions, providing amenity issues are addressed. Given this, it is difficult to see how a voluntary uptake of inclusionary zoning provisions would occur. It is considered there would have to be substantial benefits for developers for them to consider the uptake of inclusionary zoning provisions.
- 4.9 A report prepared for the Community Housing Aotearoa and Community Housing Solutions makes a series of observations for Councils considering using inclusionary zoning. These are that inclusionary zoning requirements should:
 - a) Be mandatory across the geography of the housing market, not voluntary or selective
 - b) define affordability with reference to the incomes of target households and informed by evidence about the local housing market
 - c) use feasibility modelling to test the impact on different developments of required affordability percentages required and other features
 - d) allow a range of delivery forms (e.g. land, houses or financial contribution)
 - e) require retention through a range of mechanisms (such as covenants, retention of rental stock, recycling of capital gain in shared equity arrangements)
 - f) be accompanied by cost off-setting measures such as faster consenting, delayed payment of development contributions, and/or planning concessions
 - g) provide a significant role for the not-for-profit sector in designing and managing the affordable homes with a range of tenure options
 - h) be carefully enforced and monitored by the Council.

i) be formalised in legal frameworks (e.g. district plans, legislation) that demonstrate long term commitment.

Greenfields vs Brownfields

- 4.10 A key component to inclusionary zoning is that where it has been proposed as part of brownfield developments for urban environments, it has been relatively unsuccessful. This is because the margins for profit for brownfields development is finer than for greenfields. Once inclusionary zoning is required for these developments, the profitability is reduced further, and the feasibility of developments is reduced further.
- 4.11 Furthermore, in the Hastings context, it is not advised that inclusionary zoning be proposed for brownfields areas, as it has significant potential to disrupt a move towards intensification of the existing areas. It is considered that priority should be retained in providing for intensification and comprehensive development, rather than pursuing price manipulation which may reduce the ability to ensure developments are feasible. It is considered that more intensive developments will provide more affordable price points for inner city living through the creation of more apartments and duplexes, and inclusionary zoning is unnecessary for brownfields developments.

Impact of land values

- 4.12 If the requirement for inclusionary zoning is signalled well in advance, the cost should fall on existing landowners. A well signalled policy which is well understood by developers will be a key factor in what they are willing to pay for land. One risk of this however, is that in flat markets, what a developer will pay for land may be below what the landowner is willing to accept.
- 4.13 Conversely, if inclusionary zoning requirements are brought in at short notice and therefore not priced into land value, developers may see this as a form as an additional cost, and would likely seek to pass this cost across the rest of the development, therefore increasing the overall cost of the remainder of the houses.

The impact on housing affordability

- 4.14 It is important to note that Inclusionary zoning will not resolve all housing affordability issues. There are a number of key and complex reasons why housing is unaffordable within the District and Country as a whole. These include, but are not limited to: demand and supply; interest rates; lending criteria; economic and wage growth. It should be recognised that inclusionary zoning will provide for one specific part of the market, which is to artificially manipulate a part of the market to provide for buying and rental opportunities for the lower socio-economic aspect of the market. There is no evidence to suggest that inclusionary zoning has the capacity to bring the overall cost of housing down across the District in general.
- 4.15 While it is intended to create an opportunity for low to moderate income households to enter the housing market, inclusionary zoning has been criticised as being a form of tax on the surrounding properties to provide for the opportunity for affordable housing. When applied in the wrong circumstances, particularly on short timeframes, inclusionary zoning can increase the cost of other homes in a development and can create discontentment at the overall development.
- 4.16 There may also be concerns from local residents, that inclusionary zoning can create potential impacts on overall property values and amenities of a community. However it is considered that by ensuring good quality design, and distributing affordable housing throughout a development, that most of these concerns should be allayed.

Long-term management and the need for separate trusts/housing provider

4.17 One of the key considerations of inclusionary zoning is both the criteria around how the affordable housing is awarded, and the long term management of structures which can ensure the retention and/or recycling of the houses are sustained for its intended purpose long-term.

- 4.18 One key aspect is the need to have a clear purpose and set of outcomes, ensuring delivery of affordable housing for those with a specific need and having a clear, efficient and cost-effective system process for delivery.
- 4.19 Another aspect is the need to have an independent or semi-independent body which is able to administer the provision of affordable housing to the public. In Queenstown this has been as been done through a trust structure, but could be achieved through a community housing provider or another entity.
- 4.20 It is considered that some degree of independence is critical for removing actual or perceived political influences on the selecting of households for affordable homes. In this regard, an independent trust is crucial in providing confidence for the public that the affordable housing will be managed in a way that provides impartial opportunities for lower income families to gain access to affordable housing. Whilst we do not have specific numbers (apart from the social housing register), it is clear that there is a strong demand for affordable housing within the District for both those lower to middle income households requiring rentals and/or wanting to buy a first home. The numbers would certainly outweigh the number of affordable homes that we could provide, even if a mandatory approach to inclusionary zoning was adopted. Given this, even with a clear criteria of how affordable housing should be awarded, there would be a number of aspirants who would miss out. This process would need to be carefully managed, and we see real benefit in ensuring this process is managed independently.
- 4.21 One objective of the Hastings Housing Strategy is the establishment of a Hasting's Housing Trust, or similar entity. This is in the very early stages of planning, and that trusts often take a number of years to be set up and have the appropriate structures and capital requirements in place. It is considered that there would be significant risk in establishing inclusionary zoning, and the creation of a number of affordable homes, prior to the establishment of this trust.

The Queenstown example

- 4.22 Queenstown Lakes District Council (QLDC) have adopted the internationally recognised benchmark where housing is deemed affordable if the household spends less than 30% of their gross income on rent or mortgage repayments.
- 4.23 Inclusionary zoning within the Queenstown context is an umbrella term for a variety of actions, including the agreement of stakeholder deeds between developers and the Council that dedicate around 5% of the residential land for affordable housing (a developer who applies to rezone a rural area to an urban zone must allocate 5% of the land to the Trust), as part of the plan change approval process of rezoning rural land to residential subdivision.
- 4.24 This rezoning process was further memorialised through a set of objectives, policies and rules into the District Plan in 2013. The process utilises a local not-for-profit entity, the Queenstown Lakes Community Housing Trust (QLCHT) as the recipient of the contributed land, so that it can deliver retention of affordability through rental or shared ownership for eligible households.
- 4.25 Programmes that QLCHT manage also include:

Secure Home: A leasehold agreement between the Housing Trust and the household, where the Trust retains full ownership of the property and the household purchases the right to occupy that property at the cost of house construction (excluding land).

Rent Saver: A programme designed to help people save for a deposit for the Secure Home program, through providing secure tenure for 5 years and a savings incentive programme.

Affordable Rental: The programme is designed to provide affordable, secure tenure in decent quality homes to low income households. This provides households the opportunity to get on their feet financially through clearing debt and/or setting savings goals. Leases are for a maximum of five years.

4.26 Since setting up in 2007, QLCHT has had 1138 households register interest (as of mid-2017) in their housing services. QLCHT has worked with 150 households with around 430 remaining on the waiting list. The number increases by 20–30 a month.

Concluding Remarks

- 4.27 Whilst the establishment of inclusionary zoning may be able to address some of the issues relating to affordability for lower-moderate socio-economic households, it should be recognised that it is unlikely to address the overall affordability of housing within the District. In effect, zoning of this nature will create an artificially manufactured price point, which will allow specific households get on the housing and rental market. Inclusionary zoning should only be considered as one tool in a raft of options to address the affordability issues, and a limited option at that, as it is unlikely to provide for the demand for housing at the lower socio-economic end of the market.
- 4.28 It should also be noted that if established correctly, the policy will likely reduce the price developers are willing to pay for properties prior to establishment. While during times of high demand and rising property prices this appears unlikely to be a barrier, there is concern that in downturn times it may limit the probability of developments, and the ability to undertake feasible developments.
- 4.29 It should also be acknowledged, that a mandatory inclusionary zoning requirement has not been tested through the Environment Court process. There is a risk that any plan change may not be able to get through the planning process as envisioned. Although the courts confirmed councils can use inclusionary zoning to address housing needs, there is uncertainty about how to design a robust inclusionary zoning policy that has buy-in from developers and the local community.
- 4.30 As an option, the overall merit of incorporating inclusionary zoning is likely to be limited compared to the costs and risks of implementation. At the very least it is considered that an independent trust, or similar entity should be established for the long-term maintenance of structures relating to affordable housing. This will provide confidence that the affordable housing stock can be awarded and managed in an impartial manner for the long-term.

5.0 Options – Ngā Kōwhiringa

Option One - Recommended Option - Te Kōwhiringa Tuatahi — Te Kōwhiringa Tūtohunga — *Inclusionary Zoning be further investigated for incorporation into the Hastings Housing Strategy and District Plan once a Hastings Housing Trust or similar entity has been established*

5.1 Retain the option of establishing inclusionary zoning but hold off establishing a plan change process until appropriate structures are in place to manage the long-term provision of the affordable housing stock

Advantages

- Would ensure that inclusionary zoning and associated affordable houses are established once long-term management structures are in place.
- Can undertake other components of the Hasting's Housing Strategy and Medium Density Strategy to help achieve affordable housing while structures are being set up.

Disadvantages

- Does not address the immediate need or getting people off the social housing register or out of emergency housing.
- May exacerbate existing issues around housing unaffordability. Existing issues may get worse before structures are in place.

Option Two

5.2 Continue to further investigate inclusionary zoning with the aim of completing a plan change by late 2022.

Advantages

 Would help provide an opportunity for lower income households to get on the rental/housing market through the establishment of a pool of affordable houses which could be controlled by Council.

Disadvantages

- No specific structures in place to manage the control of the housing stock.
- No provisions to control the long-term management of affordable housing, how they can be maintained in perpetuity. The District Plan cannot provide for long term management and control.

Option Three – Status Quo - Te Kowhiringa Tuarua – Te Āhuatanga o nāianei

5.3 Retain the existing District Plan requirements which do not specifically require developers to undertake inclusionary zoning. Continue relying on the Hastings Housing Strategy and intensification provisions to provide for a range of choices in housing.

Advantages

• Allows other strategies such as the Hastings Housing Strategy and Medium Density Dtrategy to be embedded while setting up better structures to manage affordable housing

Disadvantages

- Reduces opportunities for lower to medium income households to afford housing within Hastings District.
- Less opportunities to reduce the numbers on social housing register, or to own their own home.

6.0 Next steps – Te Anga Whakamua

- 6.1 If recommended option is adopted
 - Continue with work to establish a Hasting Housing Trust or similar entity
 - Continue to undertake existing strategies that enhance the overall housing stock within Hastings. Strategies such as the Hastings Housing strategy and Medium Density strategy contain a number of options which will help provide a range of housing opportunities, including affordable housing options for the District.

Attachments:

There are no attachments for this report.

Summary of Considerations - He Whakarāpopoto Whakaarohanga

Fit with purpose of Local Government - E noho hāngai pū ai ki te Rangatōpū-ā-Rohe

The Council is required to give effect to the purpose of local government as set out in section 10 of the Local Government Act 2002. That purpose is to enable democratic local decision-making and action by (and on behalf of) communities, and to promote the social, economic, environmental, and cultural wellbeing of communities in the present and for the future.

Link to the Council's Community Outcomes – *Ngā Hononga ki Ngā Putanga ā-Hapori*

This proposal is for information purposes only but may promote wellbeing of lower to moderate socioeconomic communities in the present and for the future through the establishment of affordable housing.

Māori Impact Statement - Te Tauākī Kaupapa Māori

Inclusionary zoning may help promote Māori wellbeing by providing an affordable housing option.

Sustainability - Te Toitūtanga

Inclusionary zoning could help promote intensification of urban land, reducing pressure on rezoning future greenfields land.

Financial considerations - Ngā Whakaarohanga Ahumoni

This report is for information purposes. There are no financial considerations at this time. There may be future requirements for staff resources if it was proposed for inclusionary zoning was to be proposed for the Hastings District Plan, this will be determined at a future date.

Significance and Engagement - Te Hiranga me te Tūhonotanga

This report has been assessed under the Council's Significance and Engagement Policy does not trigger the significance policy as it is for information purposes. While the request for guidance does not trigger the significance policy it is noted that inclusionary zoning could have a significant impact on the development of housing for the District.

Consultation – internal and/or external - Whakawhiti Whakaaro-ā-roto / ā-waho

No consultation is proposed at this time. If inclusionary zoning was to be considered through the District Plan

Risks

Opportunity: To provide an increase opportunity for new housing and rentals for lower-moderate socioeconomic households

REWARD – Te Utu RISK – Te Tūraru

- The dispersal of affordable housing across the community (but this only applies if Inclusionary zoning is signalled well in advance, clear and well-designed, and targeted to meet a local need). Dispersal helps create more socially mixed communities and avoids spatial concentrations of low-income households.
- Inclusionary zoning can provide benefits where there is a mismatch between what the market is delivering and what the community needs to house its workforce and under-served communities.
- Can be effective in high value market conditions, but should be designed to meet the gap between affordable price point and cost of delivering a new home.
- If incentives are provided to the developer, opportunity to provide additional affordable housing to the overall housing stock.

- Acts as a "tax" on development that can reduce overall supply of housing and increase prices and rents. Inclusionary Zoning will be less distortionary where it is a certain and enduring policy setting, so that the cost falls on landowners through a reduction in future land value increase and this does not materially affect the supply of land for development.
- Encumbrances on titles (used to maintain the price control through time) can prevent land flowing to higher-value uses in the future. It may stop future development into higher densities as the city changes.
- It does not address the overall housing affordability problem. It tackles the symptoms of housing unaffordability mot the causes.
- High potential of legal challenge if not developed in a way that takes into account views of local community, businesses and property developers. Mandatory inclusionary zoning has not been fully tested through court systems yet.

Rural Community Board – Te Poari Tuawhenua-ā-Hapori

This report is for information purposes and does not seek guidance from the rural community board at this time. However if inclusionary zoning was to proceed with incorporation into the District Plan, consultation with the board would be required.



Wednesday, 22 September 2021

Te Hui o Te Kaunihera ā-Rohe o Heretaunga

Hastings District Council: District Planning and Bylaws Subcommittee Meeting

Te Rārangi Take

Report to District Planning and Bylaws Subcommittee

Nā: From:

Junior Tuakana, Environmental Planner (Policy)

Te Take:

Subject: State of the Environment Draft Report 2019

1.0 Executive Summary – Te Kaupapa Me Te Whakarāpopototanga

- 1.1 The purpose of this report is to present the draft State of the Environment Report 2019 (SoE) to the District Planning and Bylaws Subcommittee and seek feedback on the proposed changes before finalising it.
- 1.2 The Council is required to give effect to the purpose of local government as prescribed by Section 10 of the Local Government Act 2002. That purpose is to meet the current and future needs of communities for good quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost—effective for households and businesses. Good quality means infrastructure, services and performance that are efficient and effective and appropriate to present and anticipated future circumstances.
- 1.3 The objective of this decision that is relevant to the purpose of Local Government is that through monitoring of the environment, Council can ensure that local infrastructure, local public services, and the performance of regulatory functions, are appropriate to the present and future needs of the Hastings District.

2.0 Recommendations - Ngā Tūtohunga

- A) That the District Planning and Bylaws Subcommittee Meeting receive the report titled State of the Environment Draft Report 2019 dated 22 September 2021
- B) That the Subcommittee approve the draft State of the Environment Report 2019 and any proposed changes.

3.0 Background – Te Horopaki

- 3.1 The purpose of the State of the Environment report is to compile, assess and report on information regarding the condition of the environment, the key pressures on it, and what responses are in place to address the issues.
- 3.2 This is the third State of the Environment Report completed by Hastings District Council. The previous report was received and reported by Council in November 2015.
- 3.3 The report has been prepared pursuant to Section 35 of the Resource Management Act 1991 (RMA). Section 35(2)(a) requires monitoring of the state of the environment to the extent appropriate to enable Council to carry out its statutory functions under the Act.
- 3.4 The Council has previously committed to reviewing the State of the Environment report every 3 to 5 years.
- 3.5 The report has been refined since the previous SoE to focus on this Council's functions only whereas the previous SoE report included a number of indicators outside of Council's control.
- 3.6 This report covers the period from 2015 to 2019, and depicts the state of the Districts environment as at 31st December 2019.

4.0 Discussion – *Te Matapakitanga*

- 4.1 The purpose of this report is to inform and seek feedback on the draft State of the Environment report 2019. Attached is Draft State of the Environment Report 2019 (dated 10 September 2021) (Attachment 1).
- 4.2 To meet Council's obligation under section 35 (2) (a) of the Resource Management Act the direction was taken to report on how the Hastings District carries out its statutory obligation under the Act.
- 4.3 This approach focuses solely on our Council's performance. The previous SoE report also included a section on HBRC responsibilities, however this has been removed to avoid duplication, in that HBRC are required to produce their own State of the Environment Report.
- 4.4 Other parts of the draft report removes indicators relating to motor vehicle registration, motor vehicle ownership, travel to work and bus passenger numbers. Again for consistency with Council's reporting response, to focus on our own responsibilities.
- 4.5 Below is a summary of the proposed changes.

Mana Whenua Customary Environmental Values	This is more detailed and has been moved to the front of the document. On advice from the Pou Ahurea team, it was decided to replace the section on Tangata Whenua with the section on Mana Whenua Customary Environmental Values.
Air and Water Sustainability	Removed Air and water indicators and data as this is reported by HBRC. Remove indicators AQ1, AQ2, WQ1, WQ2 and WQ3 as this is relevant to HBRC.
Amenity, Character, & Heritage Management	Remove coastal indicators and data as this is reported by HBRC. Remove indicators CA3, CA4 as they are reported by HBRC. Remove case study related to the introduction of the City Assist team. As now a permanent function of Council.

Sustainable Infrastructure	Electricity consumption: Remove indicators E1, E2 and data related to energy use as this is not a function of HDC.
	Remove indicator T1, T2, T3, T4, T5, T6, T7 relating to modes of transport.
Hazard Management	Remove case study for rural recycling as this is now implemented by Council.
Sustainable Waste Management	This resource indicator remains steady with only small fluctuations as detailed in the SoE report.
Tangata Whenua with Mana Whenua	Remove as this is covered under Mana Whenua Customary Environmental Values section.

5.0 Options – *Ngā Kōwhiringa*

Option One - Recommended Option - Te Kowhiringa Tuatahi - Te Kowhiringa Tutohunga

5.1 Proposed changes to the draft State of the Environment report 2015-19:

Advantages

- Provides a current State of the Environment report for the 2015-19 period.
- Focuses on Hastings District Council's performance in relation to the environment.
- Removes duplication of data produced by external organisations such as HBRC.

Disadvantages

• People needing to view separate documents if they want a full picture of the Hastings District environment.

Option Two – Status Quo - Te Kōwhiringa Tuarua – Te Āhuatanga o nāianei

5.2 Retain the same structure of data collection from the 2014 State of the Environment.

Advantages

Public only needs to read one document.

Disadvantages

- Out of scope of Council's key function.
- Risk that we are unable to gather the relevant data and information.

6.0 Next steps – Te Anga Whakamua

- 6.1 Finish and finalise the report based on any feedback received from the District Planning and Bylaws Subcommittee.
- 6.2 Attach updated photos from the previous State of the Environment report.
- 6.3 Produce and present completed State of Environment Report 2019 to full Council for adoption.
- 6.4 Publicly notify completed State of the Environment report 2019 and make copies available from Council main building, Council website and Libraries.

Attachments:

1 □ Draft State of the Environment Report 2019 (10 September 2021)

ENV-20-21-3

Under Separate Cover

Summary of Considerations - He Whakarāpopoto Whakaarohanga

Fit with purpose of Local Government - E noho hāngai pū ai ki te Rangatōpū-ā-Rohe

The Council is required to give effect to the purpose of local government as set out in section 10 of the Local Government Act 2002. That purpose is to enable democratic local decision-making and action by (and on behalf of) communities, and to promote the social, economic, environmental, and cultural wellbeing of communities in the present and for the future.

Link to the Council's Community Outcomes – Ngā Hononga ki Ngā Putanga ā-Hapori

This proposal promotes the community outcome for a healthy environment and people.

Māori Impact Statement - Te Tauākī Kaupapa Māori

In preparation of the report, engagement with the Pou Ahurea team was undertake to ensure any potential issues were addressed. As a result, there were no issues raised by the Pou Ahurea team.

Sustainability - Te Toitūtanga

The draft report is relevant to the sustainable management of our physical and natural resources. Council has a duty to report on its performance as part of Section 35 (2) (a) of the Resource Management Act.

Financial considerations - Ngā Whakaarohanga Ahumoni

The proposed is budgeted for under the Environmental Policy work stream.

Significance and Engagement - Te Hiranga me te Tūhonotanga

This decision/report has been assessed under the Council's Significance and Engagement Policy as being of low significance.

Consultation – internal and/or external - Whakawhiti Whakaaro-ā-roto / ā-waho

Apart from information gathering from various departments within Council, it is considered that consultation is not necessary.

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Opportunity:

REWARD – Te Utu	RISK – Te Tūraru
Council's reputation and safeguarding the environment.	Council's integrity Not meeting the statutory requirement under section 35 of the RMA.

Rural Community Board – Te Poari Tuawhenua-ā-Hapori

The report would be circulated to the Rural Community Board for information purposes as some of the results would be of interest to board members.