
District Plan Committee

Komiti Ture-aa-takiwaa

OPEN MINUTES

Minutes of a meeting of the District Plan Committee held in Council Chamber, Municipal Building, Garden Place, Hamilton and via Audio Visual link on Tuesday 3 August 2021 at 9.31am.

PRESENT

Chairperson Cr R Hamilton

Heamana

Deputy Chairperson Cr A O'Leary

Heamana Tuarua

Members Deputy Mayor G Taylor
Cr S Thompson
Cr Pascoe
Cr M Gallagher
Maangai J Whetu

In Attendance Cr E Wilson
Cr M van Oosten
Blair Bowcott – General Manager Growth
Chris Allen – General Manager Development
Paul Bowman – Team Leader City Planning
Carmen Norris - Programme Manager Economic Growth & Planning
Ben Scott – Programme Manager Housing
Amy Trigg – Senior Policy Analyst
Debra Stan-Barton - Project Manager Regulatory Efficiency and Effectiveness Programme
Paul Ryan - Senior Planner City Planning
Craig McKibbin - City Planning Communication and Engagement Lead
Ben Petch – Consultant
Lachlan Muldowney – Consultant and Lawyer for Hamilton City Council

Governance Staff Amy Viggers – Governance Team Leader
Tyler Gaukrodger – Governance Advisor

The Chair acknowledged the passing of Luke O'Dwyer, Council's City Planning Unit Manager speaking of the work he had undertaken in growth projects and the District Plan Committee.

A moments silence was then observed.

1. Apologies – Tono aroha

Resolved: (Cr Hamilton/Deputy Mayor Taylor)

That the apologies for lateness from Mayor Southgate were accepted.

2. Confirmation of Agenda – *Whakatau raarangi take*

Resolved: (Cr Hamilton/Cr O’Leary)

That the agenda is confirmed.

3. Declarations of Interest – *Tauaakii whaipaaanga*

No members of the Council declared a Conflict of Interest.

4. Public Forum – *Aatea koorero*

No members of the public wished to speak.

5. Confirmation of the District Plan Committee Open Minutes of 23 June 2021

Resolved: (Cr Hamilton/Cr Gallagher)

That the District Plan Committee confirm the Open Minutes of the District Plan Committee Meeting held on 23 June 2021 as a true and correct record.

6. Chair’s Report

The Chair took the report as read. He responded to questions from Members concerning climate resilience, emissions reduction, and the NPS-UD.

Staff Action: *Staff undertook to provide information to Elected Members concerning climate change reduction requirements in the NPS-UD.*

Resolved: (Cr Hamilton/Cr O’Leary)

That the District Plan Committee receives the report.

7. Resolution to Exclude the Public

Resolved: (Deputy Mayor Taylor/Maangai Whetu)

Section 48, Local Government Official Information and Meetings Act 1987

The following motion is submitted for consideration:

That the public be excluded from the following parts of the proceedings of this meeting, namely consideration of the public excluded agenda.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution follows.

General subject of each matter to be considered	Reasons for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
C1. Confirmation of the District Plan Committee Public Excluded Minutes of 23 June 2021) Good reason to withhold information exists under) Section 7 Local Government) Official Information and) Meetings Act 1987	Section 48(1)(a)
C2. Update on the District Plan Change Programme)	

This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the

proceedings of the meeting in public, as follows:

- | | | |
|----------|---|------------------------|
| Item C1. | to prevent the disclosure or use of official information for improper gain or improper advantage | Section 7 (2) (j) |
| Item C2. | to maintain the effective conduct of public affairs through protecting persons from improper pressure or harassment | Section 7 (2) (f) (ii) |
| | to prevent the disclosure or use of official information for improper gain or improper advantage | Section 7 (2) (j) |

The meeting went into a public excluded session at 9.41am.

The meeting was declared closed at 12.24pm.

Minute Note 17/08/2022:

*On 17/08/2022 the following report and resolutions were determined to be released to the public via these minutes and the quarterly update. The report is attached as **Appendix 1** of these minutes.*

Update on the District Plan Change Programme

Resolved:

That the District Plan Committee:

- a) receives the report;*
- b) notes the updates on the following aspects of the District Plan Change Programme as outlined in the staff report:*
 - i. infrastructure requirements and integration with plan making;*
 - ii. options for residential zones under the NPS-UD;*
 - iii. car parking and transport mode shifts;*
 - iv. inclusionary zoning;*
 - v. proposed Kāinga Ora/Enderley area plan;*
- c) notes that an issues and options report on inclusionary zoning will be brought to the 21 September 2021 District Plan committee meeting for consideration;*
- d) notes that carparking management will be considered in a series of workshops with Elected Members in August 2021;*
- e) notes the Fairfield-Enderley Urban Development Partnership is aligned with the area plan being developed through the District Plan Committee and regular updates will be reported back to future meetings of the District Plan Committee;*
- f) recommends that the Council requests staff prepare a change to the Operative District Plan to retain requirements for the provision of accessible car parks for use by people with mobility impairments;*
- g) notes that infrastructure funding and integration matters are an essential part of implementing the NPS-UD; and*
- h) notes that the decision and information in relation to this matter be released at the appropriate time, to be determined by the Chief Executive.*

Council Report

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Committee: District Plan Committee **Date:** 03 August 2021
Author: Luke O'Dwyer **Authoriser:** Blair Bowcott
Position: City Planning Manager **Position:** General Manager Growth
Report Name: Update on the District Plan Change Programme

Report Status	<i>This report is taken as a publicly excluded item to maintain the effective conduct of public affairs through protecting persons from improper pressure or harassment; AND to prevent the disclosure or use of official information for improper gain or improper advantage.</i>
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Purpose - Take

1. To inform the District Plan Committee of updates on the District Plan Change Programme.

Staff Recommendation - *Tuutohu-aa-kaimahi* (Recommendation to the Council)

2. That the District Plan Committee:
 - a) receives the report;
 - b) notes the updates on the following aspects of the District Plan Change Programme as outlined in the staff report:
 - i. infrastructure requirements and integration with plan making;
 - ii. options for residential zones under the NPS-UD;
 - iii. car parking and transport mode shifts;
 - iv. inclusionary zoning;
 - v. proposed Kāinga Ora/Enderley area plan;
 - c) notes that an issues and options report on inclusionary zoning will be brought to the 21 September 2021 District Plan committee meeting for consideration;
 - d) notes that carparking management will be considered in a series of workshops with Members in August 2021;
 - e) notes the Fairfield-Enderley Urban Development Partnership is aligned with the area plan being developed through the District Plan Committee and regular updates will be reported back to future meetings of the District Plan Committee;
 - f) recommends that the Council approves staff prepare a change to the Operative District Plan to retain requirements for the provision of accessible car parks for use by people with mobility impairments;
 - g) notes that infrastructure funding and integration matters are an essential part of implementing the NPS-UD; and

- h) notes that the decision and information in relation to this matter be released at the appropriate time, to be determined by the Chief Executive.

Executive Summary - *Whakaraapopototanga matua*

3. This report covers a range of key issues beyond the focus on the National Policy Statement Urban Development (NPS-UD).
4. The beginning of the report looks at the provisions in the NPS-UD relating to infrastructure and initiates discussions on infrastructure planning and funding integration with the plan making underway (see **paragraphs 15-30** for discussion).
5. To give effect to the NSP-UD, many changes are required in the Residential zone(s). This report discusses the proposed approach of using the residential zones set out in the National Planning Standards to implement these changes (see **paragraphs 31-32** for discussion).
6. The report also sets out why minimum carparking requirements are to be removed from the District Plan, the implications of their removal, and the need for the District Plan to support transport mode shifts and the proposed development intensification (see **paragraphs 33-58** for discussion).
7. It also presents options for the use of inclusionary zoning as a tool to increase the amount of affordable housing in Hamilton (see **paragraphs 59-80** for discussion).
8. The proposed Fairfield-Enderley Urban Development Partnership is covered in **paragraphs 81-85**.
9. Finally, the report also outlines an update on engagement and communication activities in relation to the planning programme at **paragraphs 104-114**.
10. Given the statutory requirement to consult, staff have not considered the key considerations under the Significance and Engagement Policy. The recommendation comply with Council's legal and policy requirements.

Background - *Koorero whaimaarama*

11. On 8 December 2020, the Council approved the proposed approach, scope, and governance structures for making changes to the District Plan for notification in September 2022.
12. On 4 February 2021, the Council approved the terms of reference for this Committee. These are:
 - i. To provide and approve broad strategic direction to inform and guide the development of the District Plan amendments programme of work;
 - ii. To prepare and approve a draft set of District Plan amendments for the purpose of obtaining initial feedback and comment from the community, stakeholder and tangata whenua groups;
 - iii. To recommend any proposed District Plan amendments to the Council for adoption and release for formal notification; and
 - iv. To provide regular updates to the Council on the progress of the District Plan amendments programme of work.
13. The remaining District Plan Committee meeting dates for 2021 are:
 - i. 21 September;
 - ii. 4 November; and
 - iii. 15 December.

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14. Notwithstanding the above, should the District Plan Committee request more meeting dates and times, staff will work with the Governance Unit to accommodate new or revised changes to the schedule.

Discussion

Infrastructure

15. Much of the discussion with this Committee to date has focused on the plan-making requirements of the NPS-UD, particularly those that relate to intensification driven by the transport and accessibility requirements of the NPS-UD.
16. The District Plan Committee has been advised, through previous reports, that the NPS-UD:
- i. recognises the national significance of providing sufficient development capacity to meet the different needs of people and communities and adequate opportunities for land to be developed to meet community business and housing needs.
 - ii. outlines the requirements for Hamilton City Council and provides direction on how Council must consider the localities for increasing residential density across the city.
 - iii. requires identifying new areas for greater urban regeneration at a scale and extent materially different from the current District Plan settings.
17. Plan making must ensure that plans make room for growth both 'up' and 'out', and that rules are not unnecessarily constraining growth. The Committee has approved localities and area plans for rezoning investigation to give effect to the NPS-UD and this work is ongoing.
18. It is becoming clear that the plan making provisions of the NPS-UD will result in the need for a very significant step change in the provision of infrastructure beyond what is anticipated in the 2021-31 Long Term Plan and the 2021-2051 Infrastructure Strategy, if the development rights created are taken up.
19. However, the rate of uptake is not known, and it is expected that it would take many decades for any change in development rights to manifest in significant changes to the built environment. As such, Council needs to think about prioritising infrastructure spend in certain infill areas and to also consider how future investment needs to be phased over time.
20. The NPS-UD requires Council to change its District Plan to enable specific urban outcomes, and having made those plan changes, Council must then reflect the consequences of those growth outcomes in its infrastructure strategy.
21. It is timely, while the investigations for the selected localities and area plans are underway, to consider the infrastructure requirements of the NPS-UD and to start determining how the plan making requirements can be integrated with infrastructure planning and funding

NPS-UD infrastructure requirements

22. The NPS-UD includes specific Objective 6 of the NPS-UD requires that local authority decisions on urban development that affect urban environments are (amongst others) *integrated with infrastructure planning and funding decisions*.
23. Section 3.2 of the NPS-UD sets out the requirements for providing sufficient development capacity for housing; similarly, section 3.3 sets out the requirements for the development capacity for business land. There are some important definitions in these requirements.
24. Section 3.2 requires that Hamilton City Council must provide at least sufficient in **development capacity** its district to meet expected demand for housing in existing and new urban areas, for both standalone dwellings and attached dwellings and in the **short, medium and long term**.
25. To be sufficient to meet expected demand for housing, the development capacity must be **plan enabled, infrastructure ready, feasible** and reasonably expected to be realised and include a competitiveness margin (20% for short and medium term and 15% for long term).

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26. The definitions of the requirements shown in bold are as follows:

Development capacity	The provision of adequate development infrastructure to support the development of land for housing or business use
Development Infrastructure	To the extent they are controlled by a local authority, as network infrastructure for water supply, wastewater, or Stormwater and land transport.
Plan Enabled	3.4 (1); Development capacity is plan-enabled for housing or for business land if: a) in relation to the short term, it is on land that is zoned for housing or for business use in an operative district plan b) in relation to the medium term, either paragraph a) applies, or it is on land that is zoned for housing or for business use in a proposed district plan c) in relation to the long term, either paragraph (b) applies, or it is on land identified by the local authority for future urban use or urban intensification in an FDS (Future Development Strategy).
Infrastructure Ready	3.4(3); Development capacity is infrastructure-ready if: a) In relation to the short term, there is adequate existing development infrastructure to support the development of the land b) In relation to the medium-term, either paragraph (a) applies, or funding for adequate infrastructure to support development of the land is identified in a long-term plan c) In relation to the long term, either paragraph (b) applies, or the development infrastructure to support the development capacity is identified in the local infrastructure strategy (as required as part of its long-term plan)
Feasible	Commercially viable for a developer based on the current relationship between costs and revenues
Short Term	Within the next 3 years
Medium Term	Between years 3 and 10
Long Term	Between years 10 and 30

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Plan making and infrastructure integration

27. The NPS-UD requires the completion of a HBA (Housing and Business Development Assessment) so far as it relates to housing by 31 July 2021 and as it relates to both housing and business land in time to inform the 2024 LTP. This work is being completed by Futureproof and is well advanced.

28. In addition to the HBA, a FDS (Future Development Strategy) must be made publicly available in time to inform the 2024 LTP. The review of the Hamilton Urban Growth Strategy (HUGS) will reference the requisite parts of what is need for an FDS. The purpose of the FDS is:

a) to promote long-term strategic planning by setting out how a local authority intends to

I. achieve well-functioning urban environments in its existing and future urban areas; and

- II. provide at least sufficient development capacity, as required by clause 3.2 and 3.3 over the next 30 years to meet expected demand; and
 - b) assist the integration of planning decisions under the Act with infrastructure planning and funding decisions.
29. The plan making requirements of the NPS-UD bind Council to notify zoning changes to its District Plan by 2022. Notwithstanding this legal requirement, such an outcome will likely create development rights far more than the development capacity required by the same NPS-UD and reconciling this will require consideration of timing and spatial matters in terms of infrastructure planning and funding. However, as indicated earlier, Council will need to carefully consider the quantum of costs, prioritisation of investment, phasing of interventions, sequencing and appropriate planning rules to support future infrastructure needs derived from NPS-UD zone changes.
30. Of particular concern is the significant step change that will be required for intensification if demand of the magnitude required is achieved. The city has 3 water networks that were designed for an assumed density of 12-20 dwellings per ha compared to the potential increased in density and yield of up to 50-100 dwellings per ha as set out in paragraph 39. If these densities are to be achieved the 3 waters reticulation network will essentially need to be replaced along with very substantive additional transport investments over the long term.
31. Staff propose several 3-water workshop sessions over the next few months commencing with storm water, where the current requirements are in themselves a step-change from the requirements for the existing built environment at the time they were established. Finally, consideration will also need to be given to water policy allocation relating to the land use being enabled, and to examined demand management measures in any District Plan.

Possible options for residential zones under the NPS-UD

32. The NPS-UD enables building heights of at least 6 storeys within a walkable catchment area that is well serviced by public transport, at the edge of city centre zones and metropolitan zones. It also enables more businesses to establish within these residential areas.
33. Outside these areas, the NPS-UD enables building heights and densities of urban form commensurate with the level of accessibility with public transport, commercial activities, community services and demand.
34. To give effect to the policies from the NPS-UD, the density, heights and activities enabled within all residential zones need to be altered. These changes will affect both the structure and almost all rules within the residential zone.
35. Given the large number of changes required to the residential zone, for simplicity, staff have determined that they should be altered to align with residential zones used within the National Planning Standards.
36. The National Planning Standards residential zones include:
- i. the high-density residential zone;
 - ii. medium density residential zone;
 - iii. general residential zone; and
 - iv. large lot residential zone.
37. The initial densities and building heights included in this report area considered a starting point for discussion with Members and have been informed by using information from a combination of the NPS-UD policies; the Hamilton-Waikato Metro Spatial Plan; the Auckland Unitary Plan and Wellington City Plan (where considered comparable to Hamilton).

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38. The business activities considered appropriate to be enabled in the residential zones have been drawn from the neighbourhood centre zone and NPS-UD objective for more businesses in the residential zones. The activities selected meet the day-to-day needs of residents without undermining the ability to provide housing or undermining the vitality of the central city and other commercial centres.
39. An outline of the residential zones from the National Planning Standards, locations anticipated, the initial densities proposed and potential activities to be enabled are as follows. The table below represents very early thinking about potential levels of change necessitated by the NPS-UD.

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District Zones	Plan	Location	Density range (indicative)	Height	Activities to be enabled
High Density Residential Zone		Central City Fringe Walkable catchment from city centre	Up to 100 units per hectare	6+ levels	<ul style="list-style-type: none"> - Apartments <p>The following activities could be enabled on the ground floor:</p> <ul style="list-style-type: none"> - Laundromats - Food and beverage outlets less than 250m² - Dairy - Gyms less than 250m² - Health care services less than 250m² - Childcare facilities - Tertiary education and specialised training facilities less than 250m² - Community Centre
Medium Density Residential Zone		Existing Intensification Zone Within 400m of areas with all three of the following: <ul style="list-style-type: none"> • Park • School • Commercial centre. Within 400m of bus stops on high frequent bus routes (buses every 15min)	50-60 units per hectare	3- 6 Levels	<ul style="list-style-type: none"> - Low rise apartments - Terraced houses - Papakainga - Duplex - Single dwelling <p>The following activities will be enabled on the ground floor:</p> <ul style="list-style-type: none"> - Laundromats - Food and beverage outlets less than 250m² - Dairy - Childcare
General Residential Zone		Existing General Residential Zoned land not captured above Existing Medium Density Zone Existing Special Residential Zoned land not identified as qualifying matter for protection	30-50 units per hectare	3-4 levels	<ul style="list-style-type: none"> - Integrated Residential Development - Papakainga - Duplex - Single dwellings - Ancillary Residential Units - Dairy

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	Precincts may be used to include additional rules depending on area				Item C2
Heritage Character Zone (Historic Heritage Chapter)	Qualifying Matter Areas (still to be determined)	16-30 units per hectare	Less than 3 levels	- Single dwellings - Ancillary Residential Units	

Car parking and Transport Mode Shift***Requirements of the NPS-UD***

40. The NPS-UD requires minimum car parking requirements to be removed from the District Plan.
41. The purpose of this change is to enable more housing and commercial developments, particularly in higher density areas where people do not necessarily need to own or use a car to access jobs, services, or amenities.
42. The NPS-UD also requires urban environments to support reductions in greenhouse gas emissions. The Car Parking and Transport Mode Shift project will deliver District Plan provisions to enable and support the uptake of public, active and micro-mobility modes of transport. Over time, implementation of these provisions will result in people in Hamilton having travel mode choices, reduce the need for people to travel by car, reduce the need for carparking spaces, and reduce greenhouse gas emissions.
43. These District Plan provisions will support the development intensification proposed to give effect to the NPS-UD, manage relevant adverse environmental effects, and support development of a well-functioning urban environment.
44. The project has three key objectives:
 - i. By 20 February 2022:
 - a. without using a process in Schedule 1 of the Resource Management Act 1991, to remove from the Operative District Plan any objectives, policies, rules, or assessment criteria that have the effect of requiring a minimum number of car parks to be provided for a particular development, land use, or activity, other than in respect of accessible car parks, and include in the Operative District Plan any consequential changes;
 - b. where changes cannot be considered minor and consequential, to use a process in Schedule 1 of the RMA to change the Operative District Plan to retain requirements for the provision of accessible car parks for use by people with mobility impairments.
 - ii. To prepare for notification a plan changes to manage car-parking and enable and support the uptake of public, active, and micro-mobility transport modes.
45. The plan changes will potentially affect all parts and residents of, and visitors to, Hamilton.
46. They will enable urban space to be used for higher value purposes other than car parking and remove a significant cost for higher density developments.
47. Developers may still choose to provide car parking in many areas, but the number of car parks will be driven by market demand.

Implications of removing minimum car parking requirements

48. Until the minimum car parking requirements are removed from the District Plan, they will still have legal effect, but the objectives and policies of the NPS-UD will be considered in the overall assessment of any resource consent application.
49. Following removal of the minimum car parking requirements from the District Plan, developers will be able to determine the number of car parks, if any, to be provided as part of a development.
50. When processing resource consent applications, Council's opportunity to consider the effects of car parking provision will be primarily limited to activities the District Plan identifies as *discretionary or non-complying*, or for *restricted discretionary activities where an Integrated Transport Assessment (ITA) is required*. For example, in the Residential Zone, a childcare facility accommodating more than 30 children is a *restricted discretionary activity* and triggers the requirement for an ITA.
51. Council will have no ability to assess the effects of carparking provision for permitted activities, unless the activities are of a scale that triggers a resource consent for an ITA.
52. Examples of *permitted activities* that have the potential to generate significant traffic include community centres, places of worship and residential centres in the Community Facilities Zone, and wholesale retail and trade supplies and building improvement centres in the Industrial Zone.

Risks not quantified from the removal of car parking

53. While Council must remove minimum car parking requirements, the consequence of doing so cannot be quantified at this time. Staff have been informed anecdotally that developers, at least in the short term (and until improved public transport investments are operational) will continue to provide parking.
54. Should some developers choose not to provide parking, there is likely to be an effect relating to the availability of on street parking. This will need to be monitored and managed. Ultimately the management of on street parking is a matter being currently examined in detail through the Infrastructure Operations Committee.

Parking matters that may be retained or included in the District Plan

55. Under the NPS-UD, the following types of requirements related to parking may be retained or included in the District Plan:
 - i. rules and engineering standards that set dimensions for vehicle manoeuvring and car parking spaces when a developer chooses to supply car parks.
 - ii. provisions for bus and bicycle parking.
 - iii. requirements for provision of a minimum number of accessible car parks for use by people with mobility impairments.
 - iv. provisions to manage car parking's visual effects on adjacent land uses and effects on stormwater. This could include, for example, provisions managing front yard parking or ground surface level, or requiring parking areas to be screened from adjacent activities.
 - v. provisions limiting the number of car parks provided.
56. Furthermore, the NPS-UD does not affect:
 - i. short-term parking for service and utility spaces, such as loading bays and drop-off areas.
 - ii. rules and standards established under other statutes and regulations, such as the Building Code, relating to accessible car parking and access for car parks and fire service vehicles.

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Work informing the Transport Mode Shift Plan Change

57. Several completed, current, or future workstreams of the Infrastructure Operations Group, City Development Group and City Planning Unit will inform the Mode Shift Plan Change focused on achieving Objective 2 above. These include:
- i. Workshops on parking management, which are scheduled for August 2021.
 - ii. The Metro Spatial Plan.
 - iii. Draft Biking and Micro-mobility Programme Single Stage Business Case.
 - iv. Travel Demand Management.
 - v. NPS-UD Area Plans.
58. Where possible and appropriate, District Plan provisions will be developed and included in the Mode Shift Plan Change to support the implementation of the outcomes of those workstreams.

Likely foci of the Transport Mode Shift Plan Change

59. Examples of potential matters that could be included in the Mode Shift Plan Change are:
- i. Urban form and facilities to support public, active, and micro-mobility transport.
 - ii. Refreshed transport corridor cross sections.
 - iii. End-of-trip facilities in relevant developments (e.g., secure bike/scooter storage, lockers, and showers).
 - iv. Requirements to prepare and implement travel demand management plans.
 - v. Urban design approaches, e.g., pedestrian-orientated design and active frontages.
 - vi. Identification of transport corridors to be protected/redeveloped/enhanced for public transport, walking, cycling and micro-mobility, including routes with no parking.
 - vii. Electric car charging facilities; and
 - viii. Facilities for share cars.

Inclusionary zoning

60. Inclusionary zoning is another of the 9 projects in the District Plan Change Programme.
61. The 8 December 2020 [Council report on the District Plan Change programme](#) (see Item 12) noted improving housing affordability and diversity as one of the key focus areas for the District Plan, based Member and community feedback.
62. The report also references alignment with the Council's key strategies, including the then draft Housing Strategy and Action Plan, which were subsequently approved by the Strategic Growth Committee on 30 March 2021.
63. One of the 11 key actions identified in the Action Plan was to *Undertake a report examining the potential to introduce inclusionary zoning policies into the District Plan.*
64. The Housing Strategy includes another action to *Undertake changes to the District Plan in parallel with National Policy Statement – Urban Development intensification changes. Changes will include investigating how the District Plan can best achieve the outcomes identified in this Strategy.*

What is inclusionary zoning?

65. The term 'inclusionary zoning' refers to district plan rules that require or incentivise developers to set aside a portion of development to be retained as affordable housing for people on low-to-moderate incomes.
66. These planning requirements usually have at least one of two objectives:

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- i. Affordable housing: to increase the city-wide supply of housing available for and within the financial means of low-moderate income households.
 - ii. Social inclusion: to facilitate mixed income and/or housing tenure communities at the neighbourhood level.
- 67. The theory of inclusionary zoning is that when land is 'up-zoned' (for example, from rural to residential), it creates a significant uplift in value, and the community should share in the benefit of that uplift.
- 68. This value uplift is enabled through council planning processes, including but not limited to private plan changes, granting of resource consents or council-initiated district plan rezoning under the Resource Management Act (RMA) process.
- 69. As an example of inclusionary zoning, a council's district plan could require that land developers provide 5% of titled sections from up-zoned land or on a specific unit threshold of consented residential development, or the equivalent monetary value, to a community lands trust.
- 70. This land would then be retained on behalf of the community in perpetuity and used for affordable housing.
- 71. Inclusionary zoning emerged in the United States in the 1970s. Similar policies have become increasingly common there and in England, Canada, Europe, India, South Africa and Australia since 2000.
- 72. A range of approaches have been used in these jurisdictions, including mandatory and incentives-based approaches, as well as variations to the type and size of developments they apply to and the types of affordable housing they create.

Application within New Zealand

- 73. Previous legislation including the Affordable Housing Enabling Territorial Authorities Act and the Housing Accord and Special Housing Areas Act (2013) (HASHAA) enabled councils to secure affordable housing contributions, including inclusionary zoning. Both Acts have since been repealed or rescinded.
- 74. Councils are therefore lacking a legislated mandate for affordable housing; its application relies on individual councils making a strong, demonstratable, evidence-based case for its own housing need, which carries a risk of legal challenge.
- 75. Despite this, there is growing interest from many councils in applying inclusionary zoning in New Zealand. A remit to Local Government New Zealand in 2020 led by Hamilton City Council, and supported by 85% of Councils, stated that LGNZ:
 - i. Calls on the Government to introduce legislation that would fully enable councils to address housing affordability in their communities through a range of value uplift and capture tools, one such tool being 'inclusionary zoning'
 - ii. Seeks to establish a working group on affordable housing, comprising of relevant/affected councils, central government (MHUD, Kāinga Ora, MSD), iwi, and the community housing sector
 - iii. Advocates to central government for an affordable housing National Policy Statement to be developed.

Hamilton City Council investigation – scope of work

- 76. To thoroughly investigate the potential for inclusionary zoning in Hamilton and the Waikato, staff have commissioned a joint Issues and Options paper with Waipa District and Waikato District.
- 77. The paper will provide:

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- i. a summary of the existing situation of housing affordability in each district;
 - ii. options to deliver more affordable housing, including inclusionary zoning;
 - iii. an overview of a potential inclusionary zoning model; and
 - iv. a summary of issues and challenges with inclusionary zoning and the RMA.
78. A report including the findings of the issues and options paper will be included in the agenda for the 21 September 2021 District Plan Committee meeting.
79. This will provide more detail for Members to consider progressing with inclusionary zoning in Hamilton.

Further scope of work

80. Should Members choose to progress with inclusionary zoning, this work will track alongside the existing plan change programme and there is a strong link between this work and broader value capture work being investigated as part of the HUGS refresh.
81. As noted above, a robust evidence base will be required to support inclusionary zoning. This will include several key analyses such as:
- i. a Housing Needs Assessment to demonstrate the need for affordable housing in Hamilton;
 - ii. Development of a robust retention mechanism that will enable the transfer land received by the Council from inclusionary zoning provisions to either Council, or another suitable entity;
 - iii. analysis of appropriate triggers, thresholds and percentage contributions in the Hamilton context;
 - iv. market feasibility testing of the proposed mechanism to ensure developments remain profitable for the development community.

Kāinga Ora/Enderley

82. Kāinga Ora and Council staff are currently working to establish a Fairfield-Enderley Urban Development Partnership (the Partnership) consisting of iwi and mana whenua, community, local and central government, and other stakeholders, to develop a programme that aims to achieve outcomes that meet the aspirations of the community.
83. The Fairfield and Enderley area provide significant opportunity for an urban development programme; it has a passionate and well-connected community, is well situated – being in close proximity to the central city, close to local services and transport links – and provides significant opportunity to benefit from the neighbouring Ruakura development.
84. In collaboration with Council, it is proposed that an area plan for Fairfield and Enderley shall be developed, managed, and resourced by Kāinga Ora. The area plan will cover the Partnership's geographical area that is not already accounted for by the area plans being developed by Council. This additional area plan will inform, where possible, plan provision drafting requirements as part of Council's existing NPS-UD District Plan Change Programme
85. The scope of works is focused on a six-month establishment phase of the Partnership, concluding with the delivery of the Fairfield-Enderley Urban Develop Plan. This plan will provide the framework for a long-term programme of housing and urban development initiatives to be launched In February 2022 with the ongoing commitment from the Partnership and stakeholders.
86. Staff noted in a report to the Strategic Growth Committee on 29 July 2021 that the the partnership was aligned with the area plan being developed through this Committee.

APPENDIX 1:

Financial considerations – *Whaiwhakaaro Puutea*

87. Financials will be reported to the District Plan Committee quarterly by project. The report will show actual spend to date versus budget to date. We will also include any forecast adjustments that the team have made where relevant.

Legal and Policy Considerations – *Whaiwhakaaro-aa-ture*

88. Staff confirm that the staff recommendation complies with the Council's legal and policy requirements.

Wellbeing Considerations – *Whaiwhakaaro-aa-oranga tonutanga*

89. The purpose of Local Government changed on 14 May 2019 to include promotion of the social, economic, environmental and cultural wellbeing of communities in the present and for the future ('the 4 wellbeings').
90. The subject matter of this report has been evaluated in terms of the 4 wellbeings during the process of developing this report as outlined below.
91. The recommendations set out in this report are consistent with that purpose.

Social

92. Social wellbeing is defined as the capacity of individuals, their families, whaanau, iwi, haapu and a range of communities to set goals and achieve them.
93. The proposed approach aligns with the recently adopted Our vision for Hamilton Kirikiriroa, which provides direction for shaping a city that's easy to live in, where people love to be, a central city where people love to be, and a fun city with lots to do.

Economic

94. Economic wellbeing is defined as the capacity of the economy to generate employment and wealth necessary for present and future financial security.
95. The NPS-UD recognises the national significance of providing sufficient development capacity to meet the different needs of people and communities and adequate opportunities for land to be developed to meet community business and housing needs.
96. This includes ensuring that plans make room for growth both 'up' and 'out', and that rules are not unnecessarily constraining growth. The intensification directed by Central Government will have a direct impact on housing pressure in Hamilton.

Environmental

97. Factors that make our cities more liveable (e.g. accessible public transport, great walking and cycling opportunities, ample green spaces and housing with access to services and amenities) can also help reduce our carbon footprint, increase resilience to the effects of climate change and protect ecosystems.
98. Members recently agreed the vision to shape Hamilton as a green city.

Cultural

99. The NPS-UD requires councils to plan well for growth and ensure a well-functioning urban environment for all people, communities, and future generations. This includes ensuring urban development occurs in a way that considers the principles of the Treaty of Waitangi (te Tiriti o Waitangi) and issues of concern to hapū and iwi.

Risks - *Tuuraru*

100. Risks are currently tracked at project and programme level. The programme utilises the councils risk management framework and a project risk and benefits advisor within the council's portfolio management office has recently been appointed and will be working with staff to review and further develop a framework for risks and benefits across the programme.

Key Programme risks

101. Communication and engagement with the community and key stakeholders is a key risk for the programme. The District Plan Change programme has an overarching comms and engagement strategy and has employed an engagement specialist, who is working closely with the HCC communication team, for the duration of phase 1 of the programme. Staff will continue monitoring this as a risk, noting that our comms and engagement programme of work is due to kick off shortly.
102. Infrastructure resourcing is another key risk identified for the programme. The team continue to work with strategic operations to identify appropriate infrastructure resource for the programme, required to ensure that the assumptions underpinning the infrastructure workstream are appropriate and result in a district plan that is fit for purpose.
103. Misalignment between enabled land use and consequential infrastructure needed is the other key risk identified for the programme. As outlined above the team continue to work with strategic operations to ensure a district plan is produced that is fit for purpose.

Significance & Engagement Policy - *Kaupapa here whakahira/anganui*

Significance

104. Given the statutory requirement to consult, staff have not considered the key considerations under the Significance and Engagement Policy to assess the significance of the matter(s) in this report.

Engagement

Overview

105. Any notification of amendments to the District Plan requires significant engagement and consultation prior to notification, as required under the Resource Management Act. This will occur as necessary and in accordance with the principles outlined in the May 2021 report to the District Plan Committee.
106. The District Plan Change Programme is underpinned by a comprehensive communications and engagement strategy that also includes a separate but related tangata whenua engagement strategy.
107. We are now approaching a critical stage in the Plan Change programme where we need to announce the identified Area Plans associated with the NPS-UD work. After that announcement we will be getting into full swing in terms of engagement activities including the following:
- i. Stakeholder workshops,
 - ii. Citizens Panels; and
 - iii. Koorero Tahi ki ngaa Mana Whenua.
108. All three engagement activities are contingent on the announcement of the Area Plans being made. Prior to announcing Area Plan locations, we will ensure full information is available via with a webpage, video and background document prepared.

APPENDIX 1:

109. Plan Change 9 – Heritage forms part of the Plan Change programme and whilst this Plan Change will inform the others, it is a standalone piece of work that Council must undertake regardless of the other Plan changes.
110. Many on-site assessments will be needed relating to potential heritage buildings and notable trees. In all instances where either a potential heritage building or notable tree has been identified on private land, we will send a letter to that landowner advising them of the need to assess these features on their property.
111. Heritage assessments can be undertaken from the road and do not require property access unless the building is difficult to view from the road. However, the notable tree assessment requires property access for the arborist to assess the tree. When property access is required, we will always seek the written permission of the landowner before entry.
112. Some high-level engagement activity is already occurring because of proactive activity from Council. Meetings have been requested by the Property Council, Transpower, Go-Eco and the Disabled Persons Assembly. Meetings with these groups have either taken place or will do so in the coming weeks.
113. Stakeholder workshops will help inform stakeholders of the Plan Change programme and seek feedback in terms of the key issues and opportunities. The initial workshops will be followed up with a further workshop later in the year to discuss potential options for addressing some of the issues raised. Next year, all stakeholders will also have the opportunity to review and provide feedback on the draft District Plan provisions before formal notification.
114. We will present a full overview of the Plan Change programme to Te Ngaawhaa Whakatupu Ake (TNWA) to receive initial feedback and direction for priorities and engagement, on 28 July 2021. Direct discussions will then occur with Waikato-Tainui to fulfil settlement responsibilities and engagement principles of the JMA. Workshops will be held with further hui held later in the year with TNWA to delve further into the Area Plans and ensure understanding of urban intensification. We will also hold a workshop with rangatahi to consider what urban intensification design may look like in the future.
115. Citizens Panels for each Area Plan location will be another technique staff will use as part of the programme and will take the form of facilitated workshops. The workshops will help us to understand what features/values are important to retain in these communities, what people would like to see improved, and what concerns/hopes people have regarding urban intensification. The Citizens Panels will comprise members that provide a representative cross-section of each Area Plan community. With the feedback received we will generate online surveys for the wider community to complete, which will test the findings of the panel and inform the Area Plan teams.

Consultation risks

116. Despite the strategic approach to communication messaging and engagement, there is a remaining risk that once sensitive material is released that some members of the community will be upset with the material and the proposed areas indicated for change. This has been the case in other Tier 1 cities (such as Auckland and Wellington) and is likely to occur in Hamilton as well.
117. Further, there is the potential for speculative purchasing of land to occur once potential locations are released to the public.

Attachments - Ngaa taapirihanga

There are no attachments for this report.

Item C2