



NOTICE OF AN EXTRAORDINARY MEETING OF
COUNCIL

to be held on Thursday, 15 March 2018 at 2pm
in the Council Chamber, Rotorua Lakes Council

Chairperson: Mayor Chadwick

Members: Cr Donaldson (Deputy) Cr Bentley Cr Gould
Cr Hunt Cr Kent Cr Kumar
Cr Maxwell Cr Raukawa-Tait Cr Sturt
Cr Tapsell

Quorum: 6

A G E N D A

- 1. APOLOGIES (INCLUDES LEAVE OF ABSENCE NOTIFICATION)**
- 2. DECLARATIONS OF INTEREST**

Members need 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 review the matters on the agenda and assess and identify where they may have a pecuniary or other conflict of interest, or where there may be a perception of a conflict of interest.

If a member feels they do have a conflict of interest, they should publicly declare that at the start of the meeting or of the relevant item of business and refrain from participating in the discussion or voting on that item. If a member thinks they may have a conflict of interest, they can seek advice from the Chief Executive or the Governance & Partnerships Manager (preferably before the meeting). It is noted that while members can seek advice the final decision as to whether a conflict exists rests with the member.

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ROTORUA LAKES COUNCIL

The Mayor
Members
COUNCIL

RECOMMENDATIONS FROM THE RESOURCE MANAGEMENT ACT POLICY COMMITTEE – SPECIAL HOUSING AREA NO. 1

Chair: Councillor Karen Hunt
Members: Councillor Rob Kent
Commissioner Gina Mohi

1. PURPOSE

The purpose of this report is to provide an opportunity for members to consider recommendations received from the Resource Management Act Policy Committee regarding a Special Housing Area request (No. 1).

2. RECOMMENDATION 1:

- 1. That the report “Recommendations from the Resource Management Act Policy Committee – Special Housing Area No. 1” be received.**
- 2. That the following recommendations of the Resource Management Act Policy Committee meeting held 20 February 2018 be adopted:**

Recommendation 1
<p>SPECIAL HOUSING AREA NO. 1</p> <ol style="list-style-type: none">1. That the proposed Special Housing Area No. 1 be recommended by Rotorua Lakes Council to the Minister for Housing and Urban Development for establishment as a Special Housing Area.2. The Council recommends to the Minister, under Section 17(2) of the Housing Accords and Special Housing Areas Act 2013, the inclusion of the following criteria for proposed Special Housing Area No. 1:<ol style="list-style-type: none"><i>a) The maximum height of a building shall not exceed 7.5 metres above natural ground level.</i>

3. BACKGROUND

3.1 Reasons for Decision – Special Housing Area 1:

Summary of Request

Council has received a request to include an area of land at 31 Ngongotaha Road (Lot 2 DP337743) for the establishment of a Special Housing Area (SHA No. 1).

The key aspects of proposed SHA No. 1:

- Circa 190 dwellings
- Circa 110 sections of 500m² plus.
- Circa 80 medium density residential lots of 250m² -350m²
- 20m wide esplanade reserve along Waiteti stream
- Central reserve area
- Design principles that will guide subsequent detailed planning are set out at para. 4.2 of the request.

On 20 February 2018 prior to the commencement of the meeting the RMA Policy Committee undertook a site visit. The land owner was provided the opportunity to outline their proposal for their site, and council staff have provided an assessment of proposed SHA No. 1 against the Housing Accords and Special Housing Areas Act (the Act) and the Rotorua Special Housing Areas Policy.

Having considered the information before us we are recommending to Council that proposed SHA No. 1 at 31 Ngongotaha Road, Ngongotaha be recommended by Rotorua Lakes Council to the Minister for Housing and Urban Development for establishment as a Special Housing Area subject to criteria.

In making this decision, consideration has been given to the following matters:

3.2 Housing Accords and Special Housing Areas Act 2013 (the Act)

Purpose of the Act

4 Purpose

The purpose of this Act is to enhance housing affordability by facilitating an increase in land and housing supply in certain regions or districts, listed in Schedule 1, identified as having housing supply and affordability issues.

We consider that the proposed SHA No. 1 will help to enhance housing affordability through additional housing supply within the Ngongotaha area, and given the form of development proposed.

However, and as discussed in more detail below, consideration also needs to be given to the wider planning considerations associated with recommending a Special Housing Area on this site.

Process for establishing a Special Housing Area under Section 16 of the Act

In recommending a special housing area to the Minister, we have taken into consideration the process for establishing a Special Housing Area under Section 16 of the Act.

The boundaries of proposed SHA No. 1 are clearly defined and easily identifiable in practice (Section 16(2)).

Under Section 16(3) the Minister needs to be satisfied that:

- (a) adequate infrastructure to service qualifying developments in the proposed special housing area either exists or is likely to exist, having regard to relevant local planning documents, strategies, and policies, and any other relevant information; and*
- (b) there is evidence of demand to create qualifying developments in specific areas of the scheduled region or district; and*
- (c) there will be demand for residential housing in the proposed special housing area.*

Infrastructure

The provision of infrastructure is detailed in the Reporting Officer's Report (pgs 5 and 6). Based on this we are satisfied that there will be adequate infrastructure in place to service any subsequent qualifying development. It is noted that at this stage in the process the assessment of infrastructure has been undertaken at a high level to determine that the site can be serviced by adequate infrastructure. Detailed assessments of the various infrastructure components will be submitted to Council, and assessed, as part of any subsequent resource consent application.

Evidence of Demand

The Minister also needs to be satisfied that '*there is evidence of demand to create qualifying developments in specific areas of the scheduled ... district*'. The Rotorua Housing Accord recognises that there are housing supply and affordability issues in the District. There is demand to create qualifying developments in the District.

Demand for Residential Housing within the Special Housing Area

Finally, the Minister needs to be satisfied that '*there will be demand for residential housing in the proposed special housing area*'. Ngongotaha has been identified in the draft Rotorua Spatial Plan as an appropriate location for residential growth, and has historically been an area where affordable housing has occurred. The direction adopted by the final Spatial Plan will inform future changes to the Rotorua District Plan.

Recommendation of the Accord Territorial Authority

Under Section 16(4) (a)(i) the Minister must not recommend to the Governor-General the making of an Order in Council establishing a special housing area unless it is made on the recommendation of the accord territorial authority to the Minister.

Council is an accord territorial authority, following the signing of the Rotorua Housing Accord on 31 August 2017.

It is the RMA Policy Committee's recommendation to Council that SHA No. 1 be recommended to the Minister to be established as a Special Housing Area.

3.3 Special Housing Areas Policy

Under Section 17 of the Act, a Territorial Authority may recommend to the Minister that an area within the District covered by a housing accord, be established as a Special Housing Area. The Act does not include specified criteria on what matters the territorial authority should consider when deciding whether to make a recommendation or not to the Minister to establish a Special Housing Area.

Council adopted the Special Housing Areas Policy on the 9th November 2017. The purpose of the Policy *'is to establish the process and the evaluation criteria that will guide Council in making decisions on whether to accept a proposal for an SHA and recommend to the Minister that a proposed SHA be established'*.

The Policy also states:

'The Council will consider each proposed special housing area on its merits. In addition to the degree of consistency with this policy, other factors, such as planning and RMA matters, may be relevant to the Council's exercise of discretion to make a recommendation to the Minister. The Council reserves full discretion whether to recommend an area to the Minister to be a special housing area.'

The criteria for recommending a Special Housing Area to the Minister set out below.

Criteria 1: Locational characteristics

The proposed Special Housing Area is either located inside an established urban area, or within an area identified for urban expansion in the Rotorua Spatial Plan. This criterion does not apply to a Special Housing Area proposed to be developed for a papakāinga.

*The proposed area is contiguous to the existing urban area. Priority will be given to development proposals **contiguous to land** identified on ODP Planning Map 102 as "Medium Density", followed by development proposals **on land** identified as "Low Density" on the same map. This criterion does not apply to a special development area proposed to be developed for a papakāinga.*

For that land not within the established urban area, the degree to which the character and amenity of the subject land is already affected by the proximity of urban land.

Reverse sensitivity effects are avoided or mitigated at the interface of the proposed site and any non-urban zone.

The land is not unduly affected by the following constraints:

- *natural hazards (except where effects can be appropriately managed)*
- *significant indigenous vegetation*
- *presence of highly productive soils*
- *significant archaeological, historic, ecological, landscape and cultural values.*

Assessment Against Criteria 1

In considering proposed SHA No. 1, we consider the inclusion of the site as a future residential area within the draft Rotorua Spatial Plan is important in assessing the suitability of the site as a Special Housing Area for two reasons:

The first of these is that the draft Spatial Plan has been through a public process that has enabled the public to comment on their expectations for Ngongotaha and on the location of future residential areas. The feedback from submitters has highlighted that they are wanting to avoid urban creep towards the city and to retain the village feel of Ngongotaha. Proposed SHA No. 1 is consistent with this, and has been identified on the Spatial Plan Maps, enabling the community to comment should they wish.

That there has been consultation on this issue is of importance to us in making this recommendation. The Act establishes a more enabling resource consenting regime for qualifying developments in special housing areas in recognition of the need for additional housing. However, in doing this it over-rides the normal resource consent notification requirements and ability for the wider community to have input into decisions. That there has been previous consultation on the expansion of residential areas within Ngongotaha, and specifically on this site, provides to our minds, an appropriate balance between meeting the current need for additional homes with the community's reasonable expectations.

The second reason is that the inclusion of sites as future residential areas in the draft Spatial Plan is based on logical future planning by Council – the site adjoins the existing Ngongotaha residential area, and as noted in the Officer's Report, the surrounding land uses have already altered the character of the area from purely rural.

In addition, we note that the District Plan's current zoning of the site is Rural 2: *Rural Lifestyle*, where a level of housing development is anticipated. It is noted that the District Plan would potentially enable 17 rural residential lots on this site or 34 lots if connected to the public wastewater network.

In relation to reverse sensitivity effects we concur with the Reporting Officer where he states: *'the site interfaces non-urban land to the west and north. To the north any potential effects are mitigated by Waiteti Stream, which is of a width and depth that ensures a good separation of uses on both sides of the watercourse. The site directly adjoins rural land to the west, but this interface is very narrow and constrained by Waiteti stream and the extent of land affected sufficiently small to ensure the effect will not be significant.'*

We also note that any development will need to go through a resource consent process where any necessary mitigation measures can be considered.

We also accept the Reporting Planner's evidence in relation to natural hazards that *'development in principle is possible and any potential threat posed by these hazards can be mitigated through site design which would be carried out through subsequent detailed planning stages'*, and that the site does not contain highly productive soils.

We also note, as clarified at our meeting on 20 February 2018, that there are no identified sites with significant archaeological, historic, ecological, landscape or cultural values located on the site.

As such, we consider that the proposed SHA No. 1 is consistent with the 'Locational Characteristics' criteria of the *Rotorua Special Housing Areas Policy*.

Criteria 2: Demand for qualifying development

The extent to which the proposed development(s) will achieve the purpose of the HASHAA and the Accord based on an assessment of housing size, form, character, section sizes, and density.

Assessment Against Criteria 2

A variety of section sizes and densities are proposed to be developed in SHA No. 1. We concur with the Reporting Officer's assessment that this will help achieve the purpose of both the Act and the Rotorua Housing Accord.

Criteria 3: Affordability

The extent to which the proposed special housing area assists in improving the affordability of housing in the Rotorua District. This will be assessed in one of the following ways:

- *The significance of the contribution the proposed SHA makes to overall housing supply in the district.*
- *The incorporation of varying dwelling and section sizes within the development, particularly houses at least 25 % smaller than the median size of new dwellings in the district. This will be of particular importance for sites within the established urban area.*
- *The potential for a development to target people with specific housing needs such as first homes buyers, the elderly, people with special needs, people requiring rental housing, or people unable to access other housing for social and economic reasons.*

Assessment against Criteria 3

We concur with the Reporting Officer's report that the provision of approximately 190 dwellings, alongside the inclusion of varying section sizes will assist with housing affordability.

Criteria 4: Predominantly residential

The extent to which the proposed development is predominantly residential with the primary purpose of increasing residential housing supply

Assessment against Criteria 4

We accept that the proposed development within proposed SHA No. 1 will provide for predominantly residential development.

Criteria 5: Adequate infrastructure

For Council-related services of water supply, wastewater, transport, stormwater and reserves the Council is satisfied:

- *That infrastructure exists and has additional capacity to accommodate the likely cumulative demand from a qualifying development/s in the special housing area or infrastructure is planned or programmed in the Council's Long Term Plan; and/or*

- *That infrastructure would be provided and funded by the private sector ahead of the Long Term Plan programmed time at no additional cost to Council; and/or*
- *Where not planned or programmed in the Council's Long Term Plan, infrastructure would be fully provided and funded by the private sector at no cost to Council and can connect to existing infrastructure that has additional capacity to accommodate the likely cumulative demand from a qualifying development/s in the special housing area, and*
- *For stormwater, mitigation will meet the conditions of any relevant consent held by the Council or such other relevant engineering standards that are applicable.*

For other (non-Council) infrastructure of state highways, government facilities such as education, or network utilities (electricity, gas and telecommunications) the Council is satisfied that adequate infrastructure or services exist or is planned by the relevant service provider with additional capacity to accommodate the likely additional demand generated from a qualifying development/s in the special housing area.

Assessment against Criteria 5

As discussed above, we are satisfied that there is or will be adequate infrastructure in terms of water, stormwater, wastewater and transport.

Council has been advised that power and telecommunications are available to the site. No information has been provided in relation to gas. We note, that gas is not critical infrastructure.

The Reporting Officer's report states that the creation of reserves will be carried out at the time of detailed planning. We also note that there are a number of large reserves within the Ngongotaha area including Jessie Martin Park and Ngongotaha Domain.

Finally, in relation to education, the Ministry of Education has indicated support for special housing areas in Ngongotaha as there is capacity in the school roles.

Criteria 6: Building height

The maximum calculated building height for a qualifying development in a special housing area will be determined as part of the declaration of that special housing area. It will be determined by the Council in discussion with the landowner/ developer with reference to:

- a) The effects of the proposal on the characteristics of the land in the special housing area and land in the immediate vicinity;*
- b) The maximum height provided for in the zone of the operative District Plan that currently applies to the subject land;*
- c) The maximum height provided for in the zone of the operative District Plan that is intended to be applied to the land in the special housing area if this zone is different to the operative zone (e.g. the Residential 1 Zone may apply to a special housing area in a Rural Zone);*
- d) The maximum height provided for in the Act.*

Assessment against Criteria 6

The Residential 1 Zone height standard of 7.5m is proposed to be adopted as the maximum height for new buildings within proposed SHA No. 1. The Reporting Officer's recommendation supports this limit. We consider that this is appropriate given the existing built form within Ngongotaha combined with the existing Residential and Rural Zone height limits.

Criteria 7: Minimum number of dwellings

The extent to which the proposed SHA will deliver additional dwellings beyond a minimum of four additional dwellings.

Assessment against Criteria 7

Approximately 190 dwellings are proposed to be developed between mid-2018 and 2022.

3.4 **Other matters**

The Special Housing Areas Policy also requires that Council determines the appropriate Residential Zone provisions and specifies the matters that Council will consider when assessing a request to establish a special housing area. Residential 1 zone performance standards have been requested for proposed SHA No. 1, subject to minor alterations and conditions.

We have sought advice from Council staff as to whether our recommendation to the Minister should address the zone provisions applicable to the proposed SHA No. 1 and corresponding conditions. This advice has confirmed that the only criteria Council can request in a Special Housing Area are those specified in Sections 15(1) and (3) of the Act relating to the height of buildings, the minimum number of dwellings and the percentage of dwellings that must be affordable. It was noted that Council may choose to request the inclusion of these criteria. However, Council is not required to do so.

As discussed above, a 7.5m height limit for new buildings is proposed for any qualifying development within proposed SHA No. 1. No additional criteria are considered necessary as we believe the location and number of mixed sized dwellings proposed will adequately address the issues related to affordability.

3.5 **Process for Recommending a Special Housing Area to the Minister**

The Policy then sets out the Process for recommending a proposed Special Housing Area to the Minister, including the provision of a report and recommendation to the Council on the proposed Special Housing Area.

Finally, the Policy specifies that Council will only make a recommendation to the Minister when the Council is satisfied that:

- a) *The criteria in 3.4 (sic) of the Policy have been appropriately met; and*
- b) *Necessary agreements have been secured with the land owner /developer; and*

- c) *Where appropriate consultation has been undertaken including with any property owner directly affected, any directly adjoining landowners, tangata whenua when the area is within a rohe of a hapu which has a protocol with the Council, relevant infrastructure and service providers, the relevant regional council; and*
- d) *The matter has been formally reported to Council and the Council has resolved to recommend the special housing area to the Minister.*

As detailed above, we consider that the criteria of the Policy have been met.

The Reporting Officer's report states that any necessary agreements will be detailed in the course of a subsequent resource consent process.

In relation to consultation, Section 7 of the application details the consultation that has been undertaken. The Reporting Officer's report states that a verbal objection from one of the adjoining land owners was received, partly on the basis of concerns relating to flooding. We note that the detailed subdivision design and supporting reports, specifically relating to stormwater and potential flooding, will need to be submitted at the subsequent resource consent stage. However, the high level information provided has given us sufficient confidence that the site can be developed appropriately.

In relation to consultation with tangata whenua, we have sighted email correspondence between the landowner and Tura Ngati Te Ngakau.

3.6 **Other matters**

We note that there are specific issues with the site that will need to be considered should the land owner lodge a subsequent resource consent application to develop the site. These issues include soil contamination and an encumbrance on the title between the land owner and the Regional Council aimed at protecting water quality and revegetated areas alongside the stream. These issues can be adequately addressed at the resource consent stage.

3.7 **Assessment of Significance**

We have also considered the requested SHA in light of Council's Significance and Engagement Policy (2017). The policy sets out the following criteria to assess the degree of significance of a decision:

- *Importance to Rotorua District*
- *Importance to Te Arawa*
- *Community interest*
- *Consistency with existing policy and strategy*
- *Impact on Council's capacity and capability (including costs)*

The factors relevant to assessing against these criteria are set out in Appendix 1 of the Policy.

The policy explains the weighting to be placed on different criterion as follows:

When a high degree of significance is indicated by two or more criteria, the issue is likely to be significant. The criteria merely provides a mechanism for identifying whether a matter is likely to be significant – they are not necessarily determinative of significance. Ultimately, in assessing the significance of a decision, Council will need to have regard to all relevant circumstances.

We do not consider that Council's decision on the proposed SHA triggers the Significance Policy. We do acknowledge that the decision may affect some neighbouring residents, as is evidenced by the verbal objection received. However, before development can occur on the site the applicant must apply for resource consent. The HASHAA allows Council to notify owners of adjacent land and will also involve an assessment against Section 34 of the Act. Finally, any application for resource consent may be granted or declined subject to conditions.

Further we note this approach is consistent with the intent of HASHAA that aims to expedite housing developments.

3.8 Conclusion - Proposed Special Housing Area No. 1

On this basis, the Resource Manage Act Policy Committee recommends to Council that proposed Special Housing Area No. 1 be recommended by Rotorua Lakes Council to the Minister for Housing and Urban Development for establishment as a Special Housing Area under the Act.

ROTORUA LAKES COUNCIL

The Mayor
Members
COUNCIL

RECOMMENDATIONS FROM THE RESOURCE MANAGEMENT ACT POLICY COMMITTEE – SPECIAL HOUSING AREA NO. 2

Chair: Councillor Karen Hunt
Members: Councillor Rob Kent
Commissioner Gina Mohi

1. PURPOSE

The purpose of this report is to provide an opportunity for members to consider recommendations received from the Resource Management Act Policy Committee regarding a Special Housing Area request (No. 2).

2. RECOMMENDATION 2:

- 1. That the report “Recommendations from the Resource Management Act Policy Committee – Special Housing Area No. 2” be received.**
- 2. That the following recommendations of the Resource Management Act Policy Committee meeting held 20 February 2018 be adopted:**

Recommendation 1
<p>SPECIAL HOUSING AREA NO. 2</p> <p>That the Committee recommend to Council that the proposed Special Housing Area No. 2 not be recommended by Rotorua Lakes Council to the Minister for Housing and Urban Development for establishment as a special housing area.</p>

3. BACKGROUND

3.1 Reasons for Decision – Special Housing Area 2:

Summary of Request

Council has received a request to establish a Special Housing Area at 41 Hamurana Road, Ngongotaha (Section 2 Survey Office Plan 491446 and Section 4 Survey Office Plan 49365) (SHA No. 2).

The key aspects of proposed SHA No. 2 are:

- Establishment of 130 dwellings, developed in three stages;
- A mixture of 1-4 bedroom houses;
- Higher density development concentrated in a central core, lower density housing situated around the site's periphery;
- Esplanade reserve off Waiteti stream.

The RMA Policy Committee met on the 20th February 2018. The land owner was provided the opportunity to outline their proposal for their site, and council staff have provided an assessment of proposed SHA No. 2 against the Housing Accords and Special Housing Areas Act (the Act) relevant legislation and the Rotorua Special Housing Areas Policy.

Having considered the information before us, we are recommending to Council that the proposed SHA No. 2 at 41 Hamurana Road, Ngongotaha not be recommended by Rotorua Lakes Council to the Minister for Housing and Urban Development for establishment as a special housing area.

Note: The RMA Policy Committee undertook a site visit prior to the commencement of the meeting.

In making this decision consideration has been given to the following matters:

3.2 Housing Accord and Special Housing Areas Act 2013 (the Act)

Purpose of the Act

4. Purpose

The purpose of this Act is to enhance housing affordability by facilitating an increase in land and housing supply in certain regions or districts, listed in Schedule 1, identified as having housing supply and affordability issues.

We consider that the proposed SHA No. 2 will help to enhance housing affordability through additional housing supply within the Ngongotaha area, and given the form of development proposed.

However, and as discussed in more detail below, consideration also needs to be given to the wider planning considerations associated with recommending a Special Housing Area on this site.

Process for establishing a Special Housing Area under Section 16 of the Act

In recommending a special housing area to the Minister, we have taken into consideration the process for establishing a Special Housing Area under Section 16 of the Act.

The boundaries of proposed SHA No. 2 are clearly defined and easily identifiable in practice (Section 16(2)).

Under Section 16(3) the Minister needs to be satisfied that:

- (d) *adequate infrastructure to service qualifying developments in the proposed special housing area either exists or is likely to exist, having regard to relevant local planning documents, strategies, and policies, and any other relevant information; and*
- (e) *there is evidence of demand to create qualifying developments in specific areas of the scheduled region or district; and*
- (f) *there will be demand for residential housing in the proposed special housing area.*

The provision of infrastructure is addressed in the Reporting Officer's Report (pages 6 and 7). Based on this we are satisfied in relation to water and wastewater that there is or will be adequate infrastructure in place to service any subsequent qualifying development.

In relation to stormwater and also flood management, we consider that there is insufficient information provided at this stage to be able to advise the Council or the Minister that there is or will be adequate infrastructure for those matters.

In relation to Transport, the proponent has provided a high level assessment from Traffic Design Group who concluded that: 'On the basis of the assessment undertaken, it is concluded that a connection from the proposed subdivision onto SH36 can be satisfactorily established by way of a priority controlled T-intersection and installation of a right turn bay facility designed to meet the road controlling authority requirements based on the expected traffic speeds'. However, section 3.5 of the report states: 'To accommodate the proposed access intersection in its concept location would require the relocation of the existing 100/70km/h speed threshold.'

NZTA has stated that 'At this stage, the Transport Agency is unlikely to support extending the urban speed threshold further north to 41 Hamurana Road due to this rural context and lack of development on both sides of the road'.

Given the comments from NZTA in response to Traffic Design Group's report, and the importance of ensuring a safe access point onto the State Highway, we consider insufficient information has been provided on adequate transport infrastructure being available to service the proposal.

Evidence of demand

The Minister also needs to be satisfied that '*there is evidence of demand to create qualifying developments in specific areas of the scheduled ... district*'. The Rotorua Housing Accord recognises that there are housing supply and affordability issues in the district. There is demand to create qualifying developments in the district.

The proponent has provided a table showing that the development would significantly help to achieve the Accord targets with the provision of:

- 54 sections in the 2018/19 year;
- 29 sections in the 2019/2020 year; and
- 47 sections in the 2020/2021 year.

We agree that this would make a significant contribution towards the district's housing targets.

Demand for residential housing within the proposed Special Housing Area

Finally, the Minister needs to be satisfied that '*there will be demand for residential housing in the proposed special housing area*'. Ngongotaha has been identified in the draft Rotorua Spatial Plan as an appropriate location for residential growth, and has historically been an area where affordable housing has occurred.

The proponent, in Section 6.5 of its request, has provided a good assessment outlining how its proposal has been designed to meet the future demand for residential housing. The proponent has stated that it has '*planned the SHA development to provide a range of housing typologies to cater for demand. This includes 1 to 4 bedroom dwellings (stand alone or duplex units), a mixture of freehold allotments (400- 750m²), and comprehensive housing developments suitable for government social housing policies inclusive of state housing*'. We agree that the form of development proposed, notably smaller, less expensive homes, is an appropriate approach in terms of the Act and Council's Special Housing Areas Policy.

Recommendation of the Accord Territorial Authority

Under Section 16(4)(a)(i) the Minister must not recommend to the Governor-General the making of an Order in Council establishing a special housing area unless it is made on the recommendation of the accord territorial authority to the Minister.

Council is an accord territorial authority following the signing of the Rotorua Housing Accord on 31 August 2017.

It is the RMA Policy Committee's recommendation to Council that SHA No. 2 not be recommended to the Minister to be established as a Special Housing Area.

It is noted that should Council accept our recommendation, then proposed SHA No. 2 will not be forwarded to the Minister for consideration.

Special Housing Areas Policy

Under Section 17 of the Act, a Territorial Authority may recommend to the Minister that an area within the district covered by a housing accord be established as a Special Housing Area. The Act does not include specified criteria on what matters the territorial authority should consider when deciding whether to make a recommendation or not to the Minister to establish a Special Housing Area.

Council adopted the Special Housing Areas Policy on the 9th November 2017. The purpose of the Policy 'is to establish the process and the evaluation criteria that will guide Council in making decisions on whether to accept a proposal for an SHA and recommend to the Minister that a proposed SHA be established'.

The Policy also states:

'The Council will consider each proposed special housing area on its merits. In addition to the degree of consistency with this policy, other factors, such as planning and RMA matters, may be relevant to the Council's exercise of discretion to make a recommendation to the Minister. The Council reserves full discretion whether to recommend an area to the Minister to be a special housing area.'

The criteria for recommending a Special Housing Area to the Minister are as follows:

Criteria 1: Locational characteristics

The proposed Special Housing Area is either located inside an established urban area, or within an area identified for urban expansion in the Rotorua Spatial Plan. This criterion does not apply to a Special Housing Area proposed to be developed for a papakāinga.

*The proposed area is contiguous to the existing urban area. Priority will be given to development proposals **contiguous to land** identified on ODP Planning Map 102 as "Medium Density", followed by development proposals **on land** identified as "Low Density" on the same map. This criterion does not apply to a special development area proposed to be developed for a papakāinga.*

For that land not within the established urban area, the degree to which the character and amenity of the subject land is already affected by the proximity of urban land.

Reverse sensitivity effects are avoided or mitigated at the interface of the proposed site and any non-urban zone.

The land is not unduly affected by the following constraints:

- *natural hazards (except where effects can be appropriately managed)*
- *significant indigenous vegetation*
- *presence of highly productive soils*
- *significant archaeological, historic, ecological, landscape and cultural values.*

Assessment against Criteria 1

We have considered proposed SHA No.2 in light of the above criteria, recognising that these criteria provide guidance for decision makers only.

The two key concerns for us relate to the rural zoning and character of the site, and the potential for reverse sensitivity effects to occur.

Currently, residential development on the western side of the State Highway ends at the railway line. The character then changes with the next stretch of land containing a landscaping business, a rural site (currently also the subject of a SHA request) and a small light industrial business with a dwelling. The subject site itself is rural in character and use. Land to the north is rural.

The establishment of the site as an SHA would enable a reasonable density of development as is indicated in the concept plan submitted by the proponent.

At this point in time, we consider that the form of development indicated in the concept plan would be inconsistent with the character of the surrounding environment, and have received no evidence to refute that.

To be clear, we support the concept proposed by the proponent, in terms of it providing a range of smaller house sites of different typologies with the clear intention of providing affordable housing. However, at this point in time we consider that this form of development on this site would be incongruous with the existing environment.

We recognise that there is also a request to establish an SHA on the neighbouring site to the south (proposed SHA No.1). However, there is no guarantee that the neighbouring site will be established as an SHA or, even if an SHA is established, that the neighbouring land owner will then develop the site as a qualifying development. In that context, housing development on the site of proposed SHA No.2 has the potential to create 'ribbon development'.

In addition, there is the potential for significant reverse sensitivity issues to arise with both traffic noise and in relation to the surrounding rural land to the north and west that we do not consider have been adequately addressed, and questions as to whether the soil contamination issues can be appropriately remediated. As such, there are broader locational issues with this site that would also need to be addressed even if the character issue outlined above be resolved.

Coming back to the specifics of the locational criteria – the site is not within an urban area, is not identified in the Draft Spatial Plan, and is not contiguous with the existing urban area (we do not agree that the site is contiguous with the existing housing to the south east).

On balance, we consider that there are too many unanswered questions relating to key locational criteria for proposed SHA No.2 that mean that we are not comfortable to recommend this site to Council to, in turn, recommend to the Minister as an SHA at this point in time.

Criteria 2: Demand for qualifying development

The extent to which the proposed development(s) will achieve the purpose of the HASHAA and the Accord based on an assessment of housing size, form, character, section sizes, and density.

Assessment against Criteria 2

The proponent has undertaken a detailed assessment of future housing needs. The range of lot sizes and housing typologies proposed would, in our view, significantly help to achieve provision of affordable housing within Ngongotaha.

Criteria 3: Affordability

The extent to which the proposed special housing area assists in improving the affordability of housing in the Rotorua district. This will be assessed in one of the following ways:

- *The significance of the contribution the proposed SHA makes to overall housing supply in the district;*
- *The incorporation of varying dwelling and section sizes within the development, particularly houses at least 25 % smaller than the median size of new dwellings in the district. This will be of particular importance for sites within the established urban area;*
- *The potential for a development to target people with specific housing needs such as first homes buyers, the elderly, people with special needs, people requiring rental housing, or people unable to access other housing for social and economic reasons.*

Assessment against Criteria 3

As discussed above, we agree that proposed SHA No. 2 would assist in improving housing affordability within the district.

Criteria 4: Predominantly residential

The extent to which the proposed development is predominantly residential with the primary purpose of increasing residential housing supply.

Assessment against Criteria 4

We accept that the proposed development within proposed SHA No. 2 will provide for predominantly residential development.

Criteria 5: Adequate infrastructure

For Council-related services of water supply, wastewater, transport, stormwater and reserves the Council is satisfied:

- *That infrastructure exists and has additional capacity to accommodate the likely cumulative demand from a qualifying development/s in the special housing area or infrastructure is planned or programmed in the Council's Long Term Plan; and/or*
- *That infrastructure would be provided and funded by the private sector ahead of the Long Term Plan programmed time at no additional cost to Council; and/or*
- *Where not planned or programmed in the Council's Long Term Plan, infrastructure would be fully provided and funded by the private sector at no cost to Council and can connect to existing infrastructure that has additional capacity to accommodate the likely cumulative demand from a qualifying development/s in the special housing area, and*

- *For stormwater, mitigation will meet the conditions of any relevant consent held by the Council or such other relevant engineering standards that are applicable.*

For other (non-Council) infrastructure of state highways, government facilities such as education, or network utilities (electricity, gas and telecommunications) the Council is satisfied that adequate infrastructure or services exist or is planned by the relevant service provider with additional capacity to accommodate the likely additional demand generated from a qualifying development/s in the special housing area.

Assessment against Criteria 5

As discussed above, we are satisfied that there is or will be adequate infrastructure in terms of water and wastewater.

However, in terms of matters relating to stormwater infrastructure and management of flood hazards, along with transport infrastructure, we consider that there is insufficient information provided at this stage to be able to satisfy ourselves, the Council or the Minister that there is or will be adequate infrastructure to address these matters. We consider that this is a significant area of concern in terms of the Policy's criteria and the matters that both the Council and the Minister must satisfy themselves of under the Act.

Criteria 6: Building height

The maximum calculated building height for a qualifying development in a special housing area will be determined as part of the declaration of that special housing area. It will be determined by the Council in discussion with the landowner/ developer with reference to:

- e) The effects of the proposal on the characteristics of the land in the special housing area and land in the immediate vicinity;*
- f) The maximum height provided for in the zone of the operative District Plan that currently applies to the subject land;*
- g) The maximum height provided for in the zone of the operative District Plan that is intended to be applied to the land in the special housing area if this zone is different to the operative zone (e.g. the Residential 1 Zone may apply to a special housing area in a Rural Zone);*
- h) The maximum height provided for in the Act.*

Assessment against Criteria 6

We support the comments from the Reporting Officer that a 7.5m height limit would be appropriate should Council choose to recommend to the Minister that proposed SHA No. 2 be established as a special housing area.

Criteria 7: Minimum number of dwellings

The extent to which the proposed SHA will deliver additional dwellings beyond a minimum of four additional dwellings.

Assessment against Criteria 7

Approximately 130 residential dwellings are proposed to be developed.

3.3 Other matters

The Special Housing Areas Policy also requires Council to determine the appropriate Residential Zone provisions and specifies the matters that will be considered.

The only criteria Council can request the Minister include when establishing a Special Housing Area are those specified in Sections 15(1) and (3) of the Act relating to the height of buildings, the minimum number of dwellings and the percentage of dwellings that must be affordable. Council may choose to request the inclusion of these criteria. However, Council is not required to do so.

3.4 Process for recommending a Special Housing Area to the Minister

The Policy then sets out the Process for recommending a proposed Special Housing Area to the Minister. Stage 4 of this process requires a formal report and recommendation to Council on the proposed Special Housing Area.

The Policy specifies that Council will only make a recommendation to the Minister when the Council is satisfied that:

- a) The criteria in 3.4 (sic) of the Policy have been appropriately met; and*
- b) Necessary agreements have been secured with the land owner /developer; and*
- c) Where appropriate consultation has been undertaken including with any property owner directly affected, any directly adjoining landowners, tangata whenua when the area is within a rohe of a hapu which has a protocol with the Council, relevant infrastructure and service providers, the relevant regional council; and*
- d) The matter has been formally reported to Council and the Council has resolved to recommend the special housing area to the Minister.*

As detailed above we consider that proposed SHA No.2 has failed to satisfy us that significant criteria can be met, and as such the site should not be recommended to the Minister as a Special Housing Area.

In relation to whether necessary agreements have been secured with the land owner; should Council choose to recommend this site to the Minister, any necessary agreements can be addressed through the course of a subsequent resource consent process.

In relation to consultation, Section 6.10.3 of the proponent's report outlines the level of consultation undertaken. The Reporting Officer's report states that a verbal objection from one of the adjoining land owners was received, partly on the basis of concerns relating to flooding. We note that, at this stage, no high level information has been provided to give us sufficient confidence that the site can be developed appropriately. We are aware that the proponent of the SHA has offered to provide this information which is appreciated. However, and as discussed above, there are locational issues with the identification of this site as an SHA, that would remain irrespective of the provision of additional information on flooding.

In relation to consultation with tangata whenua, the request has included interim correspondence between the applicant and Ngararanui Hapu Trust.

We note that RLC has a very long and significant relationship with Ngati Whakaue via (but not limited to) the Fenton Agreement and the Te Tatau o Te Arawa Partnership Board.

3.5 Assessment of significance

We have also considered the requested SHA in light of Council's Significance and Engagement Policy (2017). The policy sets out the following criteria to assess the degree of significance of a decision:

- *Importance to Rotorua district*
- *Importance to Te Arawa*
- *Community interest*
- *Consistency with existing policy and strategy*
- *Impact on Council's capacity and capability (including costs)*

The factors relevant to assessing against these criteria are set out in Appendix 1 of the Policy.

The policy explains the weighting to be placed on different criterion as follows:

When a high degree of significance is indicated by two or more criteria, the issue is likely to be significant. The criteria merely provides a mechanism for identifying whether a matter is likely to be significant – they are not necessarily determinative of significance. Ultimately, in assessing the significance of a decision, Council will need to have regard to all relevant circumstances.

We have recommended that SHA2 not be recommended to the Minister, and as such, the significance policy is not triggered.

3.6 Conclusion – proposed Special Housing Area No. 2

On this basis, we do not recommend to Council that proposed Special Housing Area No. 2 be recommended by Rotorua Lakes Council to the Minister for Housing and Urban Development for establishment as a special housing area under the Act.