

## NATIONAL POLICY STATEMENTS AND ENVIRONMENTAL STANDARDS

### National Policy Statement Urban Development 2020 (NPSUD)

Napier City Council is currently advancing several planning processes including a pending District Plan review, working with Hastings District Council on a Future Development Strategy (FDS) as required by the NPSUD and having adopted the Napier Spatial Picture in early 2022 which will inform the District Plan review in respect of proposed zonings. An emerging theme is the enablement of higher density residential urban form, noting that the current Hawkes Bay Regional Policy Statement (HBRPS) envisages green fields development at a ratio of 12 houses per hectare; a figure which is considered to represent a low density per hectare yield in the context of the direction mandated by this NPS.

National Policy Statements state objectives and policies for matters of national significance. Regional Policy Statements must give effect to national policy statements and enable regional councils to provide broad direction and a framework for resource management within their regions. The NPSUD is a higher order statutory document than the HBRPS, so in the case of inconsistencies the NPS-UD prevails.

Napier is identified as a Tier 2 urban environment for the purposes of the NPS-UD. While the Tier 2 status does not impose the stricter Tier 1 directions of density and scale, it nevertheless requires the Council to enable greater intensity in areas of high access or demand and to enable building height and density that reflects the demand for use and the existing or planned transport accessibility level. The current supply limitations and high demand within the housing market are clear indications of the currently unmet demand within the market.

The Objectives and associated policies have significant influence over the assessment of this project as it constitutes the largest medium density residential development proposed to date in Hawkes Bay. In respect of the Objectives above:

With regards to Objective 1 and Policy 1, it is considered that the proposal is consistent with the broader outcome sought under these provisions for the urban environment of Napier and that has been assessed in this report in the context of connectivity, infrastructure, recreation and access to employment and services.

With regard to Objective 2 and Policies 1 and 5, the proposal is considered to make a positive contribution and is consistent with the intent of the Objective and associated Policy. The proposal is not contrary to the intent of Objective 3 and Policy 1. The site represents the development medium density housing in what is effectively the urban extent of Napier and as such it does not strictly align with the theory of intensification around a Centre Zone or similar. It is also noted that the closest major urban “employment centres” are situated approximately 2kms (Taradale) and 3.5kms (Napier CBD), which is not within what is a walkable catchment. However, the site is close to smaller employment sites and is also able to be well serviced.

In respect of Objective 4, and Policy 6, the proposal is considered to reflect outcomes consistent with the intent of this objective. There is a significant current demand for smaller 1–2-bedroom typologies as evidenced by the MSD Housing Register wait list and the development makes a sizeable contribution to providing for smaller dwellings in this area. While traditional development in Onekawa and Maraenui has been largely characterised by single level 3-bedroom family homes and this development represents a marked shift in the form of urban development in this area, Objective 4 recognises and provides for such change and evolution of urban areas.

This outcome is also envisaged by the *Housing Development Capacity Assessment 2021 (Napier-Hastings Urban Environment 2021)* makes the following observations in respect of changing demand for housing typologies:

*Looking forward, an ongoing shift towards attached dwellings is anticipated. In Napier, the relativity of attached-to-detached dwellings is expected to move from 0.25 attached dwelling demanded for every 1 detached dwelling demanded, to 0.75 over the long term. A similar profile is expected in Hastings where the relativity is expected to shift from 0.23 (attached dwelling demanded for every 1 detached dwelling demanded), to 0.69 (over the long term)<sup>1</sup>.*

With regards to Objective 5 and Policy 1, the project is one of critical importance to mana whenua and as stakeholders in the implementation of the project, they will have an ongoing role in the development of the land. This extends to the design of dwellings and landscape elements, opportunities for ongoing management of aspects of the project including the stormwater constructed wetland/SMAAs.

With regards to Objective 6(a), there has been a significant emphasis on providing for the development of the site in a manner that is coordinated with the provision of infrastructure. Key capital works and infrastructure that is needed to support the development has been identified and the party responsible for the funding of that infrastructure has been agreed in principle. Working in an ongoing manner with NCC will enable the LTP and Annual Plan processes to be aligned where necessary with the roll out of agreed infrastructure by NCC and be coordinated with the infrastructure to be provided by the Consent Holder.

In terms of Objective 6(b), The development of the land represents an implementation of the long-term strategic planning for this area; one that has been mooted since the 1990s and carried over into several statutory and non-statutory planning documents over this period. In that regard the development of the land is consistent with Objective 6(b).

In respect of Objective 6(c), the proposal will enable a sizeable number of medium density typologies to be constructed and is considered to make a positive contribution to housing supply, particularly aimed at affordable and social housing including 2-3 storey terrace units, stand-alone dwellings as well as 3-storey walk-up apartments, supported by new parks, community facilities and the Local Centre Precinct. The project will assist in addressing the evidence in the Housing Capacity Assessment which clearly identifies as a pressing, and yet unmet, housing opportunities for those in lower income brackets in Napier. It is further noted that the HBA does not factor in any historical backlog of housing undersupply and that there is currently work being undertaken to substantiate what that number may be. Given the current MSD register figures, there is clear evidence that there is some level of backlog and that in respect of social housing (or more affordable housing), that number is not insignificant.

The release of the National Policy Statement: Urban Development 2020 with its attendant monitoring and reporting requirements in relation to preparing a Housing Development Capacity Assessment clarified that Napier's housing bottom line is the provision of 3200 new homes over the next ten years to meet anticipated demand (although NCC has adopted a more aspirational target of 3500 homes to help address additional existing but unquantified latent demand associated with homelessness and overcrowding). The adopted target equates to roughly one new home being completed in Napier every day for the next 10 years. The development of this site will contribute towards achieving this high-level estimate of demand and realisation of completed dwellings.

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<sup>1</sup> Housing Development Capacity Assessment 2021, September 2021, Pg V

The proposal is consistent with Objective 8(a) and Policy 1 which is a high-level objective for urban environments in New Zealand. The proposal to utilise land in a more efficient manner has immediate benefits in respect of infrastructure use, lower use of energy in maintenance costs for each dwelling, less energy use in respect of the “Homestar 6” rating to be assigned to dwellings and the future provision for local centre services which will contribute toward a lowering of emissions arising from travel. New generation LED lighting, the provision for “future proofing” infrastructure such as EV charge points will also contribute toward the lowering of emissions from this development on a per household basis when compared with a traditional suburban density of development. The planting of the constructed wetland/SMA with an estimated 40,000 native plants being required for that infrastructure, along with the landscape proposals within the development will also contribute to offsetting the emissions arising from the development in perpetuity. An assessment of greenhouse gas emissions in relation to construction activities in has also been undertaken, in order to minimise adverse effects.

In terms of Objective 8(b) and Policy 1, this is one that has assumed significantly higher visibility because of the recent weather patterns in NZ and in particular the impacts of Cyclone Gabrielle in February. It is noted that the site is well removed from the projected coastal inundation scenarios identified by HBRC however the area is currently subject to periodic inundation in heavy weather events from stormwater. The stormwater modelling scenarios have resulted in the design incorporating the large stormwater constructed wetland/SMAs, utilising adjoining rural land to offset the stormwater from the development as well as an additional layer of capacity for the surrounding existing urban environment. This in turn reduces the need to continue to rely on the mechanised pumping system as the primary means of managing stormwater during heavy weather events. With the floor level restrictions to further provide a buffer against the effects of climate change, it is considered that there is sufficient resilience built into the development to mitigate the currently understood existing and future effects of climate change.

Having regard to the wide range of matters set out in the relevant Objectives and Policies of the NPSUD it is considered that the proposed development is consistent with the outcomes sought (and where stated, required) by this NPS. The proposal is considered to have the potential to making a significant contribution to the outcomes sought by the NPSUD, noting that these Objectives and Policies represent a more recent policy approach to diversity and density and importantly, change in amenity values in the urban environment than is captured in the current District Plan.

### **National Policy Statement for Highly Productive Land (NPS-HPL)**

In summary, the NPS-HPL seeks to ensure “*highly productive land*” is protected for use in land-based primary production.

### ***Exemptions – Land Identified for Future Urban Development***

#### **Northern Site - Residential Development**

Clause 3.4(2) of the NPS-HPL provides that “*land that, at the commencement date, is identified for future urban development must not be mapped as highly productive land.*” As the commencement date of the NPS-HPL has passed, identification must have occurred already to rely on this provision. Land “*identified for future urban development*” is defined as land identified in a published Future Development Strategy or in a strategic planning document as, “*land suitable for commencing urban development over the next 10 years*”<sup>2</sup>. This requires two things:

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<sup>2</sup> NPS-HPL, Clause 1.3

- (a) That the land be identified in a strategic planning document as suitable for urban development; and
- (b) That the timeframe within which such development could commence is 10 years.

The northern site is clearly identified within both the “statutory (2010) version of HPUDS as well as the subsequent version, adopted in 2017 but not afforded statutory weight through any subsequent changes to the District Plan or the HBRPS. The land is also identified within District Plan “Layers” as being within the Urban Limits and within a Growth Area.

The overall timeframe of HPUDS is a 30-year horizon. This is a generally accepted strategic planning timeframe and aligns with the infrastructure planning horizons within the ESMP 2000. HPUDS does not specify specific time periods within which each identified growth area is programmed for development, however that is not considered to be an overriding factor as the provisions of the NPS-HPL define such land as being [emphasis added] “Land that is *suitable for commencing* urban development over the next 10 years”. That is distinct from land that has been *programmed* to be developed.

The 2017 version of HPUDS aligns with the definition of a Strategic Planning Document in the NPS-HPL as it is effectively a non-statutory document that has been adopted by local authority resolution. Given the timeframes for this project vs the adoption date of the latest version of HPUDS in 2017, it is considered that the northern area of the site falls within the exemption provisions of the NPS-HPL and cannot be mapped as highly productive soil. The provisions of the NPS do therefore not apply.

This conclusion is further buttressed by the adoption of the Napier Spatial Picture in 2022 which also identifies the northern site *and* southern site as a “residential greenfield growth” (southern site subject to further analysis). The Spatial Picture identifies Napier’s residential and employment growth opportunities. It “*pulls together the relevant information from Napier’s statutory and non-statutory plans and policies, as well as insights from key stakeholders, public and stakeholder feedback, and additional spatial analysis undertaken for this project. The Spatial Picture is the first step in a wider Spatial Plan for Napier and Hastings and will support the upcoming Napier District Plan review*”<sup>3</sup>. As is the case with HPUDS, there is no specified timeframe for the development of each growth area, but it is inherently linked to the life of the District Plan which is a 10-year period.

In respect of the southern area, the analysis has been undertaken through this process to show that this area of land is largely required to provide a resilient stormwater network to service the residential area to the north and additional capacity for stormwater for the existing urban area. The conclusion being that a large proportion of this area is not suitable for residential development and that infrastructural needs are dictating a future pattern of development which can be addressed through the District Plan review.

Accordingly, given the scope of the matters above, it is considered that in respect of the subject site, that the provisions of Part 3.4(2) of the NPS-HPL apply.

#### Southern Site – Stormwater Attenuation

Additionally, in respect of the southern site, most of the site is being subdivided to accommodate the stormwater constructed wetland/SMAs with proposed lot 603 having an area of approximately 10.53 hectares from a total land area of 16.58 hectares. Clause 3.8(1) of the NPS-HPL provides exceptions to

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<sup>3</sup> Napier Spatial Picture 2022, executive summary

the use subdivision of land when they are for specific purposes, including “specified Infrastructure”. Specified Infrastructure.

The proposed infrastructure is an integral component of the stormwater management strategy for the proposed development but also incorporates additional attenuation capacity for the wider existing urban catchment area and represents an upgrade to the existing stormwater infrastructure that exists in the area; thereby enabling the development of the land identified for residential growth to be realised. The provision of infrastructure to reduce natural hazards arising from flooding are expressly recognised in Part 3.12 of the HBRPS<sup>4</sup>. On that basis it is considered that the use of this land for stormwater attenuation may be considered as an alternative to land based primary production as provided for by clause 3.9

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<sup>4</sup> HBRPS, Part 3.12, Objective 31