

Contact: Jason Kaye

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Covid 19 Fast-track Consenting
Ministry for the Environment
PO Box 10362
Wellington 6143

Development Nous Ltd

502 Karamu Road North
Hastings 4122
New Zealand

PO Box 385
Hastings 4156
New Zealand

06 876 2159

Attention: Max Gander-Cooper

Dear Sir,

Re: Referral Application Riverbend Residential Led Subdivision

I write in response to the request for further information in relation to the application to the Ministry for the Environment for referral of the Riverbend Road Residential Led Staged Subdivision to an expert consenting panel pursuant to the Covid-19 Recovery (Fast-track Consenting) Act 2020. The response follows the sequential order of the information request.

1. Information on how the proposed jobs be distributed between the phases of the project (planning, construction, operation etc). Please also provide updated details of the jobs to be created in the FTE/year format.

The Economic Impact Assessment has been updated in response to this query and is appended to this response.

2. Information on how the project will be funded, with supporting information such as how much equity is available for project delivery.

The Applicant is currently entering into commercial agreements with K3 Kahungunu Property (on behalf of Ngati Kahungunu Iwi Incorporated) and Mana Ahuriri Holdings (on behalf of Mana Ahuriri Trust). Due to the current commercial sensitivity of these arrangements, the three parties wish for this to remain confidential at this time.

The additional funding provided from partnering with these organisations will assist in financing the initial stages of the development.

The Applicant considered a range of potential development partners and contractual arrangements, such as the commercial attractiveness of the scheme. The selected commercial arrangement provides a stable partnership arrangement to ensure that the preliminary work can be readily resourced through to delivery and sale of the first stages of the development.

3. Information on how the project will progress faster using the fast track process than it would under the standard RMA consenting process. Please provide an estimate on the time you expect to be saved.

As set out in the referral application, the most significant advantage offered by the Covid fast-track process relates to developer confidence. Were a standard consenting process being followed with the Council, the Applicant would have directed that a standard subdivision of circa 350 (larger) lots be developed for consenting, as this development form would offer greater certainty that the Council would sufficiently comprehend the proposal to enable progression to approval. This would result in a loss of circa 300 homes from the referral proposal scheme and the nature of the subdivision would result in higher value sections that were likely beyond the reasonable reach of first home buyers (and beyond KiwiBuild thresholds).

If the Applicant pursued the referral scheme through a standard consenting process with Council, we would readily anticipate the process taking 18 to 24 months longer than through the Covid fast-track route.

4. Information on how the Project will contribute to well-functioning urban environments with particular reference to Policy 1 of the National Policy Statement for Urban Development 2020.

The large area of the site has enabled the formation of a planned and coordinated development layout in a way that cannot be achieved through the development of infill or smaller greenfield sites.

Fundamental principles identified at the commencement of design related to the need to link Riverbend Road and Waterworth Avenue frontages with a spine road, integration and interaction with the existing adjacent suburbs, the inclusion and location of a commercial hub, the approach to the provision of public spaces through the site and interaction with the adjacent linear and active public open spaces and the avoidance of cul-de-sacs in favour of a more permeable grid network.

The base principles form an underlying development structure that has enabled the formation of a block layout through the site. The block layout has been designed to enable flexibility of built development typology form and density, from detached housing through to apartment walk-up buildings. This readily enabled varying development densities to be generated and tested, progressing through to the selected layout, which mixes densities across the site, creating definable precincts.

Providing further demonstration of the resulting development form and quality, the subdivision consent will be accompanied by the built development plans for up to 380 of the proposed homes. This inclusion of detailed house development plans will enable a comprehensive view and understanding of the final development and internal relationships between buildings, streets and precincts.

The delivery of a significant additional supply of homes to the local market will be of substantial benefit to those struggling to access housing of all types and tenures. The contemporary form of the development, including the incorporation of commercial floorspace to service the future residents and an accessible range of public open space, will provide a distinctive and attractive new community with a well-defined sense of place within the wider suburban context of Napier. The development will therefore not just deliver additional homes to the market, but will create a modern and desirable community.

5. Analysis of flooding effects, including effects beyond the boundaries of the site.

As discussed in Section 3.1.5 of the Development Nours Master Plan Roading and Servicing Report – V1 (Report Ref: H20200093-MPR dated March 2021), the site falls within a flood risk area defined by Hawkes Bay Regional Council (HBRC). The extent of the flood risk area shown in HBRC's flood mapping provides a general understanding of the flooding potential of the area based on water levels within a nearby (HBRC owned) drain. The initial flood extent modelling is based on the determination and application of the Water Surface Level to the contour of surrounding land (based on LIDAR information). To progress beyond the initial modelling, we have undertaken a simplified and specific flood assessment of the site and surrounding area based on the detailed landform information and Intensity Frequency Duration data. As documented in the Roading and Servicing Report, the resulting refined extent of flooding within the surrounding area is not as considerable as that shown in the HBRC's flood risk mapping.

Further investigation of the surrounding land during site visits and topographical survey determined that the site is hydrologically isolated from external flooding. That is, the site contour forms a large bowl surrounded by drains or land features that truncate or block water flows into or out of the site. Stormwater ponding occurring within the site currently is a result of rain falling onto the site rather than incoming flows.

In general, the site will be raised through the importation of fill to ensure that the development surface level is above the required area wide flood level. A contemporary stormwater design of piped and surface water flow will be formed to control and manage stormwater within the site and direct this to the adjacent drain system. This will address all rainwater falling onto the site, ensuring that no water is shed to adjacent developed catchments. As the site is currently hydrologically isolated, the raising of the surface level will not displace any current ponding or storage function that the site performs for adjacent catchments.

Flood level within the Cross Country Drain will not be impacted by the development of the site as the existing bank levels exceeding RL 11.1 are to be maintained. The existing

flood levels within the Beatson Drain (which does not show any connection to flooding within the site) will improve with the proposed reprofiling.

Runoff flowing from the north of the development is to be collected via a channel flowing east to west. To ensure this is effectively achieved, a detailed assessment of the flows discharging towards the site will be undertaken during the detailed design stage to ensure the proposed channel will be appropriately sized to convey the flows while mitigating any adverse impacts upstream of the site.

Any works within the Beatson and (site isolating) swale drain along the northern boundary of the development will be accompanied with a detailed assessment of the contributing flows to ensure no adverse impacts.

Ponding within the site will be managed via appropriately sized pipes with any overland flow paths sized (using manning's equation calculations) to ensure sufficient capacity is provided.

Further analysis of the flooding effects (in terms of internal management of stormwater) is subject to refinement of the detailed surface design of the proposed development and associated stormwater infrastructure.

6. Analysis of Te Ao Māori cultural effects.

The site is not subject to any statutory acknowledgement or deed of recognition through the relevant proposed and completed deeds of settlement that include the site within or peripheral to an identified area of interest. As the site and wider area was previously swamp land prior to reclamation and then earthquake driven uplift in 1931, and the site was then subsequently utilised for rural activity, the absence of identified historic significance of the site to Maori is unsurprising.

In the absence of any historically significant connection to the application site, there is no adverse effect on Maori communities or wider Maori values.

The Applicant's partnership with K3 Kahungunu Property and Mana Ahuriri Holdings (summarised in response to Point 2 of this letter) will ensure that any unrecorded matters of site relevance will have an avenue for discovery and discussion. The partnership will also ensure that the detailed design and implementation of the development is informed by, and proceeds in accordance with, the insight and perspective of these Maori development organisations.

On a higher level, the inevitable wider regeneration benefits arising from the construction of an attractive and well-functioning residential led development of the scale proposed will be experienced by the resident population of the adjacent suburbs. This is not anticipated to be a case of gentrification of adjacent suburbs, but rather an increased sense of place and pride. The 2018 census statistics advise that the adjacent suburban areas of Maraenui and Onekawa South have a significantly greater proportion of Maori occupation (Maraenui 59% - 2,061 Maori of 3,504 total population and Onekawa South 42% - 1335 Maori of 3183 total population) than the overall area of Napier City (22% 13,800 Maori of 62,241 total population). The development will

therefore offer regeneration benefits to suburban areas populated by a higher Maori proportion than the wider area.

7. Economic analysis of demand for commercial space at this location.

Provision of floorspace for commercial activities has been included in the interests of creating a well-functioning community structure and forming a sense of place. Enabling a suitable range of commercial activities also internalises and eliminates a component of the traffic generation arising from the development, with associated wider sustainability benefits.

Collective experience across the development team has identified the structural deficiencies of creating communities without access to an appropriately scaled range of commercial activities. Examples of this deficiency are widespread across the suburban areas of Napier that have been developed through the last 30 years.

No detailed economic analysis of the demand for commercial space within the development has been undertaken. Preliminary discussion with external parties has provided anecdotal strong indication of demand for commercial units, with current thinking suggesting potential for a small scale food supermarket, a childcare centre, a café and potential for community health services. We would expect to better define this commercial use within a detailed (Stage 2) application, and suitable occupation limits and principles would be secured through offered conditions. Such conditions would likely provide limits of individual unit size and restriction to the scope of retailing to ensure that commercial activities remained appropriate to the suburban location and residential servicing intention.

The application structure will provide a fall-back option for the floorspace to be developed as residential units should the preliminary demand for the commercial floorspace not translate to completed contracts with commercial occupiers.

8. Information on how you see the Project passing the 'gateway' tests in section 104D of the Resource Management Act 1991.

The application site has been clearly allocated within the applicable planning framework for future residential development. The site is identified in the Heretaunga Plains Urban Development Strategy (HPUDS), the Regional Policy Statement and the City of Napier District Plan as an area for future residential development. The current housing market within Napier is described within the Economic Impact Assessment as being characterised by year on year construction shortfalls against the demand for homes and resulting rapid price escalation. This housing market situation confirms the local demand for additional housing and the need to bring allocated sites forward for development.

As the land is allocated for future residential use, the loss of the productive capacity of the land resource would be consistent with the strategic approach of the District Plan and adverse effects in this respect would be as envisaged by the District Plan and no more than minor. Separation is provided to surrounding land enabling the internalisation of the physical effects of the built development and avoiding effects on surrounding properties.

The application for the development will therefore pass the test of s104D(1)(a), enabling consent to be granted.

The consistency of the development with the enabling planning framework ensures that the development will be in general accordance with, and certainly not contrary to, the development expectations of the objectives and policies of the district plan.

The application for the development will therefore pass the test of s104D(1)(b) providing an additional pathway enabling consent to be granted.

9. Information on whether additional consents will be required to deliver the housing which is not included in the 380 residential dwellings identified in the application. If this is the case and these dwellings are outside the scope of the application then please provide information on the revised scope.

Subdivision consent will be sought for the staged subdivision of the full extent of the site, facilitating the construction of up to 670 homes (and commercial units), noting that a component of these homes will be formed within apartment walk-up buildings.

Land use consent will be sought for up to 380 of the potential 670 homes, providing the detailed design of the subject houses and apartment buildings. Land use consent will be necessary for these homes in relation to the underlying Main Rural zoning and the inevitable infringement of Main Rural Zone district plan development standards resulting from residential development. The multi unit land use consent (allowing for the construction of more than one home on the site) will also enable the construction of homes to commence ahead of the issuing of individual record of titles, thereby accelerating construction and delivery.

The remaining homes beyond those detailed within the Stage 2 EPA application will be subject to the requirement for subsequent land use consent from Napier City Council for the proposed built form and resulting (inevitable) infringements of Main Rural Zone district plan standards. For these homes, the lot will be formed through the Covid fast-track subdivision approval and the adherence to a detailed design guide (effectively providing a de facto set of residential development bulk, location and design controls similar to those of the main Residential Zone of the City of Napier District Plan) will be required by way of condition (imposing a consent notice structure).

The homes beyond those detailed within the Stage 2 land use consent form a fundamental part of the overall scheme. The individual lots for these homes will be formed by the consent and the structure of conditioned requirements imposed on these lots will be critical to the achievement of a successful overall development.

The referral scheme continues to be for a scheme of up to 670 homes. The subdivision consent will create the legal lot pattern across the site to provide for the 670 homes and land use consent for the detailed development of up to 380 of the homes will enable significantly advanced commencement of construction following land formation, with subsequent development stages of homes being subject to a further land use consent from Council.

10. Additional information on your plans to engage with iwi (particularly regarding the preparation of cultural impact assessments) and whether you foresee any issues relating to this.

The Applicant's partnership with K3 Kahungunu Property and Mana Ahuriri Holdings will assist with the identification and understanding of relevant cultural issues and with access to knowledge bases. This relationship will enable and ensure that relevant Maori priorities are identified and addressed through the scheme and facilitate the reporting of such matters through a cultural impact assessment.

I trust that the above information assists with your understanding of the Riverbend Residential Led Subdivision project and your deliberation of the Covid fast-track referral application.

Yours faithfully

Development Nous Ltd



Jason Kaye
Senior Planner

s 9(2)(a)