



PAPAIOEA
PALMERSTON
NORTH
CITY

PALMERSTON NORTH CITY COUNCIL

AGENDA

MINUTES ATTACHMENTS
STRATEGY & FINANCE
COMMITTEE

9:00 AM, WEDNESDAY 13 NOVEMBER 2024

COUNCIL CHAMBER, FIRST FLOOR
CIVIC ADMINISTRATION BUILDING
32 THE SQUARE, PALMERSTON NORTH

STRATEGY & FINANCE COMMITTEE MEETING

13 November 2024

- | | | |
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| 7 | Quarterly Performance and Financial Report - period ending 30 September 2024 | |
| | 1. Quarterly Performance & Financial Report - period ending 30 September 2024 | 5 |
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Purpose

The Government has allocated \$1.2 billion over a three-year term for the Regional Infrastructure Fund (RIF). The RIF will invest in regional infrastructure to lift productivity to grow regional economies by investing in infrastructure that increases the performance of businesses. It will also improve New Zealand’s resilience by supporting regional businesses and communities to absorb and recover from shocks and adapt to changing conditions.

Link to Government Priorities

- › The RIF will invest in projects and build infrastructure for growth and resilience in support of the Government’s five pillars to rebuild the economy, which includes a commitment to build infrastructure for growth and resilience.
- › The RIF will help to crowd-in private investment for critical projects by providing greater confidence in the project, for example through potential City and Regions Deals, and co-funding arrangements such as Public-Private Partnerships.
- › Greater investment in regional infrastructure through the RIF will also create: new, high-value jobs; enhance access to markets for regional businesses; supporting growth in exports and greater national connections; support the emergence of new innovations and technologies; and help realise the potential of the Māori economy.

Outcomes

Short (0-3 years)

- › Invest in regional critical needs and opportunities
- › Identify and respond to potential risks and impacts on regional communities
- › Create more value from existing Crown investments and assets
- › Create employment opportunities in developing infrastructure assets (e.g. through local procurement where practical)
- › Improve access to finance for investors, notably for Māori

Medium (3-10 years)

- › Minimise fiscal impacts of adverse events for communities and authorities
- › Better prepare regions for climate change risks and impacts
- › Create sustainable employment and upskilled workforce
- › Improve outcomes for Māori through improved economic participation, crowding in of private finance (e.g. increasing capability of financial institutions to work with iwi and invest in whenua Māori)

Long (10+ years)

- › Improve outcomes for regional New Zealand through addressing of critical infrastructure deficits

Overall approach



The RIF will invest in:

Resilience infrastructure: infrastructure that improves a regions’ ability to absorb, adapt and/or respond to stresses and shocks.

Enabling infrastructure: infrastructure that ensures regions are well-connected and productive. These projects will invest in assets that are used by, and/or generate benefits for, multiple businesses or many parts of a community.

The RIF will invest in both the building of new infrastructure as well as developing, upgrading, and improving existing infrastructure.



The RIF will not invest in:

- › Projects already funded through the following central government programmes: social infrastructure (housing and accommodation, schools, hospitals), large-scale national digital connectivity (broadband) initiatives and roads of national significance.
- › Ancillary commercial activity such as marketing or business development.
- › Apprenticeships or vocational education and training.
- › A project in potable water, wastewater, and storm water assets, except for investment in the following that will remain eligible:
 - Rural, community-owned water assets (that aren’t on the local authority’s water network).
 - Water assets that are not ‘business as usual’ assets and are directly critically-enabling for eligible RIF projects, for example storm water assets that are typically vital to ensure the success of a floodbank project.
- › Projects that are already underway, unless the applicant can demonstrate why the project would not proceed without RIF support.
- › Purchases of land.

Initial areas of focus:

Flood resilience - Cabinet has agreed to create a dedicated flood resilience funding category under the Resilience Infrastructure component of the RIF that will initially make \$200 million available for eligible projects.

Māori economic development – The RIF has the potential to create a significant funding source for Māori businesses and landowners. Unlocking the potential of the Māori economy and whenua Māori through infrastructure development can also boost growth and resilience in regional economies.

Resilience infrastructure investments will improve resilience in:



Weather events

An event that is extreme at a particular place and time of year, including heatwaves, droughts, extreme wind or rainfall (including hail and frost), coastal and estuarine flooding, storms and ex-tropical cyclones.



Energy security

Energy security has two aspects:

1. Long-term energy security mainly deals with timely investments to supply energy in line with economic development and environmental needs.
2. Short-term energy security, which focuses on the ability of the energy systems, particularly electricity, to react promptly to sudden changes in the supply-demand balance. Resilience infrastructure in this area includes any infrastructure involved in the electricity system, including generation, transmission, and distribution of electricity, distributed energy resources such as roof-top solar generation, large- and small-scale battery storage, and small-scale generation (e.g. diesel or petrol generators).



Water security (water storage)

The capacity of a population to safeguard sustainable access to adequate quantities of acceptable quality water sustaining livelihoods, human well-being, and socio-economic development, and for preserving ecosystems for eligible RIF projects.



Food security

Refers to systems, facilities, and strategies ensuring consistent food production, distribution, and access despite natural challenges. This includes robust agricultural infrastructure like farmland and irrigation/drainage systems to withstand environmental stressors, efficient transport networks and storage facilities, such as warehouses with backup power sources, and diversification in farming practices and investment in resilient crop varieties.



Connectivity

Transport solutions, digital connectivity for rural communities – digital connection has become an expected part of doing business but it is not reliably available in some regions of New Zealand. Digital connectivity provides a means to overcome some of the challenges faced by small, distant communities. Digital connectivity also enables businesses to make better use of existing and new digital technologies that improve productivity.



Recovery infrastructure

Infrastructure that is available in instances of regions responding to natural disasters e.g. electricity microgrids.

Enabling infrastructure investments will invest in:

Assets that are used by, and/or generate benefits for, multiple businesses or many parts of a community.

Eligible assets will include:

- › shared services such as innovation parks and innovation facilities – infrastructure and complexes that catalyse innovation and growth of specific sectors or value chains that would be unlikely to happen at the same scale without those assets existing
- › supply chain or transport solutions, for example a cold storage warehouse
- › cultural institutions of regional significance, including marae, museums and performing arts venues
- › fixed assets within individual enabling businesses that produce outputs that are beneficial to other businesses in the region.

Plan Change I: Increasing housing supply and choice



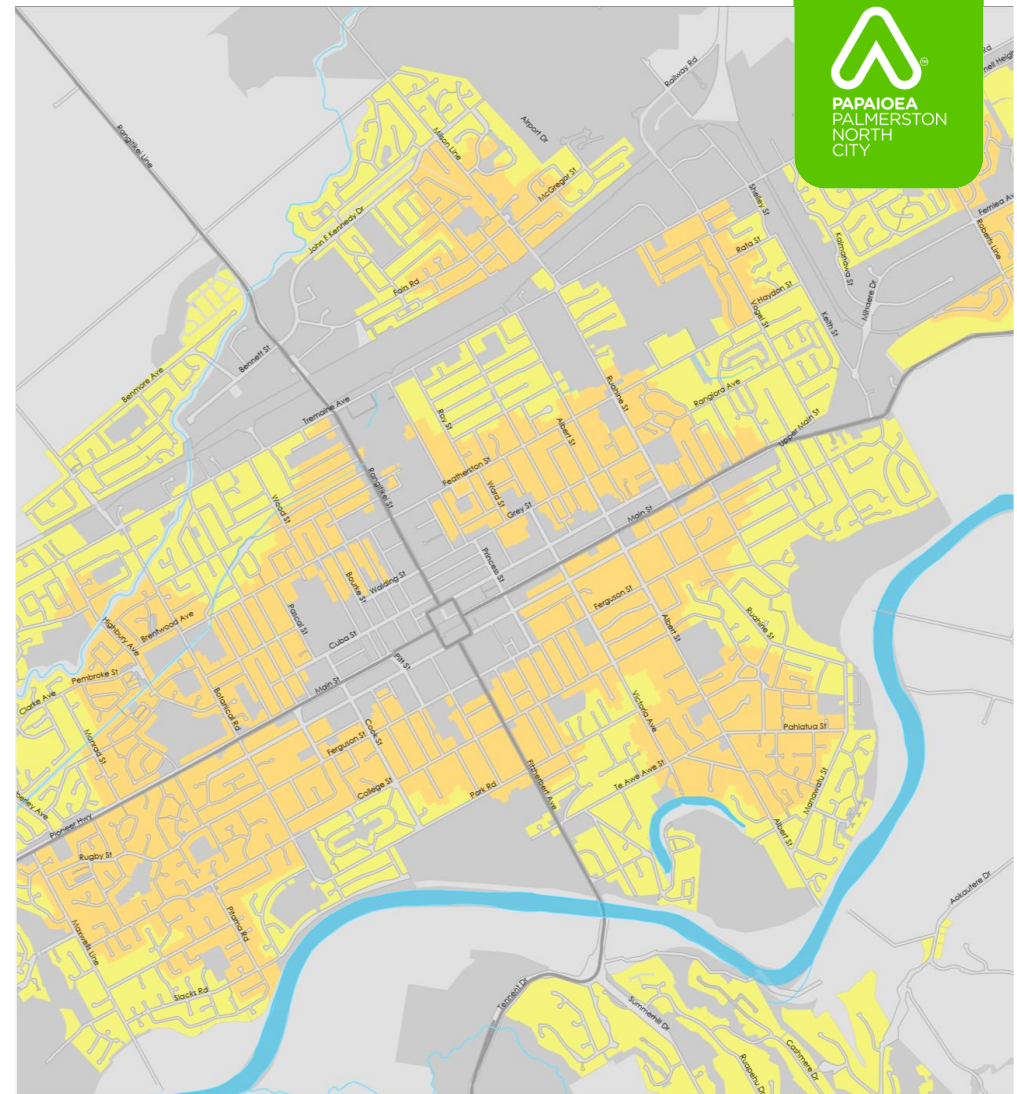
What does national direction require of PNCC?

NPS-UD	NPS-FM	National Planning Standards	RMA
<ul style="list-style-type: none"> ✓ Sufficient development capacity to meet expected housing demand in the short, medium and long terms ✓ Contribute to well-functioning urban environment ✓ Enable heights and density which reflect accessibility to public or active transport, or demand ✓ Have regard to the Future Development Strategy ✓ Plan change to give effect to NPS-UD 	<ul style="list-style-type: none"> ✓ Include provisions to promote positive effects and avoid, remedy or mitigate adverse effects of urban development on health and wellbeing of water 	<ul style="list-style-type: none"> ✓ Adoption of NPS Definitions Standard ✓ Adoption of NPS Mapping Standard 	<ul style="list-style-type: none"> ✗ As Tier 2 authority - NOT required to implement Medium Density Residential Standards ✓ Management of significant risk of natural hazards

Purpose of PC:1

- ✓ Re-zone 815ha of Palmy urban areas with good public transport, walking and cycling access to employment, public open space, schools and community services from Residential to MRZ
- ✓ Enable development capacity in the medium term – from 2026 →
- ✓ Respond to developer feedback about effectiveness of operative MUHA provisions
- ✓ Streamline residential intensification consent application and assessment process
- ✓ Rezone Summerhays Street and Huia Street reserves
- ✓ Achieve well-functioning urban environment
- ✓ Manage natural hazard risk
- ✓ Improve stormwater quality from urban development

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How does PC:I give effect to national direction?



Contributes infill development capacity to meet demand for housing – enables more intensive housing and incentivises increased range of housing types and sizes



Adopts NPS Definitions and Mapping Standards



Medium Density Residential Zone is accessible by public and active transport to employment, schools, community services and public open space



MRZ provisions contribute to achieving a well-functioning urban environment



Supports Rangitāne aspirations for urban development

Key features of PC:I



No resource consent for 1-3 residential units or papakāinga provided standards are met



Papakāinga and marae enabled



Focused assessment when consent is required



Lower regulatory costs for applicants and for Council



Highly flexible for developers



Suite of standards which set built form, coverage, stormwater management and transport requirements.



More climate change-resilient housing



No significant un-funded infrastructure upgrades required



Stormwater Overlay triggers assessment of potential for flooding





Roles in the plan change process

A plan change is an evidence-based process



Reporting planner

Evaluative expert who identifies issues, reviews technical inputs and considers how these are reflected in new provisions.

Drafts new provisions

Prepares expert evidence and recommends changes in response to submissions



Technical experts

Provide subject-matter advice about issues and recommendations about how to respond

Prepare expert evidence in response to submissions, including advice to Reporting Planner about subject-matter expertise



Elected members

Decide whether plan change is notified



Submitters

Identify which parts of the plan change they support or would like changed

Appear at hearing either at lay submitters or with expert witnesses



Hearing Commissioners

Review submissions, hear evidence and decide on final plan change provisions

What stays the same across the Medium Density and Residential zones?



Type and scale of non-residential activities, including flood protection works and temporary military training activities



Parking and access design (unless no on-site parking)



Controls on development in Air Noise Contours and in Awatea Stream and Jensen Street Ponding Areas



Fencing requirements
Building height, height in relation to boundary and setbacks - same as Aokautere Greenfield Residential Area

What changes between the Medium Density and Residential zones?



Up to three dwellings/papakāinga on a site - permitted	Built form and design for four+ dwellings assessed against reduced number of matters – seven vs 27	Targeted assessment if resource consent required – only assess matters that need consent	Multi-unit housing provisions don't apply in the MRZ
No minimum lot size	More enabling building coverage and smaller outdoor living space	Minimum outlook space, façade articulation and parking/garage location requirements	Standards for planting, permeable surfacing, stormwater quality and quantity, bike storage and built form
Existing character and urban form not maintained – it will change over time	Stormwater Overlay – triggers assessment of flooding potential and mitigation requirements	Marae are a restricted discretionary activity (currently discretionary)	

Development Standards

PC:I takes a bespoke approach to standards – evaluated the MDRS and determined what’s appropriate for Palmerston North

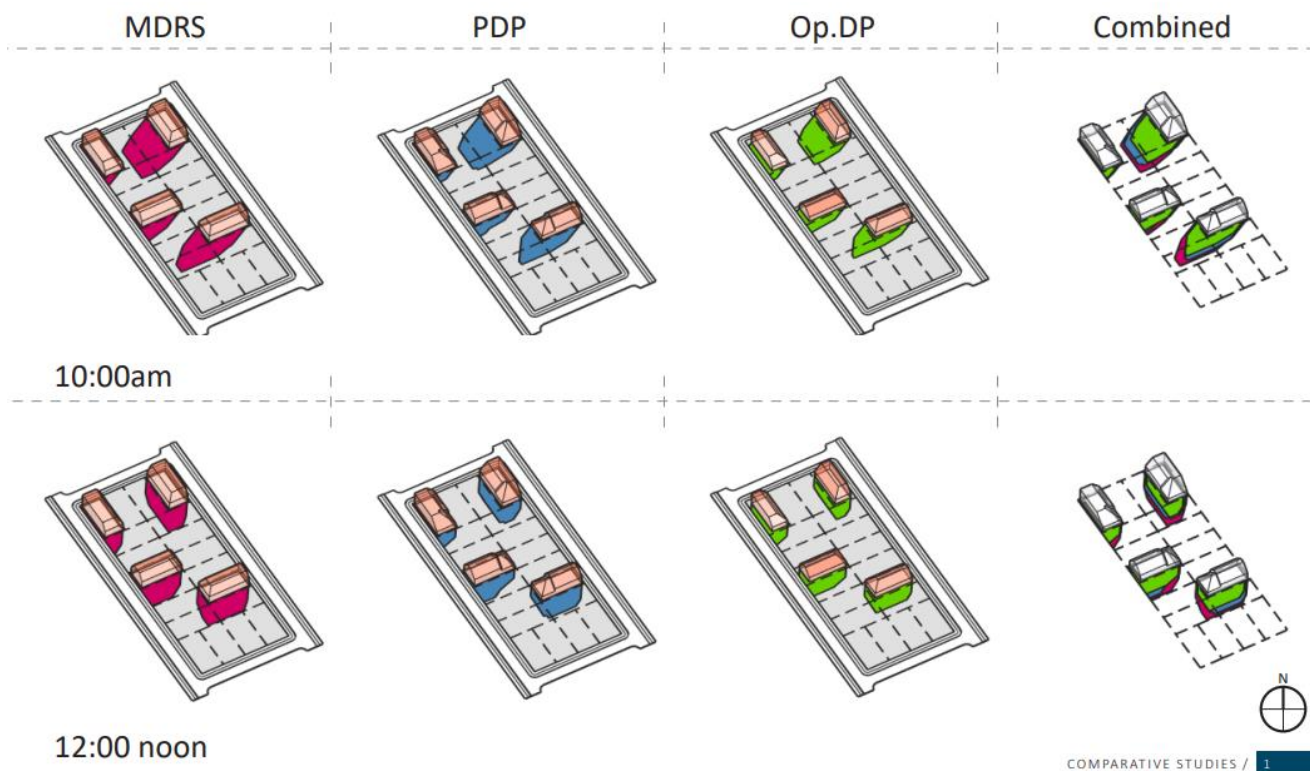


Standard	MDRS	PC:I
# residential units per site	Three	Three
Building height	11m	11m
Height in relation to boundary	60° at 4m	Front - 45° at 5m Rear – 45° at 2.8m
Minimum setbacks	Front – 1.5m Side – 1m Rear – 1m	Front – 1.5m Side – 1m Rear – No standard
Maximum building coverage	50%	50%
Minimum outdoor living space (per unit)	20m ²	30m²
Minimum outlook space (per unit)	Living - 4m x 4m Other habitable rooms - 1m x 1m	Living – 6m x 4m Primary bedroom – 3m x 3m Other habitable rooms – 1m x 1m
Minimum façade glazing	Front - 20%	Front – 20% Secondary – 10% Front with a garage – 12.5%
Minimum landscaped area	20%	20%
Other standards	Only for qualifying matters	No limitation

Example - comparison of MDRS, PC:I and ODP – sunlight access

Shading Study: Block Orientation A

Winter Solstice
22 June

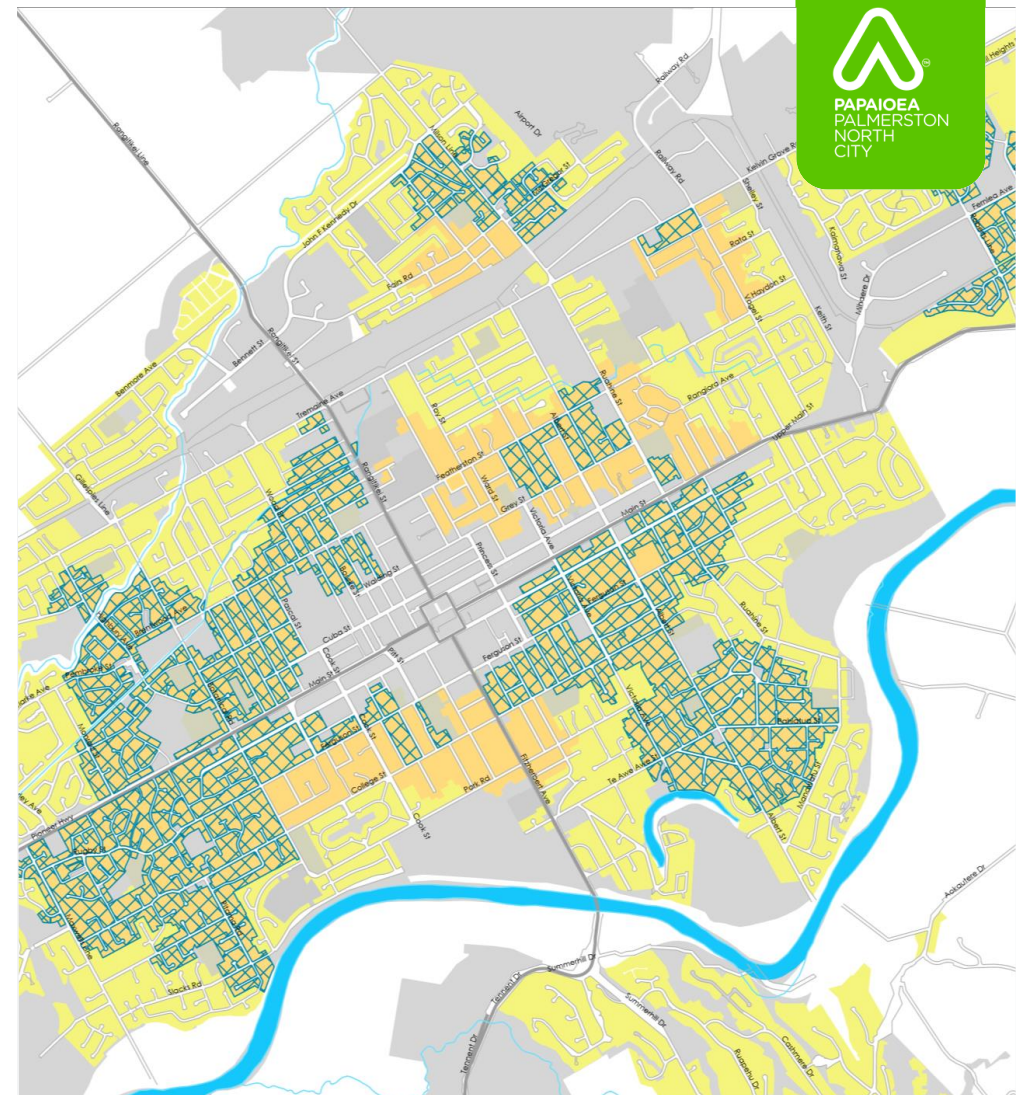


COMPARATIVE STUDIES / 1

Stormwater Overlay

- Existing risk of flooding from stormwater
- Risk has been modelled at city-wide level only
- Stormwater Overlay triggers site-specific assessment of risk and mitigation
- Minimum mitigation across MRZ for stormwater quantity - attenuation device, minimum floor levels and percentage permeable surfaces
- Some sites will require additional mitigation
- Over time city-wide Stormwater Management Strategy will assist with better understanding risk

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DAMI
MY

Feedback from Rangitāne o Manawatu



Generally supportive of approach



Rangitāne feedback reflected in drafting



Outstanding issue - how sites of significance to Rangitāne are identified, recognised and protected – plan-wide issue to be addressed in future plan change



Outstanding issue - lack of information about level of housing demand for Māori – to be addressed in next version of HBA



Concern that requirement for stormwater assessment and potential for additional mitigation might disincentivise development in Rangitāne communities of interest where need is high

Response to 2022 consultation



- All feedback reviewed
- Number of units as a permitted activity reduced from six to three
- All standards reviewed to determine appropriate built form envelope

- MRZ is tenure-agnostic
- Walking distances kept – based on international research
- No change to zone boundary – suggested expansion areas did not meet criteria
- Change in amenity because of intensification is not an adverse effect in and of itself (NPS-UD direction)

What next?



Questions?