



SmartGrowth Submission on
*Urban Development Authorities –
Discussion Document*

May 2017

To:

Construction and Housing Markets, BRM

Ministry of Business, Innovation and Employment

15 Stout Street

PO Box 1473

Wellington 6140

Attention: Urban development authorities consultation

UDAConsult@mbie.govt.nz

Name of Submitter:

SmartGrowth Leadership Group

c/- Bill Wasley: Independent Chair

P O Box 13231

TAURANGA

M. 027 4713006

E. bill@wasleyknell.co.nz

www.smartgrowthbop.org.nz

Submission:

This is a submission by the SmartGrowth Leadership Group on the Urban Development Authorities Discussion Document. The content of the submission follows overleaf. We appreciate the opportunity to provide comments on the document.

Signed:



Bill Wasley

Independent Chair - SmartGrowth Leadership Group

1. Introduction

This submission is presented on behalf of the SmartGrowth Leadership Group (“SmartGrowth”), a joint committee of the Bay of Plenty Regional Council, Tauranga City Council, the Western Bay of Plenty District Council and Tāngata Whenua. The Committee is responsible for overseeing the implementation of the SmartGrowth Strategy, a 50 year spatial and implementation plan for the western Bay of Plenty sub-region.¹

Submissions on the Discussion Document are also being made by individual SmartGrowth Partners which cover more specific matters relating to their territorial areas or functions. This submission by SmartGrowth is intended to provide a high level response to the document.

2. Key Points and General Comments

SmartGrowth is generally supportive of the Urban Development Authorities (UDAs) concept. It will provide another useful tool for progressing urban development in a comprehensive way. We support urban planning approaches that help to achieve more efficient and effective developments that have a focus on quality outcomes, promote integrated planning, provide increased certainty and potentially provide greater access to private sector investment.

The following are some general comments that SmartGrowth has in response to the discussion document:

Framework and Process

- It is important that the difficult issues are addressed early on, for example how the partnerships will work, the funding arrangements and the impact on council debt levels. These matters need to be dealt with effectively and credible solutions found so that the UDA process can be implemented with the best possible outcomes. It will be important to work through some of these difficult issues with a variety of people and organisations that have the right skills, experience and interests.
- Urban and rural should be defined given that there are ambiguities and cross overs in terms of what is rural and what is urban throughout the country. A number of regional policy statements and district plans define what is considered urban development so thresholds and / or criteria can be obtained from these documents.

¹ The western Bay of Plenty sub-region covers the territorial areas of the Western Bay of Plenty District Council and Tauranga City Council.

- We have some concerns around the scope of central government / ministerial powers. In particular we are not convinced that it would be appropriate for the Government to identify a project and initiate the UDA process, set the objectives for the project, select the development powers and determine who is accountable. Development planning at the local level has always been the domain of local government. This is because local government is responsible for the planning, infrastructure (delivery and ongoing maintenance) and funding for certain aspects of developments. Given that developments have a significant impact on communities and council finances, we are not sure that it is appropriate for central government to initiate a UDA on their own.
- SmartGrowth has concerns around the ability to override existing regional policy statements and district plans. We understand that it will be important for the UDA to be able to get on with the development, however regional policy statements and district plans have been built up over a number of years and worked through with the relevant communities. Careful thought needs to be given to a better balancing of the need for expediency for the relevant development and the importance of the existing planning frameworks.
- SmartGrowth has some concerns around the proposal to establish UDAs without the prior agreement of regional councils. Regional councils have important functions under the Resource Management Act – including the strategic integration of infrastructure with land use and the proposed new function to ensure there is sufficient development capacity in relation to residential housing and business land to meet the expected long-term demands of the region. They are responsible for the regional policy statement – a key planning document for the region which will often set objectives, policies and methods for urban development. They also have a critical transport role under the Land Transport Management Act 2003 including the responsibility for preparing regional land transport plans and regional public transport plans as well as the funding and management of public transport services.
- There should be a role for growth management strategies and spatial plans. For example, these should be a factor in the initial assessment of a UDA. If a UDA project aligns with a growth strategy or spatial plan this would be a positive assessment factor as the development will give effect to an agreed settlement pattern / strategic direction.
- SmartGrowth supports the features outlined in Proposal 20 that would warrant a development being considered as eligible for a UDA. It would also be useful to add a criterion that relates to the ability to achieve higher densities / efficient development.
- SmartGrowth supports Proposals 50-53 on the role of territorial authorities. A collaborative approach is imperative. As noted earlier, we would like to see a greater role for regional councils.

Urban Development Authorities

- There is a need to ensure that there are good long-term outcomes from UDAs.

- There should be greater emphasis on place-making for the UDAs.
- SmartGrowth supports the geographic scope of the UDAs, ie that they will be available to all urban areas of New Zealand.
- Any new regime needs to be flexible, encourage good urban planning outcomes and take account of community views.
- Provision needs to be made to allow the government to set density targets, require a range of housing types and potentially set affordable housing targets for UDAs.

Infrastructure, Funding and Financing

- The discussion around infrastructure and linking with local government planning appears to be a 'one-way street' in the document. It only references the need for councils to align their documents with the urban development project. It will be just as important for the UDA to align aspects of its development with council documents (for example if a council has a planned cycleway leading up to the UDA area and the UDA doesn't take this through its development there will be an incomplete network).
- There needs to be a strong focus on land use, infrastructure and funding integration in the UDA process.
- Further work is required on the impact on council debt levels where they are required to fund trunk infrastructure.
- There are some significant issues to be addressed around the winding up of development projects and what happens if there is debt attached to the assets. This has the potential to place a significant burden on councils and their ratepayers. There will also be complexities arising from a situation where a council may be required to take on the asset debt but a receiver may be free to sell the asset.
- Further work will be required on cross border funding issues, particularly around recovering costs of providing facilities and amenities that benefit landowners outside the development project area.
- Funding and the financial impact of development needs to be considered in a lot more detail that what is currently set out in the discussion document.

3. Urban Development Authorities - Questions

SmartGrowth has responded to several of the questions in the report which are relevant to the SmartGrowth project and to the sub-region.

Q1: To what extent do you agree (or disagree) with the overall proposal to enact new legislation?

SmartGrowth supports the concept of UDAs in a general sense and the need to enact new legislation to give effect to the proposals. We have some concerns around the process, how the UDAs will operate as well as infrastructure / funding considerations.

Q3: What additional limitations or protections would you like to see included in the proposed legislation (if any)?

Greater consideration needs to be given to the impact of urban development projects on council finances. At present there appears to be insufficient attention paid to the negative impact the proposals in their current form could have on council balance sheets. The capital and operational expenditure required from local authorities as a result of the UDA proposals could be significant. Councils are often constrained by legislation in terms of their ability to take on additional debt. This does not appear to be acknowledged in the discussion document.

Other Matters

A. Criteria or thresholds for selecting urban development projects.

SmartGrowth supports providing greater clarity around what an urban development project would be and potentially introducing criteria or thresholds that would need to be met. There are a number of regional policy statements and district plans that define urban development through thresholds or criteria and these could be used as a starting point.

B. The role of territorial authorities: should urban development projects be able to proceed without territorial authority agreement?

SmartGrowth would not support urban development projects proceeding without territorial authority agreement. As noted earlier in this submission, urban planning has always been the domain of councils and their communities. Councils are required to plan for developments, provide infrastructure and funding. It would be unreasonable to expect councils to take on debt for something that they have no say in. There are also other issues around community accountability that need to be considered.