

New urban development tool-kit for housing

David Allen, David Randal, Jennifer Caldwell, Paul Beverley, Vanessa Evitt, Cedric Carranceja, Frances Wedde, Jenna Silcock, Mathew Gribben, Thaddeus Ryan, Victoria Brunton

10 December 2019

The Urban Development Bill (the Bill) has very recently been introduced into Parliament. The Bill is the much awaited sequel to the Kāinga Ora – Homes and Communities Act 2019 which created New Zealand's first urban development authority earlier this year. Kāinga Ora is the amalgamation of Housing New Zealand, the Kiwibuild unit and the former Hobsonville Land Company. The aim of this Bill is to provide Kāinga Ora with broad development and planning powers to streamline and consolidate consenting and construction of Specified Development Projects (SDP).

Minister for Urban Development, the Hon Phil Twyford, explained that the Government wants to create "thriving and diverse new communities" which have a mix of state, affordable and market housing, with good transport connections and shared open spaces and parks. Kāinga Ora is intended to become a "one stop shop", with the ability to facilitate and lead SDPs and access a range of development powers when doing so. These development powers include:

- The ability to override, amend or suspend provisions in district and regional plans or policy statements through an expedited planning process
- Requiring authority status for roading and three waters infrastructure, along with power to construct infrastructure and vesting power to hand any such infrastructure back over to councils and utility companies once completed
- Land acquisition powers through a modified public works process but also introducing significant safeguards for right of first refusal/customary rights holders. For some projects, Kāinga Ora will also be a significant land owner in its own right
- Rating and development contribution levying powers and the power to enter into and bind councils to multi-year infrastructure funding mechanisms.

These powers are part of the tool-kit that Kāinga Ora and its partners can access for any particular project.

The Bill outlines the proposed process to establish an SDP. This includes:

- Identification of a geographic area, project objectives and a governance structure which are all approved by relevant Ministers. The relevant local authorities must be invited to be part of the project governance and we consider this is a critical step to ensure some local representation
- Kāinga Ora preparing a draft development plan that outlines the development powers and funding arrangements for the project
- The opportunity for people to make submissions on the draft development plan followed by a hearing by an independent hearing panel
- Minister responsible for the project approves or declines the recommendations of the hearing panel on the draft plan.

Ministry officials have previously advised that there could be 10-15 SDPs throughout the country. For those unknown locations the proposals in the Bill represent a very significant, perhaps even fundamental, shift in the way development occurs. This is an opportunity for a new and better way of doing things, but also carries substantial risks for stakeholders, local authorities and residents of this area. The Bill will need to carefully balance each of these considerations.

For any advice on what this means for you, please get in touch with our team.

Auckland

188 Quay Street
Auckland 1010

PO Box 1433
Auckland 1140
New Zealand

P: +64 9 358 2555

F: +64 9 358 2055

Wellington

Aon Centre
1 Willis Street
Wellington 6011

PO Box 2694
Wellington 6140
New Zealand

P: +64 4 499 4242

F: +64 4 499 4141

Christchurch

83 Victoria Street
Christchurch 8013

PO Box 322
Christchurch 8140
New Zealand

P: +64 3 379 1747

F: +64 3 379 5659