

Variation 7 to the Proposed Marlborough Environmental Plan – Urban Residential 4 Zone

MARLBOROUGH DISTRICT COUNCIL

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1 Introduction

Marlborough District Council (MDC) is proposing Variation 7 to the Proposed Marlborough Environment Plan (PMEP) in which it is proposed to create a new zone, Urban Residential 4, to provide for medium density housing (MDH). The Urban Residential 4 Zone is proposed for the “Kerepi Site” which is the subject of Variation 6 to rezone the site from Rural Environment to Urban Residential (Greenfields) 2 and Urban Residential 4.

The Urban Residential 4 Zone provisions of Variation 7 could also apply to other sites if other developments in greenfield areas propose to undertake MDH development. This would require a further plan change to rezone each site.

Provisions relevant to the rezoning process are primarily found in Schedule 1 and Sections 32 and 74 of the Resource Management Act (RMA). Clause 16A of the First Schedule states local authority may initiate variations (being alterations other than those under clause 16) to a proposed plan at any time before the approval of the plan in which the provisions of the schedule, with all necessary modifications, shall apply to every variation as if it were a change.

In particular, the First Schedule requires that a variation:

- States the purpose of, and reasons for, the variation (clause 22, First Schedule 1)
- Includes an assessment of environmental effects (AEE) (clause 22, First Schedule 1)
- Is consistent with/has regard to relevant statutory documents and Council functions (section 74)
- Evaluates the appropriateness of the proposal in achieving the purpose of the RMA in the manner set out in section 32 of the RMA.

This document forms the Section 32 evaluation of the proposed variation, consisting of an evaluation of the contents of the proposed variation.

It is noted that the Wairau / Awatere Resource Management Plan (WARMP) is still operative but in general there are no provisions in the PMEP relating to the matters in Variation 7 which are subject to appeal, and as such the relevant rules in the PMEP can be treated as operative in accordance with section 86F of the RMA. Significant weight can also be placed on the relevant objectives and policies of the PMEP given how far through the First Schedule progress has progressed.

2 Background to Variation

2.1 Introduction

The concept of the Urban Residential 4 Zone initially arose as a result of an approach by Kerepi Limited (See section 3.1) to implement MDH on a site located at 44-46 Old Renwick Road, Blenheim. Kerepi Limited, an experienced developer who has completed a range of comprehensive residential developments previously in Nelson City and Tasman District, purchased the Rural Environment zoned site in 2022 with a vision to create a residential development of mixed densities that will facilitate a variety of housing options based on good urban design principals. This would lead to the creation of a diverse community in which the development would yield approximately 172 residential lots/housing units and provide a more affordable new housing option that is currently limited in the Blenheim market.

Kerepi Limited initially proposed to rezone the site Urban Residential 2 (Greenfields) with an overlay to provide for development on part of the site for MDH. However, MDC did not favour the overlay approach for MDH as it did not align with the structure and rules of the PMP and was potentially contrary to the objectives and policies of the Urban Residential 2 (Greenfields) Zone.

Concurrently MDC was considering its options in terms of the National Policy Statement – Urban Development (NPS-UD) and the need to provide sufficient land for housing, including the provision of affordable housing and higher density housing. These issues were highlighted in the *Housing and Business Development Capacity Assessment 2021 - Blenheim Urban Area* (HBA) undertaken by MDC of which is discussed further in Section 2.2.1.

Consequently, MDC determined the best option to facilitate MDH on the Kerepi site (and potentially elsewhere in Marlborough) was the implementation of a new zone, the Urban Residential 4 Zone, the provisions of which are contained in this Variation (Variation 7). The Variation contains policies, rules and performance standards that reflect higher density including provision for minimum areas, bulk, location, outdoor areas, and outlook spaces as set out in Section 3.

Concurrently, MDC has also notified Variation 6 which as discussed above, provides for the rezoning of the Kerepi site from Rural Environment, in which part of the site will be zoned the new Urban Residential 4 Zone, and the other part the existing Urban Residential 2 (Greenfields) Zone.

2.2 Residential Land Supply

2.2.1 Introduction

There is a widely reported nation-wide issue with housing availability and affordability, and in terms of Blenheim it is evident that there is a shortage in the housing market over the last five years with subdivision developments selling out before they can be completed and periods when no greenfield sections have been available to purchase in Blenheim.

The National Policy Statement on Urban Development 2020 (NPS-UD) supports productive and well-functioning cities and to ensure there are adequate opportunities for land to be developed to meet community, business, and housing needs. There is an emphasis on providing development capacity in locations, and of a form, which will meet the needs of communities, and encourage development of well-functioning urban environments (commentary on the NPS-UD is provided in Section 6.5.2).

Clause 3.11 of the NPS-UD 2020 requires local authorities to use evidence about land development markets and the results of monitoring when changing plans in a way that affects urban environments.

Under the NPS-UD, local authorities are categorised as either Tier 1, 2 or 3 with MDC being Tier 3.

Tier 1 and 2 authorities have mandatory reporting and planning requirements, including preparation of 3-yearly 'housing and business development capacity assessments' (HBA) and 6-yearly 'future development strategies' (FDS). Tier 3 authorities may choose to prepare these documents.

Growth statistics for Blenheim meant it was originally classified as a 'medium growth area' for reporting purposes under the previous NPS-UDC 2016 and as such made MDC a Tier 2 authority. However, MDC was later re-classified as 'low growth' and is now a Tier 3 authority.

Notwithstanding this, MDC elected to prepare an updated HBA, the *Marlborough District Council Housing and Business Development Capacity Assessment, Blenheim Urban Area 2021* which was reported to the MDC Finance Committee in February 2022 (attached as **Appendix A**) and discussed below.

2.2.2 Housing and Business Development Capacity Assessment 2021 (HBA)

The HBA identified a potential shortfall in the provision of land zoned for residential activity in Blenheim of 906 dwellings, equating to an area of 82ha. While the majority of the shortfall appeared to occur largely in the long-term provision of land (30 years), the HBA identified potential constraints to developing already zoned land soon enough to meet anticipated demand over the next five years. These constraints relate to infrastructure-ready land available for development and issues of multiple ownership and sequential development (the need to wait until the land ahead has been developed to enable feasible and economic infrastructure connections).

As a consequence, the HBA recommended that Council should be prepared to consider proposals to rezone land not currently zoned for residential purposes as a means of managing the short-term risk of demand exceeding supply.

In terms of infill development, the HBA based on previous data, allowed for an annual average of 20 infill subdivisions per year out to the long term, with total infill capacity calculated at 703 dwellings over the next 30 years. Most of the infill occurs in the Urban Residential 1 Zone which is primarily located in proximity to Central Blenheim to provide for MDH. The HBA noted that infill through subdivision is becoming less easy to execute and therefore more costly due to the nature of the sites, and cost of subdivision including Council fees, removal of existing building footprints, and remediation of contamination for example. However, the HBA stated infill is likely to continue to occur at the same rate and possibly higher than in previous years and may become more attractive as greenfield sections increase in price.

The HBA recommended a review of PMEP provisions for Urban Residential 1 Zone and other methods to establish ways to incentivise intensification.

The HBA also identified that there is likely a mismatch in the type of housing provided relative to the future population need (which will likely require smaller housing options), and an issue with affordability of housing for the current population. The HBA noted feedback from the housing and building sector suggests that smaller and attached homes are becoming more popular due to reasons of affordability, and preference, however covenants on new developments often mean that this type of housing is more likely achieved in infill/brownfield developments. The HBA referred to the need for 1–2-bedroom homes, particularly with an ageing population. In terms of housing affordability, this has decreased in Marlborough markedly in the last 5 years with the current house values approximately 6 times the average household income.

The findings and recommendations of the HBA were accepted by the MDC Finance Committee in respect of considering rezoning additional land in the short term and a review of the Urban Residential 1 Zone provisions. The MDC response to these recommendations is set out below in Sections 2.2.3 and 2.2.4.

2.2.3 Rezoning of Land

Council proposes to rezone the Kerepi site (Variation 6) for residential purposes to meet short term demand and which in addition to conventional housing densities on Urban Residential 2 (Greenfields) land, provides

for higher density on a greenfields site by the creation of the new zone, Urban Residential 4, thereby increasing housing diversity and affordability.

The provisions of the Urban Residential 4 Zone have largely arisen as a result of the concept put forward by Kerepi Limited and the review of the Urban Residential 1 Zone provisions outlined in Section 2.2.4.

2.2.4 Review of the Urban Residential 1 Zone provisions

Council has also commenced a review of the Urban Residential 1 Zone provisions.

Urbanism Plus Ltd, Urban Designers was commissioned to report on medium density housing in the Marlborough and Blenheim context and which resulted in the report *Urban Design Advice - Medium Density Housing in Marlborough District (May 2023)* which is attached as **Appendix B**. The report contains a commentary on medium density housing in the Marlborough context and concluded that the Urban Residential 1 Zone provisions are not adequate for managing appropriate MDH outcomes, particularly in terms of best practice urban design outcomes. The report goes on to set out urban design objectives and recommended rules and rationale for a new medium density housing zone.

The report also included a review of the Kerepi MDH proposal in which it noted that the standards in the Urban Residential 1 Zone are not reflective of the type of development which is proposed by Kerepi and would not enable its development.

The suggested provisions in the Urbanism Plus Ltd report form the basis of the Variation 7 provisions, noting that the provisions were reviewed and amended as appropriate following an on-going review by MDC staff, and also Kerepi Limited. Consultation was also undertaken with various parties as outlined in Section 5.

As such, MDC seeks to create a new zone, subject of this variation, which contains new policies, rules and performance standards that reflect a higher density form of residential development.

The review of the Urban Residential 1 Zone is continuing with final outcomes to be determined.

3 Proposed Amendments to PMEP

3.1 Introduction

The Variation results in the creation of a new zone, Urban Residential 4, to provide for medium density housing (MDH). Amendments to the PMEP include two new policies Policy 12.1.7 and Policy 12.2.4A in Chapter 12 Urban Environments and consequential minor changes to Objective 12.1, Policy 12.2.5, Policy 12.9 and Methods of Implementation 12.M.1 Zoning; new Urban Residential Zone 4 Rules in Chapter 6A and amendments to the rules in Chapter 24 Subdivision. These amendments are set out in **Appendix C** and discussed in more detail below.

(i) Chapter 12 Urban Environments

- Insert two new policies 12.1.7 and 12.2.4A, as follows:
 - *Policy 12.1.7 Enable the development of medium density housing (MDH) in the district in the Urban Residential 4 Zone with the following characteristics:*
 - (a) *Comprehensive integrated development on sites and adjoining sites with an anticipated density in the range of 150m² – 375m² per unit.*
 - (b) *Dwelling can be detached, attached, semi-detached (or duplex), terraced housing or apartments within a building or two storeys or less provided the density prescribed in (a) is achieved;*
 - (c) *Located on either single or aggregated sites, or as part of larger master planned developments*
 - (d) *In close proximity (within 500m walking distance) to open space.*
 - (e) *High standard of urban design including the following:*
 - (i) *Connectivity by dispersing vehicular traffic and making walking, cycling and vehicular distances within neighbourhoods and to destinations outside those neighbourhoods as short as possible.*
 - (ii) *Orientation to provide maximum solar access to living spaces within dwellings as well as to private open spaces.*
 - (iii) *Safe, legible, well overlooked active and visually attractive streetscapes.*
 - (f) *An efficient use of infrastructure by providing for higher density residential development than conventional low-density housing.*

This policy describes the residential environment for Urban Residential 4 development in the district. The zone is in response to the National Policy Statement on Urban Development (NPS UDS) which requires sufficient development capacity for housing and envisages a greater intensity of urban development in urban areas and in response to the market which perceives a greater demand for this type of housing. The typical characteristics of such development is listed and are included to assist in ensuring there are good amenity outcomes for the zone and maximising the efficiency of infrastructure provided to the zone.

Generally, the permitted activity standards for residential activity within the zone reflect the characteristics highlighted in this policy. Subdivision consent applications with development plans are enabled via controlled activity status to encourage integrated development that meets the intention of the policy. Given the density of development, it is important that applications for subdivision in the zone without development plans are carefully assessed through a restricted

discretionary activity status to ensure the anticipated characteristics of the zone can be achieved through subsequent development of MDH.

Currently, the Urban Residential 4 Zone applies to the Kerepi residential development in north-west Blenheim but may also be appropriate in further areas of Blenheim and other urban areas, in accordance with the above characteristics.

This policy describes the characteristics of the residential environment for Urban Residential 4 Zone development in the district including the type of housing, urban design standards, and the desirability of an efficient use of infrastructure. The policy is consistent with existing Policies 12.1.1-12.1.6 which describe the characteristics of the other residential zones.

- o *Policy 12.2.4A Ensure that subdivision and/or residential development within the Urban Residential Zone 4 is undertaken in a manner that the following matters of good urban design are given effect to:*

(a) Connectivity

To offset higher density, provide for:

- (i) Connections with neighbouring sites*
- (ii) Interconnected street network with no exit streets kept to a minimum*
- (iii) A maximum length of attached dwellings*

(b) Orientation

To enable maximum solar access and to avoid private open spaces along the street:

- (i) Where possible orientate development blocks on a north-south axis so lots are on east west axis.*
- (ii) Allow more width for north fronting lots to provide a space to the side of the house.*

(c) Activation

Activate the street frontage to provide for a safe, legible and a visually attractive streetscape by the following:

- (i) Stimulating the creation of perimeter blocks with fronts of lots facing the street and backs of lots bordering each other.*
- (ii) Locating streets on park edges to ensure parks have a truly public character and are well overlooked from moving traffic and from dwellings and other uses fronting onto this street.*
- (iii) Deterring the backs of lots to face all roads, including arterial roads, by locating lots side-on, or accessed via a rear lane or slip lane to ensure overlooking of the street environment.*
- (iv) Encouraging the visibility of the front door.*
- (v) Requiring dwellings on corner lots to contribute to the activation of both streets that these are located on.*
- (vi) The width of dwelling to allow for a living room, or dining room or kitchen on the street side, in addition to the garage and the front door, provided single-storey dwellings with the street located to the south of the dwelling are exempt from this requirement.*

(vii) *Windows facing the street.*

(viii) *Ensuring garage doors do not dominate.*

(ix) *Limiting height of fences between the dwelling and the street.*

(d) On-Site Amenity

Provide acceptable on site amenity in respect to privacy, solar access, daylight, and outlook by stipulating:

(i) *A minimum area of private open space in terms of area, dimensions, orientation, and accessibility*

(ii) *A maximum height of 2 stories*

(iii) *Minimum setbacks from boundaries*

(iv) *A height in relation to boundaries*

(e) Visual Character

(i) *Limit the degree of repetition of dwellings including through architectural variations.*

(ii) *Provide streetscape with trees, planting, footpaths, safe cycling conditions, and some parking.*

(iii) *Provide stormwater facilities (reserves with ponds, swales, and raingardens) that also serve an amenity purpose.*

This policy sets out urban design principles that shall be implemented in development in the Urban Residential 4 Zone which caters for a higher form of density in Blenheim. The principles are integral in establishing the amenity and density outcomes sought for the zone and is reflected in the permitted activity standards for residential activity and subdivision consent rules.

This policy sets out urban design principles to be implemented in development in the Urban Residential 4 Zone in recognition of a higher form of density and includes reference to such matters as orientation, connectivity, activation, and on-site amenity.

- Consequential minor changes to Objective 12.1 and Policy 12.2.5 and Policy 12.9.6
- Consequential minor changes to Methods of Implementation 12.M.1 Zoning

(ii) Chapter 6A Urban Residential 4 Zone

A new chapter is introduced which contains rules and performance standards that reflect the higher density in the new zone including provisions relating to permitted activities, minimum areas, bulk and location, outdoor areas, and outlook spaces.

The permitted activities include buildings for residential purposes up to 2 stories in height in which residential units are stand alone, attached, or semi-detached and includes terraced housing and apartments and multi-unit dwellings.

Specific performance standards are contained in Chapter 6A which reflect the higher density in the new zone and the need to provide for a high level of amenity. As well as bulk and location standards relating to setbacks, height and recession planes standards also relate to the following:

- 6A.2.1.1 – The maximum number of dwellings as part of two stored terraced housing shall be 6 dwellings, after which there shall be a separation.
- 6A.2.1.2 – Every dwelling shall have at least one ground floor habitable room facing the street with one or more windows.
- 6A.2.1.3 – The minimum area of a ground floor window/s facing the street shall be 1.5m².
- 6A.2.1.8 – The outdoor amenity area for a dwelling must have a minimum area of 50m² and not be oriented south.
- 6A.2.1.9- Minimum widths of dwellings apply.
- 6A.2.1.11- Standards in respect of fences including permeability.
- 6A.2.1.12 – Outlook spaces must be provided for each residential unit from the habitable room windows over a public road, public open space, or the lot that the dwelling is located on.
- 6A.2.1.16 - 25 % of site to be in permeable green space.

As discussed, the basis of these standards is set out in the Urbanism Plus report.

(iii) Chapter 24 Subdivisions

The provisions of Chapter 24 are changed with respect to:

- 24.1 Rules for all subdivisions,
- 24.3 Controlled Activities and
- 24.4 Restricted Discretionary Activities for subdivision in Urban Residential 4 Zone.

These provisions provide for subdivision in the Urban Residential 4 Zone including provision for lots with development, and vacant lots. Encouragement is given to lots with development plans in order to provide an integrated development by providing for these activities as controlled activities. There is no minimum lot size for lots with development plans as the lot size is effectively set by compliance with the performance standards in Chapter 6A.

The creation of vacant lots is a restricted discretionary activity with a minimum and maximum lot sizes stipulated given that the development on the site is not known and cannot be assessed at this stage. The sizes reflect the requirement that there should be sufficient area to accommodate future development while encouraging higher density development.

3.2 Applicability of Urban Residential 4 Zone to other Sites

In addition to the Kerepi site, Council considers the Urban Residential 4 Zone provisions are a sound basis for providing MDH on other greenfield areas in the district by way of appropriate plan changes in relation to respective sites. The zone provisions are therefore potentially portable for MDH development on other sites in Blenheim and the Marlborough District.

3.3 Relationship of Variation 6 and Variation 7

Variation 6 and 7 are submitted as separate variations and are independent of one another, although any amendments to the Urban Residential 4 Zone provisions will potentially affect the physical layout of development on the Kerepi site.

4 Assessment of Effects of the Variation

This assessment is being undertaken in respect of Clause 22(2) of Schedule 1 to the RMA that requires the following to be undertaken:

(2) Where environmental effects are anticipated, the request shall describe those effects, taking into account clauses 6 and 7 of Schedule 4, in such detail as corresponds with the scale and significance of the actual or potential environmental effects anticipated from the implementation of the change, policy statement, or plan.

Clause 6 outlines the information required in an assessment of environmental effects while Clause 7 specifies the range of matters that must be addressed by an assessment of environmental effects.

The range of actual or potential environmental effects arising from the Variation are as follows. Although it is noted the assessment is not site specific, with Variation 6 addressing the effects in terms of the specific Kerepi site and other potential sites utilising the Urban Residential 4 Zone provisions, will be subject to separate plan change/variation processes.

4.1 Positive Effects

The Variation will have positive effects by providing an additional zone to enable residential development and address issues of housing supply, type and affordability identified in the HBA by:

- Providing for a diversity of housing, including smaller housing units to meet the changing community needs.
- Increasing housing affordability by an increase in supply and choice.
- Providing an appropriate zone and performance standards to enable further medium density housing to be developed across Blenheim/Marlborough.

A higher density of housing will also result in a more efficient use of infrastructure.

4.2 Amenity Effects

MDH development will inevitably lead to some effect on existing amenities such as loss of outlook, reduced privacy and increased noise and lighting effects.

The proposed rules of the Urban Residential 4 Zone are intended to provide for a high degree of urban design to offset effects of a higher density and also contains similar rules to other residential zones in terms of lighting, noise and discharges.

Further consideration of amenity effects will need to be considered on a site-by-site basis where the Urban Residential 4 Zone is to be utilised on specific sites (such as the Kerepi site).

4.3 Transportation Effects

The enabling of medium density housing is likely to have an impact on the transport network throughout Marlborough/Blenheim with a higher density for residential housing. This may result in new roads, increased trips on existing road network or the need to provide additional alternative transport modes.

The transportation effects related to the utilisation of the Urban Residential 4 Zone on a site will need to be addressed as part of the plan change/variation process for that site and give effect to Objective 12.9 and associated policies of the Urban Environments chapter of PMEP. This assessment will ensure potential adverse effects are addressed.

4.4 Services Effects

Each site will need to be assessed in order it can be adequately serviced in terms of water, wastewater, stormwater and power and telecommunications in order to address any adverse effects arising from these matters, and to give effect to Objective 12.9 and associated policies of the Urban Environments chapter of the PMEP. Higher density housing may place greater demand on Council services but will result in a more efficient use of infrastructure.

4.5 Natural Hazards

There is the potential that individual sites which seek to rezone land to Urban Residential 4 will be subject to natural hazards such as flooding, liquefiable soils etc. Rivers such as the Wairau are prone to flooding and in this respect MDC maintains a Drainage Channel Network to control effects of potential flooding. Liquefaction of soils is a potential issue in a number of areas on the Wairau Plains adjoining Blenheim.

Any actual and potential effects of natural hazards, such as those identified above, on residential development on a site need to be assessed as part of any plan change/variation process and to give effect to the objectives and policies of Chapter 11 Natural Hazards of the PMEP. This assessment will ensure potential adverse effects affecting the suitability of the site are addressed.

4.6 Contaminated Land

There is the potential that individual sites which seek to rezone land to Urban Residential 4 may be subject to contaminated land issues, particularly given that existing and previous rural uses include viticulture and horticulture development sites. These types of activities have potential contamination from the use and storage of chemicals and pesticides and tanalised vineyard posts.

Any actual and potential effects will need to be assessed as part of any plan change/variation process and to give effect to the objectives and policies of Objective 15.5 and associated policies of the Resource Quality chapter of the PMEP. This assessment will ensure potential adverse effects affecting the suitability of the site are addressed.

4.7 Effects on Waterways

Rezoning of sites to Urban Residential 4 Zone need to assess effects on waterways (including the MDC Drainage Channel Network) in respect of such matters as proximity to waterways, discharge of stormwater in terms of quantity and quality (noting the higher density associated with the zone) and protection and enhancement of riparian areas.

The assessment will need to give effect to the objectives and policies of Objective 15.1 and associated policies (Resource Quality) and Policy 14.1.9 of the Rural Environments chapter of the PMEP. This assessment will ensure potential adverse effects affecting the suitability of the site are addressed.

4.8 Cultural and Heritage Values

Rezoning of sites to Urban Residential 4 Zone need to consider effects on cultural and heritage values, including notable trees. Heritage resources and notable trees are identified in the PMEP and further consultation with Iwi and Heritage New Zealand Pouhere Taonga will identify other resources that could be affected in order to give effect to the objectives and policies identified in Chapter 3 Marlborough's Tangata Whenua and Chapter 10 Heritage Resource and Notable Trees of the PMEP.

Consultation was undertaken with Iwi with regard to proposed Variation 7 in which no concerns were raised.

4.9 Effect on Natural Areas

Marlborough has a number of valued natural features such as landscapes, rivers and areas of indigenous biodiversity. Any actual and potential effects will need to be assessed as part of any plan change/variation process and to give effect to the objectives and associated policies of Chapters 7 (Landscape) and 8 (Indigenous Vegetation) of the PMEP. This assessment will ensure potential adverse effects in terms of the suitability of the site are addressed.

4.10 Loss of Highly Productive Land

Rezoning of sites to Urban Residential 4 Zone need to consider the potential loss of “Highly Productive Land” (HPL) particularly given the requirements of the National Policy Statement for Highly Productive Land (NPS-HPL) 2022 which generally directs that rezoning of HPL can only occur if specific matters are satisfied.

Given that the district, including the areas adjoining urban areas such as Blenheim, have significant areas of adjoining HPL any rezoning of site will require justification under the NPS HPL. This matter is addressed further in Section 6.5.3 of this report.

4.11 Reverse Sensitivity Effects

Residential activities, particularly at a higher density, in proximity to non-residential uses may result in reverse sensitivity effects relating to such matters as noise and spray drift.

Reverse sensitivity effects will need to be assessed as part of any plan change/variation process and this assessment will ensure potential adverse effects are addressed.

4.12 Summary of Effects

The proposed Urban Residential 4 Zone will have positive effects in terms of increasing supply, density of development, diversity of housing type and affordability. Actual and potential adverse effects will be largely dependent on the location of sites and an assessment of this will be undertaken as part of the plan change/variation process for those sites.

5 Consultation

5.1 Introduction

Consultation undertaken is outlined below including consultation with Iwi and Ministers in terms of the First Schedule to the RMA.

5.2 Iwi Consultation

Section 32(4A) of the RMA in respect of a variation requires a summary of advice and response to that advice received from Iwi.

A letter of engagement from MDC about the proposal was issued on 18th October 2023 to the following Iwi:

- Ngāti Apa
- Ngāti Koata
- Ngāti Kuia
- Rangitāne
- Ngāti Rarua
- Ngāti Tama
- Ngāti Toa
- Te Ātiawa
- Ngāti Kuri/ Ngai Tahu

A follow up phone consultation was undertaken between the 28th and 30th November 2023 to Iwi in which no issues were identified at this stage of the process.

Comment was received from Te Ātiawa and Ngati Huri/Ngai Tahu that this should be deferred to the local Iwi.

A copy of the draft proposed provisions of Variations 6 and 7 were sent to the above Iwi on the 19th January 2024 in accordance with Clause 4A of the First Schedule to the RMA for comment. Council did not receive any feedback on the proposed provisions.

5.3 Ministry of Housing and Urban Development

MDC held a meeting with Kate Styles, Jason Haskell and Nick Rinehart of the Ministry of Housing and Urban Development (MHUD) in November 2023. The primary focus was on the review of the Urban Residential 1 Zone but also included discussions around proposed Variations 6 and 7. Positive comments around the future provision of MDH in Marlborough, including in greenfield sites were expressed.

A copy of the draft proposed provisions of Variations 6 and 7 were also sent to the Minister of Housing, Chris Bishop on the 31st of January 2024. Council did not receive any feedback on the proposed provisions during the time that they were available for comment.

5.4 Kāinga Ora Consultation

MDC held a meeting with Josh Neville of Kainga Ora in November 2023. The primary focus of the meeting was to in relation to the review of the Urban Residential 1 Zone but included discussions around proposed Variations 6 and 7. Positive comments were provided around the future provision of MDH in Marlborough and feedback was provided on the draft provisions.

5.5 Minister for the Environment

A copy of the draft proposed provisions of Variations 6 and 7 were sent to the Minister for the Environment, Penny Simmonds on the 31st of January 2024. Council did not receive any feedback on the proposed provisions during the time that they were available for comment.

5.6 Minister of Agriculture and Associate Minister for Primary Industries

A copy of the draft proposed provisions of Variations 6 and 7 were sent to the Minister of Agriculture and Associate Minister for Primary Industries, Todd McClay on the 31st of January 2024. Council did not receive any feedback on the proposed provisions during the time that they were available for comment.

5.7 Kerepi Limited

It is noted that there has been ongoing discussion with Kerepi Limited and it has provided feedback on the proposed provisions of the variations which has been considered and incorporated where considered appropriate.

6 Statutory Requirements

6.1 Introduction

The following sections of the RMA - section 32, section 72, section 74, and section 75 - are of particular relevance to Variation 7 and are discussed below.

6.2 Section 32 of the Act

6.2.1 Introduction

The main evaluation and assessment requirements of section 32 are in subsections (1)-(3):

(1) *An evaluation report required under this Act must –*

- (a) *Examine the extent to which the objectives of the proposal being evaluated are the most appropriate way to achieve the purpose of this Act; and*
- (b) *Examine whether the provisions in the proposal are the most appropriate way to achieve the objectives by –*
 - (i) *Identifying other reasonably practicable options for achieving the objectives; and*
 - (ii) *Assessing the efficiency and effectiveness of the provisions in achieving the objectives; and*
 - (iii) *Summarising the reasons for deciding on the provisions; and*
- (c) *Contain a level of detail that corresponds to the scale and significance of the environmental, economic, social, and cultural effects that are anticipated from the implementation of the proposal.*

(2) *An assessment under subsection (1) (b) (ii) must –*

- (a) *identify and assess the benefits and costs of the environmental, economic, social, and cultural effects that are anticipated from the implementation of the provisions, including the opportunities for—*
 - (i) *economic growth that are anticipated to be provided or reduced; and*
 - (ii) *employment that are anticipated to be provided or reduced; and*
- (b) *if practicable, quantify the benefits and costs referred to in paragraph (a); and*
- (c) *assess the risk of acting or not acting if there is uncertain or insufficient information about the subject matter of the provisions.*

(3) *If the proposal (an amending proposal) will amend a standard, statement, national planning standard, regulation, plan, or change that is already proposed or that already exists (an existing proposal), the examination under subsection (1)(b) must relate to—*

- (a) *the provisions and objectives of the amending proposal; and*

(b) *the objectives of the existing proposal to the extent that those objectives—*

(i) *are relevant to the objectives of the amending proposal; and*

(ii) *would remain if the amending proposal were to take effect.*

In addition, subsection (6) states:

(6) *In this section*

Objective means, -

(a) *for a proposal that contains or states objectives, those objectives:*

(b) *for all other proposals, the purpose of the proposal*

proposal means a proposed standard, statement, national planning standard, regulation, plan, or change for which an evaluation report must be prepared under this Act

provisions means, -

(a) *for a proposed plan or change, the policies, rules, or other methods that implement, or give effect to, the objectives of the proposed plan or change:*

(b) *for all other proposals, the policies or provisions of the proposal that implement, or give effect to, the objectives of the proposal.*

In this proposal, the above have the following meanings:

- Objective (here the “purpose of the proposal’ given the absence of new objectives): To provide housing development capacity in Blenheim by medium density development.
- Proposal: To create a new Urban Residential 4 Zone which enables medium density development in Marlborough District.
- Provisions: The two new proposed policies in Chapter 12 Urban Environments, new Chapter 6A Urban Residential 5 Zone containing rules and standards.; changes to Subdivision Chapter 4 to enable subdivision in the Urban Residential 4 Zone; and consequential minor changes to Chapter 12 to recognise a numerical increase in the number of residential zones (refer Section 3 and **Appendix C**).

The matters in section 32(1)-(3) are assessed below, although it is noted it does not address site specific matters.

6.2.2 The extent to which the objectives of the proposal are the most appropriate way to achieve the purpose of the Act.

Under Section 32(1)(a), the first part of the evaluation requires examination of the extent to which the objectives of the proposal are the most appropriate way to achieve the purpose of the Act.

The proposal does not involve any new, or the alteration of any existing objectives of the PMEP. The existing objectives are assumed to be the most appropriate for achieving the purpose of the Resource Management Act, having previously been assessed as such.

In regard to the objective of the proposal, being the purpose of the proposal, the objective is to increase housing development capacity in Blenheim through creating a new medium density housing zone, the Urban Residential 4 Zone.

The evaluation must therefore consider the extent to which this objective achieves the purpose of the Act. The purpose of the RMA is set out in Part 2, Sections 5-8.

Relevant matters are considered below.

Section 5 Purpose

(1) The purpose of this Act is to promote the sustainable management of natural and physical resources.

(2) In this Act, sustainable management means managing the use, development, and protection of natural and physical resources in a way, or at a rate, which enables people and communities to provide for their social, economic, and cultural well-being and for their health and safety while—

- (a) sustaining the potential of natural and physical resources (excluding minerals) to meet the reasonably foreseeable needs of future generations; and*
- (b) safeguarding the life-supporting capacity of air, water, soil, and ecosystems; and*
- (c) avoiding, remedying, or mitigating any adverse effects of activities on the environment*

Section 6 sets out matters of national importance which includes provisions relating to:

- (a) the preservation of the natural character of the coastal environment (including the coastal marine area), wetlands, and lakes and rivers and their margins, and the protection of them from inappropriate subdivision, use, and development.*
- (b) the protection of outstanding natural features and landscapes from inappropriate subdivision, use, and development.*
- (c) the protection of areas of significant indigenous vegetation and significant habitats of indigenous fauna.*
- (d) the maintenance and enhancement of public access to and along the coastal marine area, lakes, and rivers.*
- (e) the relationship of Maori and their culture and traditions with their ancestral lands, water, sites, waahi tapu, and other taonga.*
- (f) the protection of historic heritage from inappropriate subdivision, use, and development.*
- (h) the management of significant risks from natural hazards.*

Section 7 sets out other matters which includes provisions relating to:

- (a) kaitiakitanga;*
- (b) the efficient use and development of natural and physical resources;*
- (c) the maintenance and enhancement of amenity values,*
- (d) maintenance and enhancement of the quality of the environment; and*
- (e) the effects of climate change.*

Section 8 requires that Treaty principles are taken into account.

The objective of increasing housing capacity in Blenheim through creating a new Urban Residential 4 Zone for medium density housing is consistent with the purpose of the RMA, for the following reasons:

- (i) It pro-actively and specifically manages the use and development of residential land and allows strategic planning for infrastructure, roading and allotment layout (over ad-hoc development through the resource consent process).
- (ii) The policies proposed within Chapter 12 of Variation 7 set out the typical characteristics envisaged for the zone to achieve sustainable medium density housing, and stipulates urban design principles to provide for a well-functioning urban environment.
- (iii) The medium-density housing will meet an identified shortfall in appropriately zoned land in Blenheim, will promote social and economic well-being for the local community and will provide more affordable housing for the community, including future generations.
- (iv) The life-supporting capacity of water and soil can be addressed through existing rules within the PMEP.
- (v) Potential adverse effects in the Urban Residential 4 Zone can be effectively avoided or mitigated through compliance with the zone rules.
- (vi) The quality of the environment can be maintained through appropriate servicing and management.
- (vii) In terms of the finite rural land resource any urban expansion onto rural land (and potentially HPL) inevitably involves a trade-off with rural production land and needs to be assessed that the trade-off is appropriate.
- (viii) Consultation has been undertaken with Iwi to identify any relevant issues. No issues have been identified at this stage.

Part 2 matters will also require detailed consideration in the assessment of any sites proposed to be rezoned Urban Residential 4 as part of the plan change/variation process.

6.2.3 Whether the provisions of the Proposal are the most appropriate way to achieve the objectives

Under section 32(1)(b) and (c) and section 32(2), the second part of the evaluation involves determining whether the 'provisions' (of the new zone) are the most appropriate way of achieving the objective (to provide housing development capacity in Blenheim by medium density development).

This assessment requires:

- identifying other reasonably practical options
- assessing the efficiency and effectiveness of the provisions, including consideration of the benefits and costs of the proposal in respect of environmental, economic, social, and cultural effects and which contains a level of detail that corresponds to the scale and significance of the effects
- the benefits and costs must include consideration of opportunities for economic growth and employment.

All effects are required to be quantified where practicable (s32(2)(b)) and Section 32(2)(c) also requires an assessment of the risk of acting or not acting if there is any uncertainty or insufficient information about the subject matter of the provisions.

In terms of "reasonably practical options" these include the following:

Option 1 - Proposed new Urban Residential 4 Zone

As proposed by this Variation.

Option 2 - Do nothing.

The do nothing approach would result in Council not taking any action. However, this would not address the concerns that were raised in the HBA and would not provide any suitable mechanism for higher density housing of a different type to meet an identified need and potentially not increase housing affordability. This option would result in a resource consent if development was to occur (see Option 5).

Option 3 - High Density Overlay

Under this option, an area with a residential zoning could have a “high density overlay” applied to the site to provide for medium density housing (rather than a new zoning).

Option 4 - Utilise existing Urban Residential 1 Zone Provisions

The Urban Residential 1 Zone provides for higher density living and its provisions could potentially be utilised. However, the HBA recommended the Urban Residential 1 Zone provisions are reviewed given their relative ineffectiveness in promoting higher density development while the *Urban Design Advice - Medium Density Housing in Marlborough District (May 2023)* report concluded that the Urban Residential 1 Zone provisions are not adequate for managing appropriate MDH outcomes, particularly in terms of best practice urban design outcomes. Given this, Option 4 does not appear to be a practicable option, particularly as the Urban Residential 1 Zone provisions, while high density, are not enabling of the envisaged Kerepi development.

Option 5 – Resource Consents

The resource consent process utilising existing zones provision could be used to enable higher density residential development on sites in Marlborough.

6.2.4 Assessment of the Efficiency and Effectiveness of the Provisions

The Ministry for the Environment Guidance on Section 32 Evaluations (p37) recommends a pragmatic approach in screening options and then assessing the costs and benefits and effectiveness and efficiency of the key options under section 32.

Three of the five options identified above have been selected for comparison:

- Option 1 – Proposed new Urban Residential 4 Zone
- Option 3 – High Density Overlay
- Option 5 – Resource Consents

Other options have not been taken forward given their lack of feasibility identified above.

The three options are assessed in the tables below:

Table 1. Cost and benefit analysis of Option 1

Option 1: Proposed New Residential 4 Zone	Cost	Benefit
	<p>Environmental Effects</p> <p>Potential loss of productive rural land if rural site is utilised and</p>	<p>Environmental Effects</p> <p>There will be a strategic approach for planning future development in which infrastructure (roading and services) can be</p>

<p>potential loss of existing amenity in other existing areas.</p>	<p>developed in an integrated manner that is likely to lead to better environmental outcomes.</p> <p>The zoning will provide medium density residential sections and housing in which proposed performance standards relating to lot size, outlook space, repetition of buildings, outlook areas and built form etc will promote on site amenity.</p> <p>The zoning will reinforce good urban design principles (as proposed in Chapter 12) including connectivity, orientation, activation, and visual character leading to a more attractive and stimulating streetscape, maximum solar access, better access to parks, better street layout and reduce the environmental effects on the surrounding environment.</p> <p>Encouragement of subdivision and development occurring will promote integrated development.</p> <p>Higher density housing will result in more efficient use of infrastructure making it more sustainable.</p>
<p><i>Economic Effects</i></p> <p>Cost of re-zoning process including preparation of variation and hearing (if required).</p> <p>Loss of existing uses such as vineyards.</p>	<p><i>Economic Effects</i></p> <p>Benefits for the landowner, and parties involved in planning and constructing the subdivision.</p> <p>Contribution of sections and housing to assist with a competitive land and development market.</p> <p>Provides choice for a type of housing that is not readily available in the Blenheim market providing more choice, particularly for those persons who require/prefer a smaller site, and which may be more affordable. Certainty will allow investment and allocation of scarce capital.</p> <p>Enables the Urban Residential 4 zone to be applied to sites across Marlborough where this is applicable, resulting in an efficient process.</p>
<p><i>Social and Cultural Effects</i></p> <p>Potential for reverse sensitivity effects such as rural activities in proximity to site.</p>	<p><i>Social and Cultural Effects</i></p> <p>Additional housing development at a higher density has capacity to assist with shortfall of land and housing affordability.</p>

		<p>Strategic approach for planning future development likely to lead to well-functioning urban environment and good community outcomes (high quality enjoyable residential suburb with connectivity, community spaces, cycle and pedestrian paths).</p> <p>Iwi did not raise any significant concerns with the proposal at this stage.</p>
	<p>Effectiveness</p> <p>High effectiveness at yielding high number of residential sites to address shortfall whilst introducing smaller and more affordable housing to the Blenheim/Marlborough market.</p>	<p>Efficiency</p> <p>Highly efficient as this option provides certainty for medium density housing by way of a new zone with suitable performance standards in place to protect amenity and promote good principles of urban design. Efficiency will be promoted by simultaneous processing and hearing of Variations 6 and 7.</p>

Table 2. Cost and benefit analysis of Option 3

Option 3: High Density Overlay	Cost	Benefit
	<p>Environmental Effects</p> <p>Potential loss of productive rural land.</p> <p>Potential uncertainty in application of overlay rules could result in undesirable environmental effects</p>	<p>Environmental Effects</p> <p>Strategic approach for planning future development in terms of low and medium density development, although some uncertainty how overlay applies in the zone.</p> <p>Infrastructure (roading and services) could be developed in an integrated manner that is likely to lead to better environmental outcomes (e.g. Centralised stormwater retention/treatment).</p> <p>This option will yield a variety of residential sections of varying density and allow the development to transition into the existing environment.</p>
	<p>Economic Effects</p> <p>Variation/plan change process likely to be more complicated and lengthier as “zoning” overlays are not part of PMEP structure and may be contrary to the residential zone e.g. If the</p>	<p>Economic Effects</p> <p>Benefits for the landowner, and parties involved in planning and constructing the subdivision.</p>

<p>site was zoned Urban Residential 2 (Greenfields) Zone the relevant objectives and policies would require amendment, given the zone does not provide for this development.</p> <p>Loss of existing uses such as vineyards.</p>	<p>Future benefit to those purchasing dwellings with a smaller and more affordable option in the housing market.</p> <p>The high density overlay provides choice for a type of housing that is not readily available in the Blenheim market providing more choice, particularly for those persons who require/prefer a smaller site and which may be more affordable.</p> <p>Contribution of sections to assist with a competitive land and development market.</p> <p>Certainty will allow investment and allocation of scarce capital.</p>
<p>Social and Cultural Effects</p> <p>Potential for reverse sensitivity effects on surrounding rural activities.</p>	<p>Social and Cultural Effects</p> <p>Additional housing development capacity to assist with shortfall of land and housing affordability and the high-density overlay provides a further choice in the housing market.</p> <p>Strategic approach for planning future development likely to lead to well-functioning urban environment and good community outcomes (high quality enjoyable residential suburb with connectivity, community spaces, cycle, and pedestrian paths).</p>
<p>Effectiveness</p> <p>Unlikely to be effective because higher density development is not provided for across a number of residential zones and overlays are not part of the PMEP structure. Further amendment is required for this option to be consistent with the PMEP.</p>	<p>Efficiency</p> <p>Unlikely to be efficient because the regulatory difficulty in implementing a density overlay in the existing framework of the PMEP.</p>

Table 3. Cost and benefit analysis of Option 5

Option 5: Resource Consents	Cost	Benefit
	<p>Environmental Effects</p> <p>Potential loss of productive rural land.</p>	<p>Environmental</p>

	<p>Potential loss of amenity for surrounding landowners due to intensification.</p> <p>Less ability to provide cohesive, structured, and integrated environmental outcomes.</p> <p>Non-compact and incohesive urban form. Inefficient use of land resource.</p> <p>There are no urban design principles/guidelines which would help to tailor the development to meet a high urban design standard.</p>	<p>Productive land and HPL are likely retained for longer.</p> <p>Environmental outcomes controlled but at a smaller scale on a site-by-site basis.</p>
	<p><i>Economic Effects</i></p> <p>Cost to community and submitters in submitting on multiple resource consent proposals. Changes to consents commonly required as the site develops and matures, resulting in ongoing time and costs to the consent holders (preparation of applications), the District Council (processing and administration of applications), and potentially for adjoining landowners (where they may be identified as affected parties).</p> <p>The existing suite of objectives, policies and rules applying in the zone may be very restrictive in regard to residential development, and the resource consent process would provide a great deal of uncertainty as to the outcomes that can be achieved.</p> <p>Likely added servicing costs of incremental development rather than strategically planned servicing.</p> <p>Risk of insufficient residential land to meet future growth needs and corresponding increase in housing costs.</p>	<p><i>Economic Effects</i></p> <p>No resources expended on variation process.</p> <p>Land can potentially remain productive longer.</p>
	<p><i>Social and Cultural Effects</i></p> <p>Less opportunity for the provision of a cohesive development.</p>	<p><i>Social and Cultural Effects</i></p> <p>Rural amenity retained for longer.</p>

	<p>Future rezoning proposals will be more difficult due to more fractured landholdings.</p>	
	<p>Effectiveness</p> <p>Low effectiveness as residential development will only occur with difficulty and in an ad-hoc manner. This will slow down development and not produce good urban design outcomes</p>	<p>Efficiency</p> <p>Low efficiency as resource consent process is likely to be slow and costly with low chance of success given the likely conflict with the policy framework of zones, particularly Rural Environment.</p> <p>Fragmented development will likely lead to inefficient design of lot and roading layouts as well as inefficient services design.</p>

6.2.5 Risk of acting or not acting

Section 32(2)(c) requires that the risk of acting or not acting is assessed if there is uncertain or insufficient information about the subject matter of the provisions.

It is considered that there is sufficient information to support the Variation. The HBA has identified constraints in developing higher density housing development and the review undertaken by Council, including the report from Urbanism Plus, supports a new more enabling zone.

The risk of not acting would result in the MDC not giving effect to the NPS-UD which requires that there are adequate opportunities for land to be developed to meet community and housing needs, particularly as the HBA has identified a shortfall in housing capacity.

Not acting would also result in less choice of housing being available in respect of medium density housing, which meets a social need, including increased affordability, for those persons preferring this type of development.

6.2.6 Examine whether the provisions in the proposal are the most appropriate to achieve the objectives of the existing District Plan to the extent that those are relevant (s32(3))

As discussed above the provisions of Variation 7 include:

- The two new proposed policies in Chapter 12 Urban Environments,
- provisions of the proposed Urban Residential 4 Zone (Chapter 6A).
- changes to Subdivision Chapter 24 to enable subdivision in the Urban Residential 4 Zone.
- and consequential minor changes to Chapter 12 to recognise a numerical increase in the number of residential zones (refer Section 5.2 and **Appendix C**).

Table 4 below provides an assessment of the proposed provisions of the variation against the relevant existing objectives of the PMEP. Reference is also made to supporting policies in respect of each objective, where relevant. Where there is a new or amended policy as a result of Variation 7 this will be shown through underlining and ~~strike throughs~~.

The PMEP is a combined regional policy statement, regional plan, and district plan. Annotations within the PMEP indicate if the provisions relate to regional policy statement (RPS), district (D), or regional (R) provisions.

Table 4. Assessment of the relevant objectives and policies in the PMEP

Objective	Comment
Chapter 3 – Tangata Whenua	
[RPS] Objective 3.1 – The principles of the Treaty of Waitangi/Te Tiriti o Waitangi are taken into account in the exercise of the functions and powers under the Resource Management Act 1991.	Council has consulted with Iwi who did not raise any concerns with respect to the proposal.
[RRS]	

<p>Objective 3.3 – Natural and physical resources are managed in a manner that has particular regard to the spiritual and cultural values of Marlborough’s tangata whenua as kaitiaki and respects and supports tikanga Māori.</p>	
<p>[RPS]</p> <p>Objective 3.4 – The cultural and traditional relationships of Marlborough’s tangata whenua with their ancestral lands, water, air, coastal environment, wāhi tapu and other sites and taonga are recognised and provided for.</p>	
Chapter 11 – Natural Hazards	
<p>[RPS, R, D]</p> <p>Objective 11.1 – Reduce the risks to life, property and regionally significant infrastructure from natural hazards.</p>	<p>Sites to be rezoned Urban Residential 4 will have to assess the suitability with respect to natural hazards and avoid areas identified as potential hazards unless remediation is undertaken, noting that Policy 11.1.17 is directive.</p>
<p>[R, D]</p> <p>Policy 11.1.11 – Identify land that has potential to experience flooding of deep, fast flowing. water in an extreme flood event that overwhelms stopbanks and other constructed flood defences as residual risk areas (Level R) and avoid locating intensive residential, commercial or industrial developments on land subject to a Level R flood risk.</p> <p>[D]</p> <p>Policy 11.1.17 – Avoid locating residential, commercial or industrial developments on Rural Environment or Rural Living zoned land on the Wairau Plain east of State Highway 1/Redwood Street, unless remediation methods are to be used to reduce the level of liquefaction risk to an acceptable level.</p>	<p>Geotechnical investigations may be required to identify and implement appropriate foundation designs to mitigate effects where areas are subject to liquefaction or earthquake hazards.</p>
Chapter 12 – Urban Environments	
<p>[D]</p> <p>Objective 12.1 – Residential zones are primarily utilised for residential activities and a range of opportunities for different forms and densities of residential activity are available in Marlborough’s urban environments.</p>	<p>Proposed Policy 12.1.7 which enables the development of medium density housing will give effect to Objective 12.1 as this objective promotes residential activities of different forms and densities throughout the urban environment. Policy 12.1.7 sets out the characteristics which distinguish the Urban Residential 4 Zone from other zones in the</p>
<p>[D]</p>	

<p>Policy 12.1.1 - Specific areas are identified for residential activities within Marlborough's urban environments.</p>	<p>district. The new policy is also entirely consistent with Policy 12.1.1.</p>
<p>[D]</p> <p><u>Policy 12.1.7 – Enable the development of medium density housing (MDH) in the district in the Urban Residential 4 Zone with the following characteristics:</u></p> <ul style="list-style-type: none"> (a) <u>Comprehensive integrated development on sites and adjoining sites with an anticipated density in the range of 150m² – 375m² per unit.</u> (b) <u>Dwellings can be detached, attached, semi-detached (or duplex), terraced housing or apartments within a building or two storeys or less provided the density prescribed in (a) is achieved;</u> (c) <u>Located on either single or aggregated sites, or part of larger master planned developments.</u> (d) <u>Close proximity (within 500m walking distance) to open space.</u> (e) <u>High standards of urban design including the following:</u> <ul style="list-style-type: none"> i. <u>Connectivity by dispersing vehicular traffic and making walking, cycling and vehicular distances within neighbourhoods and to destinations outside those neighbourhoods as short as possible.</u> ii. <u>Orientation to provide maximum solar access to living spaces within dwellings as well as to private open spaces.</u> iii. <u>Safe, legible, well over-looked active and visually attractive streetscapes.</u> 	

<p>(f) <u>An efficient use of infrastructure by providing for higher density residential development than conventional low-density housing.</u></p>	
<p>[D] Objective 12.2 – A high standard of amenity for residential development and attractive residential areas makes the urban environment a place where people want to live.</p>	<p>Proposed Policy 12.2.4A gives effect to Objective 12.2 by listing the urban design principles that will enable a high standard of amenity and make development an attractive place to live. Matters of urban design that must be given effect to include connectivity, orientation, activation, on site amenity and visual character.</p>
<p>[D] Policy 12.2.1- The character and amenity of residential areas in Marlborough’s urban environments will be maintained and enhanced by:</p> <ul style="list-style-type: none"> (a) providing for a range of areas with different residential densities and lot sizes, including for infill, greenfield and large lot developments. (b) Ensuring there are residential areas within walkable distance to community, social and business facilities. (c) Providing for sufficient open spaces and parks that are equitably distributed, and integrated, accessible and safe, and vary in size, form and purpose to meet people’s recreational needs, (d) Providing for walking and cycling linkages to support connected neighbourhoods and communities, active transport options and recreational opportunities. (e) Higher standards of urban design that positively contribute to public space amenity, safety, and visual interest. (f) Ensuring people’s health and wellbeing through good building design, including energy efficiency and the provision of natural light. (g) Effective and efficient use of existing and new infrastructure networks; and 	<p>The rules and performance standards set out in proposed Chapter 6A will and the rules in the proposed changes to Chapter 24 Subdivision will implement amenity and urban design controls through such means as bulk and location controls, outdoor space and outlook requirements and give effect to Objective 12.2 and Policies 12.2.1-12.2.3 and Policy 12.2.5 and 12.2.7. The proposed amendments to Policy 12.2.5 ensure that new Policies 12.1.7 and 12.2.4A are taken into account.</p> <p>In terms of Policy 12.2.6 minimum lot sizes are provided for vacant lots in the Urban Residential 4 Zone. This will ensure lots are of sufficient area to accommodate development and give effect to Objective 12.2</p> <p>If it is an integrated development in terms of MDH, in which housing plans are submitted at the time of subdivision, the minimum lot size is effectively set by compliance with the performance standards in Chapter 6A, and compliance with these standards will ensure Objective 12.2 is given effect to.</p>

-
- (h) Street and road reserve areas that are attractively planted and maintained, including trees appropriate to the character and amenity of the area.
-

[D]

Policy 12.2.2 – Protect and enhance the character and amenity values of residential environments for individual allotments by:

- (a) Controlling the height of buildings to avoid shading of adjoining properties and to maintain privacy.
 - (b) Ensuring that buildings located close to property boundaries do not unreasonably shade adjoining properties.
 - (c) Requiring functional, sunny, and accessible outdoor living spaces within individual allotments; and
 - (d) Retaining adequate open space free of buildings and having adequate space available for service areas.
-

[D]

Policy 12.2.3 – Require development to maintain and enhance streetscape amenity by ensuring:

- (a) Garages, carports, and car parking do not dominate the street.
 - (b) There are adequate areas free from buildings.
 - (c) Building height, proximity to street boundaries and scale reflect the existing or intended future residential character.
 - (d) Shared service areas are not visible from ground level outside the site; and
 - (e) Outdoor storage is managed in a way that does not result in unreasonable amenity value effects or the creation of nuisance effects.
-

[D]

Policy 12.2.4A - Ensure that subdivision and/or residential development within Urban Residential Zone 4 is undertaken in a manner that the following matters of good urban design are given effect to:

(a) Connectivity

To offset higher density to provide for:

- i. Connections with neighbouring sites
- ii. Interconnected street network with not exit streets kept to a minimum.
- iii. A maximum length of attached dwellings.

(b) Orientation

To enable maximum solar access to avoid private open spaces along the street:

- i. Where possible orientate development blocks on a north-south axis so lots are on east west axis.
- ii. Allow more width for north fronting lots to provide a space to the side of the house.

(c) Activation

Activate the street frontage to provide for a safe, legible and a visually attractive streetscape by the following:

- i. Stimulating the creation of perimeter blocks with fronts of lots facing the street and backs of lots bordering each other.
- ii. Locating streets on park edges to ensure parks have a truly public character and are well overlooked from moving traffic and from dwellings and other uses fronting onto this street.
- iii. Deterring the backs of lots to face all roads, including arterial roads, by locating lots side-on, or accessed via a

rear lane or slip lane to ensure overlooking of the street environment.

- iv. Encouraging the visibility of the front door.
- v. Requiring dwellings on corner lots to contribute to the activation of both streets that these are located on.
- vi. Width of dwelling to allow for a living room, or dining room or kitchen on the street side, in addition to the garage and the front door, provided single-storey dwelling with the street located to the south of the dwelling are exempt from this requirement.
- vii. Windows facing the street.
- viii. Ensuring garage doors do not dominate.
- ix. Limiting height of fences between the dwelling and the street.

(d) On-site Amenity

Provide acceptable on site amenity in respect to privacy, solar access, daylight, and outlook by stipulating:

- i. Minimum area of private open space in terms of area, dimensions, orientation, and accessibility
- ii. Maximum height of 2 stories
- iii. Minimum setbacks from boundaries
- iv. A height in relation to boundaries
- v. Minimum area and orientation spaces from the dwelling.

(e) Visual Character

To provide a visually attractive streetscape by the following:

-
- i. Limit the degree of repetition of dwellings including through architectural variations.
 - ii. Provide streetscape with trees, planting, footpaths, safe cycling conditions, and some parking.
 - iii. Provide stormwater facilities (reserves with ponds, swales, and raingardens) that also serve an amenity purpose.
-

[D]

Policy 12.2.5 – Where resource consent is required, ensure that subdivision and/or residential development within Urban Residential Zones is undertaken in a manner that:

- (a) Provides for the maintenance of those attributes contributing to the residential character of the locality, as expressed in Policies 12.1.2 to 12.1.4, Policy 12.1.6, Policy 12.1.7, and Policies 12.2.1 to 12.2.3 and Policy 12.2.4A
- (b) Maintains and enhances the residential environmental of the area for the wider community.
- (c) Ensures that the site can be adequately serviced (stormwater, sewer and water), accessed and/or otherwise adequately managed.
- (d) Ensure that the effects of any natural hazard are able to be avoided, remedied or mitigated, and
- (e) Protects the historic heritage values of heritage resources identified in Appendix 13.

[D]

Policy 12.2.6 – Establish a minimum allotment standards for the subdivision of land for residential

<p>purposes to ensure outcomes in Policy 12.2.5 are met.</p>	
<p>[D]</p> <p>Policy 12.2.7 – To provide for the protection of community health and wellbeing, noise limits have been established that are consistent with the character and amenity of the residential areas.</p>	
<p>[RPS, D]</p> <p>Objective 12.9 – The condition, capacity, efficiency, and affordability of essential infrastructure services reflects the needs of Marlborough’s urban environments.</p>	<p>Objective 12.9 and associated policies will apply to the Variation. There are no new provisions in the proposal in respect of this matter except for Policy 12.1.7 (g) which encourages an efficient use of infrastructure by providing for higher density residential development and which will achieve the outcome sought in Objective 12.9.</p>
<p>[D]</p> <p>Policy 12.9.1 – Encourage connections to public or community reticulated water supply systems, sewerage, and stormwater management systems wherever they are available.</p>	
<p>[D]</p> <p>Policy 12.9.2 – Ensure that in an area with public water supply and/or sewerage infrastructure or stormwater management, subdivision and development activities only occur where they will not exceed the current or planned capacity of that public infrastructure or compromise its ability to service any activities permitted by rules within a relevant urban environment zone.</p>	
<p>[D]</p> <p>Policy 12.9.7 – Require that subdividers and/or developers provide all on-site services to avoid, remedy or mitigate any adverse effects arising from the subdivision/development of the land resource.</p>	
<p>[D]</p> <p>Policy 12.9.8 – Manage stormwater from urban subdivision and development by:</p> <p>(a) requiring stormwater disposal in a manner that maintains the quality of surface and groundwater;</p>	

<p>(b) requiring stormwater disposal in a manner that avoids inundation of land, both within and beyond the boundaries of the site; and</p> <p>(c) encouraging the retention of natural open waterway systems for stormwater disposal as an alternative to piping.</p>	
Chapter 17 – Transportation	
<p>[RPS, D]</p> <p>Objective 17.3 – An efficient land transport network that recognises and provides for different users.</p>	<p>Sites to be rezoned Urban Residential 4 will need to assess the feasibility of the proposal against the relevant objectives and policies of the transportation chapter such as Objective 17.3, Policy 17.4.3 and 17.4.4.</p>
<p>[D]</p> <p>Policy 17.4.3 – Avoid development or subdivision where there would be significant adverse effects on social, cultural, economic or environmental values from extending or upgrading the road network.</p>	
<p>[D]</p> <p>Policy 17.4.4 - Ensure that the cost of new roading required to provide access to new subdivision or development is met by the developer and that upgrading of existing roads needed as a result of development is contributed to by the developer.</p>	

6.2.7 Summary

Overall, the option to create the Urban Residential 4 Zone is considered the most effective and efficient option. The option enables the adoption of this zone, through a plan change/variation for the Kerepi site and potentially other sites in Blenheim and Marlborough where development of medium density housing is considered appropriate and feasible. The other identified options will not be as successful in the provision of MDH to meet an identified shortfall.

6.3 Section 74 of the RMA

Section 74(1) of the RMA states Council shall change a district plan in accordance with its functions under section 31 of the Act, Part 2 of the Act, section 32 of the Act and any regulations. (It is noted that MDC is a unitary authority and the WARMP is a combined plan prepared under section 80 of the RMA. The matters subject of the Variation are primarily district plan matters and accordingly section 74 is the most relevant provision).

The functions of Council are referred to below in Section 6.4 while Part 2 and Section 32 are dealt with in Section 6.2.

In changing a plan, regard must be had to any strategies prepared under other Acts (section 74(2)(b) of the Act). The growth strategy documents which were prepared under the Local Government Act 2002 by MDC between 2010 - 2013, did suggest a revision of density rules to encourage more intensification and the

Variation can be seen as giving effect to this. The Marlborough Land Transport Strategy has also been had regard to in the preparation of the variation. No other strategies are considered relevant.

Section 74(2) requires the District Council to also have regard to proposed regional plans, management plans, the Historic Places Register, regulations, or the Plans of adjoining territorial authorities to the extent that these may be relevant.

It is noted that the proposal does not involve any cross territorial issues, any matters of historical reference or matters addressed by management plans or strategies prepared under other Acts. With respect to Regional Plans, these are identified and addressed in Section 6.2.6.

Section 74(2A) also requires the Council to take into account relevant planning documents recognised by an Iwi authority, to the extent that its content has a bearing on resource management issues.

An assessment has been undertaken against the relevant Iwi Management Plans in Section 6.6.

6.4 Functions of the Council – Sections 30 and 31

Any variation must assist the Council to carry out its functions so as to achieve the purpose of the RMA. MDC is a unitary authority which has functions under both section 30 (regional council) and section 31 (territorial authority) of the RMA.

As discussed above, the Variation is primarily related to functions of a territorial authority in section 31, and which include:

- (a) *the establishment, implementation, and review of objectives, policies, and methods to achieve integrated management of the effects of the use, development, or protection of land and associated natural and physical resources of the district:*
- (aa) *the establishment, implementation, and review of objectives, policies, and methods to ensure that there is sufficient development capacity in respect of housing and business land to meet the expected demands of the district:*
- (b) *controlling actual or potential effects of the use and development of land.*

The Variation accords with these stated functions. The proposal provides for the use and development of land for residential activities to provide sufficient housing development capacity by implementing new provisions and which manages potential effects arising from the implementation of the zone.

6.5 Section 75 – Contents of District Plans

6.5.1 Introduction

Section 75 requires a District Plan to state objectives for the district, policies to implement the objectives and rules to then implement the policies.

The Variation does not introduce any new objectives. It proposes Policy 12.1.7 and Policy 12.2.4A (and some consequential amendments to other policies for accuracy) in relation to the characteristics of the Urban Residential 4 Zone and urban design outcomes for the zone respectively; and introduces rules set out in proposed Chapter 6A and Chapter 24 Subdivision. The PMEP provisions are identified and discussed above.

Section 75(3)(a), (b) and (c) also requires a District Plan to give effect to any National Policy Statement, the New Zealand Coastal Policy Statement, and the Regional Policy Statement respectively.

Section 75 (4) requires a District Plan to not be inconsistent with Regional Plans.

These are discussed as follows:

In terms of giving effect to the Regional Policy Statement this is addressed in Section 6.2.6 of this report.

In terms of the National Policy Statements, as the PEMP was prepared only recently (notified in 2016), and as such its provisions take account of the NZCPS and National Policy Statements existing at that time.

Given this, the focus is on relevant national direction that has been revised since the PEMP was prepared which includes:

- National Policy Statement on Urban Development 2020 (NPS-UD 2020) which replaced the NPS-UDC 2016.
- National Policy Statement for Highly Productive Land 2022 (NPS-HPL 2022)
- National Policy Statement on Freshwater Management 2020 (NPS-FM 2020) which replaced the earlier 2014/2017 version.
- National Policy Statement for Indigenous Biodiversity 2023 (NPS-IB 2023)
- National Policy Statement for Greenhouse Gas Emissions 2023

The NPS-UD, NPS-HPL, NPS-FM and NPS-IB are considered to be relevant to the proposed variation and are most discussed in the following sections below.

In terms of Section 75 (4) which requires a District Plan to not be inconsistent with Regional Plans this matter is addressed in Section 6.2.6.

6.5.2 The National Policy Statement on Urban Development 2020 (NPS-UD 2020)

The NPS-UD (2020) was updated in 2020 to support productive and well-functioning cities and to ensure there are adequate opportunities for land to be developed to meet community, business, and housing needs.

There is an emphasis on providing development capacity in locations, and of a form, which will meet the needs of communities, and encourage development of well-functioning urban environments.

Local authorities are to provide sufficient development capacity to meet expected demand for housing and business sectors in the short, medium, and long term that is:

- plan-enabled,
- infrastructure-ready, and
- feasible and reasonably expected to be realised.

As discussed in Section 4.4.2, MDC has prepared an updated HBA, the *Marlborough District Council Housing and Business Development Capacity Assessment, 2021* to assist in meeting the NPS-UD which was reported to the MDC Finance Committee in February 2022.

The NPS-UD 2020 has 8 objectives (in Part 1), 11 supporting policies (in Part 2) and direction on implementation of these (in Part 3).

Relevant objectives and policies include the following:

Objective 1: New Zealand has well-functioning urban environments that enable all people and communities to provide for their social, economic, and cultural wellbeing, and for their health and safety, now and into the future.

Objective 2: Planning decisions improve housing affordability by supporting competitive land and development markets.

Objective 3: Regional policy statements and district plans enable more people to live in, and more businesses and community services to be located in, areas of an urban environment in which one or more of the following apply:

- (a) the area is in or near a centre zone or other area with many employment opportunities.*
- (b) the area is well-serviced by existing or planned public transport.*
- (c) there is high demand for housing or for business land in the area, relative to other areas within the urban environment.*

Objective 4: New Zealand's urban environments, including their amenity values, develop and change over time in response to the diverse and changing needs of people, communities, and future generations.

Objective 5: Planning decisions relating to urban environments, and FDSs, take into account the principles of the Treaty of Waitangi (Te Tiriti o Waitangi).

Objective 6: Local authority decisions on urban development that affect urban environments are:

- (a) integrated with infrastructure planning and funding decisions; and*
- (b) strategic over the medium term and long term; and*
- (c) responsive, particularly in relation to proposals that would supply significant development capacity.*

Objective 7: Local authorities have robust and frequently updated information about their urban environments and use it to inform planning decisions.

Objective 8: New Zealand's urban environments: support reductions in greenhouse gas emissions; and are resilient to the current and future effects of climate change.

Policy 1: Planning decisions contribute to well-functioning urban environments, which are urban environments that, as a minimum:

- (a) have or enable a variety of homes that:
 - (i) meet the needs, in terms of type, price, and location, of different households; and*
 - (ii) enable Māori to express their cultural traditions and norms; and**
- (b) have or enable a variety of sites that are suitable for different business sectors in terms of location and site size; and*
- (c) have good accessibility for all people between housing, jobs, community services, natural spaces, and open spaces, including by way of public or active transport; and*
- (d) support, and limit as much as possible adverse impacts on, the competitive operation of land and development markets; and*
- (e) support reductions in greenhouse gas emissions; and are resilient to the likely current and future effects of climate change.*

Policy 2: Tier 1, 2, and 3 local authorities, at all times, provide at least sufficient development capacity to meet expected demand for housing and for business land over the short term, medium term, and long term.

Policy 5: Regional policy statements and district plans applying to tier 2 and 3 urban environments enable heights and density of urban form commensurate with the greater of:

- (a) the level of accessibility by existing or planned active or public transport to a range of commercial activities and community services; or*
- (b) relative demand for housing and business use in that location.*

Policy 6: When making planning decisions that affect urban environments, decision-makers have particular regard to the following matters:

- (a) the planned urban built form anticipated by those RMA planning documents that have given effect to this National Policy Statement*
- (b) that the planned urban built form in those RMA planning documents may involve significant changes to an area, and those changes:
 - (i) may detract from amenity values appreciated by some people but improve amenity values appreciated by other people, communities, and future generations, including by providing increased and varied housing densities and types; and*
 - (ii) are not, of themselves, an adverse effect.**
- (c) the benefits of urban development that are consistent with well-functioning urban environments (as described in Policy 1)*
- (d) any relevant contribution that will be made to meeting the requirements of this National Policy Statement to provide or realise development capacity.*
- (e) the likely current and future effects of climate change.*

Policy 8: Local authority decisions affecting urban environments are responsive to plan changes that would add significantly to development capacity and contribute to well-functioning urban environments, even if the development capacity is:

- (a) unanticipated by RMA planning documents; or*
- (b) out-of-sequence with planned land release*

Policy 9: Local authorities, in taking account of the principles of the Treaty of Waitangi (Te Tiriti o Waitangi) in relation to urban environments, must:

- (a) involve hapū and iwi in the preparation of RMA planning documents and any FDSs by undertaking effective consultation that is early, meaningful and, as far as practicable, in accordance with tikanga Māori; and*
- (b) when preparing RMA planning documents and FDSs, take into account the values and aspirations of hapū and iwi for urban development; and*
- (c) provide opportunities in appropriate circumstances for Māori involvement in decision-making on resource consents, designations, heritage orders, and water conservation orders, including in relation to sites of significance to Māori and issues of cultural significance; and*
- (d) operate in a way that is consistent with iwi participation legislation.*

Policy 10: Tier 1, 2, and 3 local authorities:

- (a) that share jurisdiction over urban environments work together when implementing this National Policy Statement; and*
- (b) engage with providers of development infrastructure and additional infrastructure to achieve integrated land use and infrastructure planning; and*
- (c) engage with the development sector to identify significant opportunities for urban development.*

Part 3 of the NPS-UD contains provisions for implementing the objectives and policies. As above, the fundamental obligation is for a local authority to provide sufficient development capacity for housing and business land to meet expected demand in its region in the short, medium, and long term that is plan enabled, infrastructure ready and feasible and reasonably expected to be realised (cl 3.2 and 3.3).

Provisions of relevance are:

3.4 Meaning of plan-enabled and infrastructure-ready.

(1) Development capacity is plan-enabled for housing or for business land if:

- (a) in relation to the short term, it is on land that is zoned for housing or for business use (as applicable) in an operative district plan.*
- (b) in relation to the medium term, either paragraph (a) applies, or it is on land that is zoned for housing or for business use (as applicable) in a proposed district plan.*
- (c) in relation to the long term, either paragraph (b) applies, or it is on land identified by the local authority for future urban use or urban intensification in an FDS or, if the local authority is not required to have an FDS, any other relevant plan or strategy.*

(2) For the purpose of subclause (1), land is zoned for housing or for business use (as applicable) only if the housing or business use is a permitted, controlled, or restricted discretionary activity on that land.

(3) Development capacity is infrastructure-ready if:

- (a) in relation to the short term, there is adequate existing development infrastructure to support the development of the land.*
- (b) in relation to the medium term, either paragraph (a) applies, or funding for adequate infrastructure to support development of the land is identified in a long-term plan.*
- (c) in relation to the long term, either paragraph (b) applies, or the development infrastructure to support the development capacity is identified in the local authority's infrastructure strategy (as required as part of its long-term plan).*

3.5 Availability of additional infrastructure

(1) Local authorities must be satisfied that the additional infrastructure to service the development capacity is likely to be available.

3.11 Using evidence and analysis.

(1) When making plans, or when changing plans in ways that affect the development of urban environments, local authorities must:

- (a) clearly identify the resource management issues being managed; and*

(b) use evidence, particularly any relevant HBAs, about land and development markets, and the results of the monitoring required by this National Policy Statement, to assess the impact of different regulatory and non-regulatory options for urban development and their contribution to:

(i) achieving well-functioning urban environments; and

(ii) meeting the requirements to provide at least sufficient development capacity.

(c) Local authorities must include the matters referred to in subclause (1)(a) and (b) in relevant evaluation reports and further evaluation reports prepared under sections 32 and 32AA of the Act.

Variation 7 is considered to give effect to the provisions of the NPS-UD 2023 because:

- The creation of the Urban Residential 4 Zone enables the development of sites for MDH in which the provisions are feasible for such a development.
- The zone will make a significant contribution in terms of housing supply and assist to meet the needs identified in the HBA for Blenheim.
- The zone will provide an additional option to promote the competitive operation of land and development markets whilst increasing the type and affordability of housing locally.
- The zone will enable the development of a well-functioning urban environment by integrating into the existing urban frameworks.

6.5.3 The National Policy Statement for Highly Productive Land (NPS-HPL 2022)

The provisions of the NPS-HPL 2022 are relevant to the creation of the Urban Residential 4 Zone due to the presence of Highly Productive Land (HPL) across Marlborough.

MDC is yet to map HPL and apart from Variation 6, future sites that maybe rezoned to Urban Residential 4 is not known. However, HPL which in the interim is defined in the NPS-HPL as land zoned for Rural and containing LUC 1-3 land, is present in the district, particularly in areas adjoining Blenheim, as shown in Figure 1.

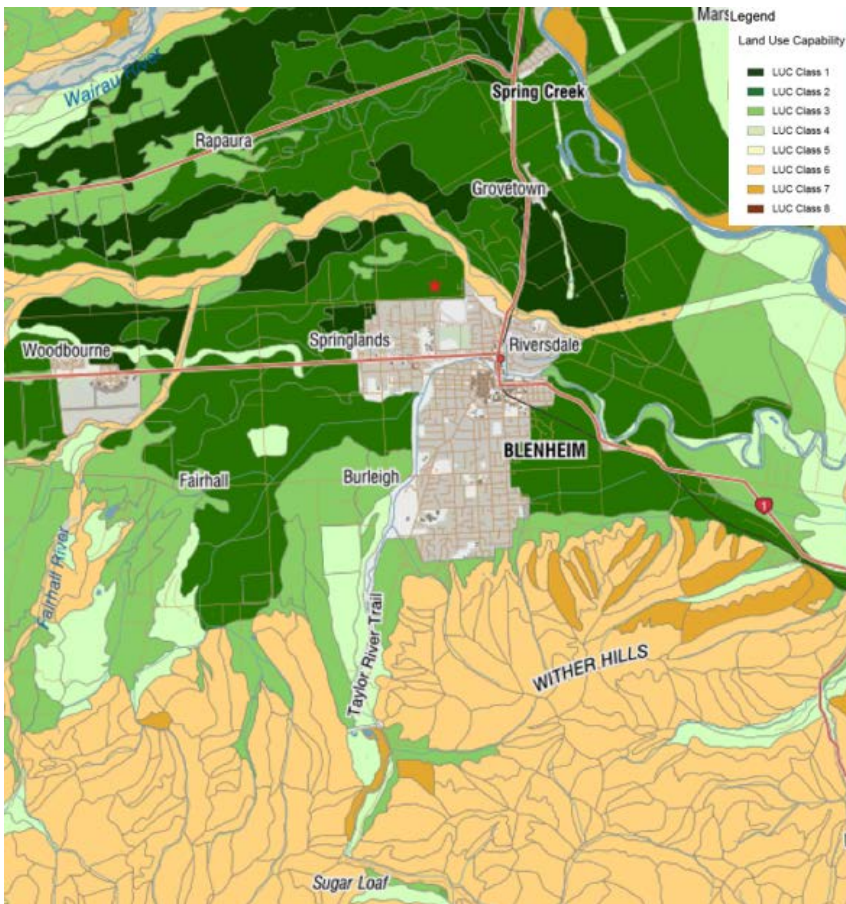


Figure 1. Land Use Capability Class for the area (Source: Our Environment Maps)

The NPS-HPL was introduced to improve the way highly productive land is managed under the RMA and gives guidance on how to map and zone highly productive land.

The NPS-HPL has the objective that “Highly productive land is protected for use in land-based primary production, both now and for future generations.”

To achieve this objective the NPS-HPL sets out 9 policies (Part 2) and direction on implementation of these (part 3). The policies are as follows:

Policy 1: Highly productive land is recognised as a resource with finite characteristics and long-term values for land-based primary production.

Policy 2: The identification and management of highly productive land is undertaken in an integrated way that considers the interactions with freshwater management and urban development.

Policy 3: Highly productive land is mapped and included in regional policy statements and district plans.

Policy 4: The use of highly productive land for land-based primary production is prioritised and supported.

Policy 5: The urban rezoning of highly productive land is avoided, except as provided in this National Policy Statement.

Policy 6: The rezoning and development of highly productive land as rural lifestyle is avoided, except as provided in this National Policy Statement.

Policy 7: The subdivision of highly productive land is avoided, except as provided in this National Policy Statement.

Policy 8: Highly productive land is protected from inappropriate use and development.

Policy 9: Reverse sensitivity effects are managed so as not to constrain land-based primary production activities on highly productive land.

The most relevant policies to this variation are considered to be Policies 5, 8, and 9 and are commented on below.

Policy 5: The urban rezoning of highly productive land is avoided, except as provided in this National Policy Statement.

Policy 5 is implemented in the NPS-HPL under section 3.6.4, which is set out in full below.

(4) Territorial authorities that are not Tier 1 or 2 may allow urban rezoning of highly productive land only if:

- (a) the urban zoning is required to provide sufficient development capacity to meet expected demand for housing or business land in the district; and*
- (b) there are no other reasonably practicable and feasible options for providing the required development capacity; and*
- (c) the environmental, social, cultural and economic benefits of rezoning outweigh the environmental, social, cultural and economic costs associated with the loss of highly productive land for land-based primary production, taking into account both tangible and intangible values.*

These matters are addressed in more detail below.

- (a) The urban zoning is required to provide sufficient development capacity to meet expected demand for housing or business land in the district.

As discussed in Section 2.2.2, the HBA identified a shortfall of over 90 dwellings largely in the long term and potential constraints on development in the short term which primarily relate to infrastructure-ready land available for development and constraints due to multiple ownership and sequential development. It is also noted the desirability of providing smaller housing units and increasing housing affordability although it indicated infill through subdivision is becoming less easy to execute and more costly. The HBA recommended a review of PMEP provisions for Urban Residential 1 Zone and other methods to establish ways to incentivise intensification. The Council review of Urban Residential 1 provisions has confirmed that the provisions are a potential constraint on this type of housing and require amendment (refer Section 2.2.4). The review is yet to be completed and the housing contribution able to be achieved through greater enablement of intensification is unknown at this stage.

Figure 2 shows the Council's spatial mapping indicator which was generated as part of the NPS-UD Monitoring Report 2021-2022. The spatial analysis identified a total of 191ha of "land bank" which is residentially zoned land that was undeveloped at the time the Marlborough Environmental Plan (MEP) was released in June 2020. Since the MEP decision version was released 31ha from the 191ha has been developed (shown in grey) with 154ha of greenfield remaining for further residential development (shown in red). This shows that the number of sites potentially available for development is relatively limited.

This Variation, which is to be adopted at the Kerepi Site, will enable the creation of MDH to meet some of the shortfall identified in the HBA and in accordance with 3.6.4 (5) of the NPS-HPL¹ which requires that the

¹ 3.6.4 (5) *Territorial authorities must take measures to ensure that the spatial extent of any urban zone covering highly productive land is the minimum necessary to provide the required development capacity while achieving a well-functioning urban environment.*

spatial extent of any urban zone covering highly productive land is the minimum necessary to provide the required development capacity.

There is the potential that future sites which may seek to rezone to Urban Residential 4 through a plan change/variation process will be located on HPL and will be assessed on its merits. However, the proposed density will assist in reducing the spatial extent to the minimum necessary.

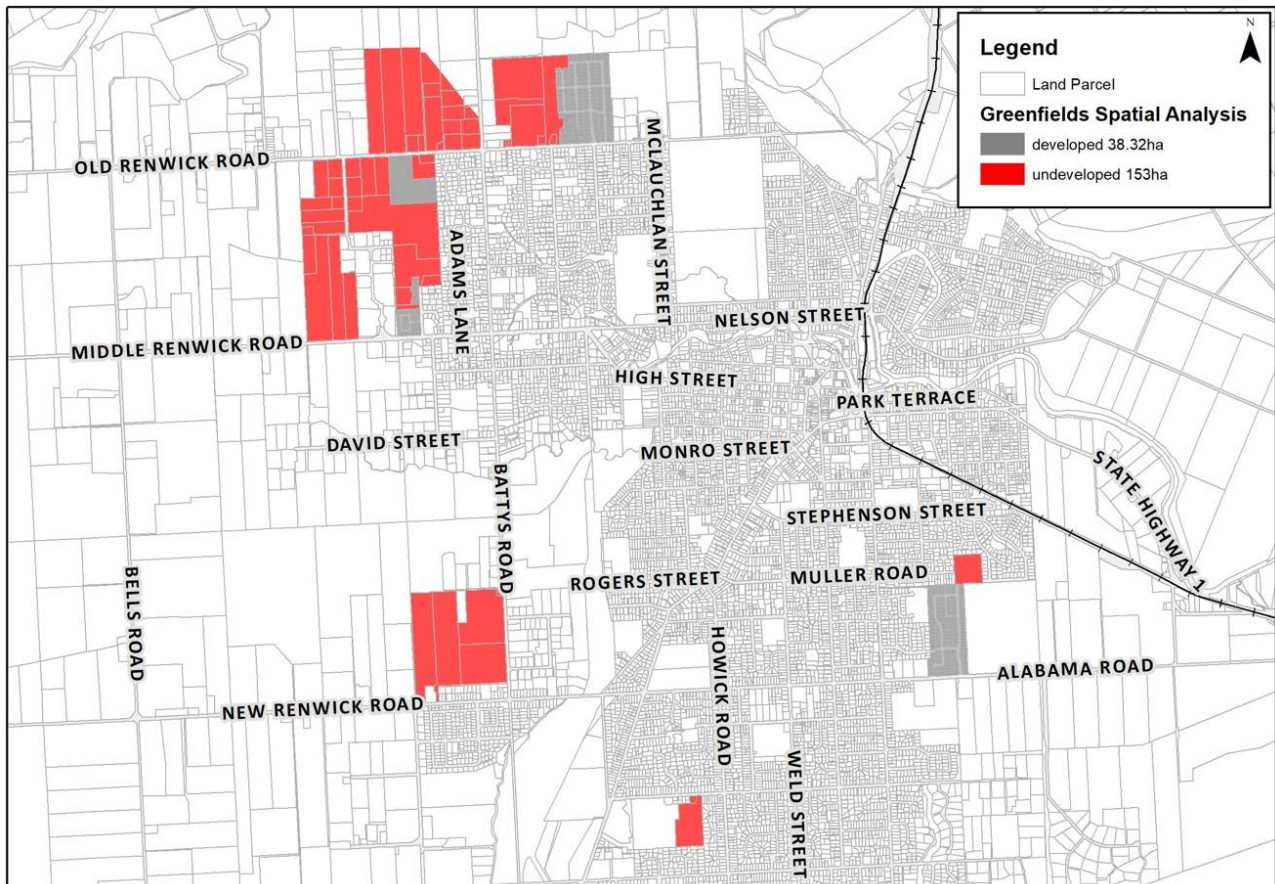


Figure 2. Potential sites available for infill subdivision

- (b) there are no other reasonably practicable and feasible options for providing the required development capacity.

As background, the Growing Marlborough Growth Strategy released in 2013 by MDC indicated the preferred growth options in respect of Blenheim, were to the north and west of Blenheim and in doing so made the following comment.

“In assessing the suitability of these sites, it was clear that the residential activity would encroach onto versatile soils to the north and north-west of Blenheim. The decision to expand in this direction was not taken lightly. However, given the constraints that exist at other locations, the council did not believe it had any other options to provide for residential growth. The decision was made also knowing that land fragmentation in some of the growth areas had already reduced the productive capacity of the soil.”

As shown in Figure 1 the existing residential areas of Blenheim are almost completely surrounded by Class 1 & 2 soils. To the south of Blenheim are areas of Class 3 and lower soils but development in this direction is limited by the slopes of the Wither Hills. In the southwest around the Burleigh area is another area of Class 3 soils. A large portion of this area has already been zoned for residential and industrial purposes with further expansion into this area limited by servicing and proximity to the Omaka Airfield. This further confirms the

comments from the Growing Marlborough Growth Strategy that growth to the north and west of Blenheim and encroachment into areas with versatile soils is the only viable option.

Other options and alternatives are considered in Section 6.2.4 including, do nothing, utilisation of existing zone provisions and reliance on resource consents. As indicated above there are constraints on intensifying development in existing Urban Residential 1 zoned areas (refer Section 2.2.4). The review of the provisions is yet to be completed and the housing contribution able to be achieved through greater enablement of intensification is unknown at this stage.

Overall, it is considered that there are severe constraints on other reasonably practicable and feasible options for Urban Residential 4 (Greenfield) Zone.

- (c) The environmental, social, cultural, and economic benefits of rezoning outweigh the environmental, social, cultural, and economic costs associated with the loss of highly productive land for land-based primary production, taking into account both tangible and intangible values.

Table 5 sets out the environmental, social, cultural, and economic benefits of creating an Urban Residential 4 Zone compared to the costs associated with the loss of highly productive land for land-based primary production.

Table 5. Benefits of rezoning compared to the costs associated with the loss of highly productive land.

Costs associated with the loss of highly productive land for land-based primary production.	Benefits of creating Urban Residential 4 Zone.
<p>Environmental</p> <p>In respect of Blenheim, primary production is pushed further from Blenheim but in this location, the township is surrounded by LUC 1, 2 and 3 soils. Loss is not considered to be significant but acknowledge that could become an issue for the Council in considering future rezonings.</p> <p>Potential for reverse sensitivity for sites adjoining the Rural Zone and rural activity.</p>	<p>Environmental</p> <p>Sites rezoned are only likely to represent a small percentage of LUC 1-3.</p> <p>Proposed rezoning adjacent to urban areas such as Blenheim will not fragment highly productive land as it adjoins the existing residential area of Blenheim.</p> <p>Potentially contaminated soils on rural land will be removed/remediated and risk of leaching to groundwater reduced.</p> <p>The use of agrichemicals for rural activities will cease.</p>
<p>Social</p> <p>Loss of existing residential activity across sites that may uptake the zone.</p>	<p>Social</p> <p>Provide for housing that will address housing shortfall as identified in the HBA, particularly in the short term and will enable MDH, that will provide a choice of smaller housing units to meet an identified demand, and which is more affordable.</p> <p>The zone will achieve a well-functioning urban environment given the proposed provisions, including those relating to urban design.</p>

Cultural

MDC has consulted with Iwi who did not raise any concerns at this stage.

Cultural

MDC has consulted with Iwi who did not raise any concerns.

Economic

There will be an economic loss in terms of rural activities ceasing. The most likely activity are vineyards given its predominance on the Wairau Plains. Viticulture generates income for the landowner, and for the wider community through jobs, processing and marketing of the wine.

The trade-off of rural land for urban expansion is discussed in the October 2019 Marlborough Winegrowers Association Inc submission on the proposed NPS for Highly Productive Land. Their submission includes the following points:

- The Wine Sector is the largest industry in Marlborough (19% of GDP) and employing 1 in 5 Marlburians.
- Marlborough has 31,000ha of vineyard (2021 figures) and a further 5000ha likely to be developed by 2025.
- Provision of sufficient housing is essential for the continued success of Marlborough's wine industry which is a relatively labour-intensive activity compared with other types of farming.

Given the extensive area of viticulture, development of viticulture sites for residential sites is overall likely to be relatively minor, in terms of economic effects.

Economic

In the short term there will be substantial economic benefits in respect of development of sites for MDH, including site preparation and construction of the housing.

Whilst difficult to quantify, an intangible benefit is the provision of housing including affordable housing, which may attract workers into the local economy and mitigate perceived labour shortages that are constraining the economy.

The financial benefits are considered to be 'new' as there is existing demand for residential development that is not being met as identified in the HBA and is not resulting from competing demand.

The environmental, social, cultural, and economic benefits of rezoning outweigh the environmental, social, cultural, and economic costs associated with the loss of highly productive land for land-based primary production, taking into account both tangible and intangible values.

Policy 8: Highly productive land is protected from inappropriate use and development.

As discussed above the proposed development arising from rezoning is not considered inappropriate.

Policy 9: Reverse sensitivity effects are managed so as not to constrain land-based primary production activities on highly productive land.

Further assessment with respect to reverse sensitivity effects would need to be assessed at the Plan Change/Variation stage for any future sites that seek to rezone to Urban Residential 4. The PMEP has some existing policies and rules addressing reverse sensitivity effects, including those relating to activities such as frost fans and spray drift.

6.5.4 The National Policy Statement for Freshwater Management (NPS-FM 2020)

The provisions of the NPS-FM 2020 do not directly impact on the creation of this zone, although sites subject to any Urban Residential 4 Zoning proposals must have regard to this NPS.

6.5.5 The National Policy Statement for Indigenous Biodiversity (NPS-IB 2023)

The Decision Making Principles of the NPS IB (2023) in Section 1.5 state the NPS prioritises the mauri and intrinsic value of indigenous biodiversity and recognises people's connections and relationships with indigenous biodiversity and that the health and wellbeing of people and communities are dependent on the health and wellbeing of indigenous biodiversity and that in return people have a responsibility to care for and nurture it.

Sites rezoned to Urban Residential 4 Zone will have to give effect to the NPS, and in particular consideration will have to be given the following:

(1) *The objective of the National Policy Statement is:*

(a) *To maintain indigenous biodiversity across Aotearoa New Zealand so that there is at least no overall loss in indigenous biodiversity after the commencement date; and*

(b) *To achieve this:*

(i) *Through recognising the mana of tangata whenua as kaitiaki of indigenous biodiversity; and*

(ii) *By recognising people and communities, including landowners, as stewards of indigenous biodiversity; and*

(iii) *By protecting and restoring indigenous biodiversity as necessary to achieve the overall maintenance of indigenous biodiversity; and*

(iv) *While providing for the social, economic and cultural wellbeing of people and communities now and in the future.*

Policy 14: Increased indigenous vegetation cover is promoted in both urban and non-urban environments.

Effect could be given by the retention of indigenous vegetation, planting on reserves, stormwater facilities and public spaces and as part of the streetscapes.

6.6 Iwi Management Plan Review

6.6.1 Introduction

Relevant Iwi Management Plans and provisions are set out below with comment provided in Section 6.6.5.

6.6.2 Te Ātiawa o Te Waka-a-Māui Iwi Environmental Management Plan:

Clause 6.8 Sustainable resource use opportunities for iwi, hapū, and whānau:

- Potential areas of activity anticipated:
 - Residential and rural subdivision and housing

Clause 7.6 Sustainable management of WHENUA (land):

- Objective 2: Te Ātiawa Iwi will enjoy an increasing level of land ownership and land occupation in the rohe.
 - (a) Policy 2: ensure that a range of desirable housing options, including papakainga and other collective housing developments, are available to meet the various needs of iwi.
- Objective 4: Te Ātiawa iwi, hapū and whānau will be provided with subdivision, partitioning and land development opportunities, supporting cultural relationships and aspirations including papakainga, marae and marae based activities.

Policy 1: Work with land management agencies, with statutory responsibilities, to support the subdivision and partitioning of land owned by Te Ātiawa Iwi members, in ways that meet the traditional and contemporary cultural aspirations of iwi. The key concerns of Te Ātiawa Iwi for the sustainable management of the WHENUA – land - resources of the rohe, include, but are not restricted to:

- THREATS TO SUSTAINING MAURI (examples of):
 - (j) Subdivision and life-style block development
 - (k) Earthworks

6.6.3 Te Rūnanga o Kaikōura Environmental Management Plan:

Part 3.1 Ō Te Hau – Atmosphere and Air

3.1.3 Amenity Values - Protecting amenity values includes addressing issues associated with discharges to air in the form of noise, odours, and light. It also includes assessing visual impacts of specific activities. For example, developments such as hotels, tourism ventures, or subdivisions may be inappropriate in some places if they are considered intrusive on an otherwise natural landscape with high amenity value.

- Policy 1: In some areas, Te Rūnanga o Kaikōura may recommend light suppression or limitation, and / or height restrictions on buildings, to protect amenity values, including celestial darkness.
- Policy 4: Any new development that may have high visual impacts on the natural or cultural landscape may be encouraged to use suitable screening devices, such as indigenous plant species and cultural materials, to protect the natural and cultural landscape.
- Policy 5: Any new development that may have high visual impacts on the natural or cultural landscape may be encouraged to work with Te Rūnanga o Kaikōura to discuss and agree on appropriate design for the proposed development in relation to the protecting the natural and cultural landscape.

3.4.1 Residential development

Part 3.4 Te Ahi Kaikōura a Tama ki te Rangī

3.4.1 Residential development – Subdivision - For Te Rūnanga o Kaikōura, an important component of assessing any subdivision application is consideration of long term and cumulative effects.

Assessments must take into account the future land use opportunities and expectations associated with a subdivision application.

- *Policy 2: To encourage early consultation, prior to lodging resource consent applications for subdivision.*
- *Policy 6: To avoid adverse effects on the natural environment as a consequence of increased demands placed upon land, water and community infrastructure resulting from the granting of new subdivision consents for residential development.*
- *Policy 15: To require that the disposal of stormwater occur in a manner that avoids inundation of land within or adjoining the subdivision and does not adversely affect the quality of surface and groundwater. The Rūnanga has a general policy of no discharge to water.*

6.6.4 Ngāti Koata No Rangitoto Ki Te Tonga Trust Iwi Management Plan:

7 Cultural Heritage:

7.3 The potential impacts from inappropriate earthworks, whether related to forestry, subdivision or any other activity are the primary causes for heritage values to be detrimentally affected.

7.4 The proposed Marlborough Resource Management Plans do not comprehensively identify known heritage sites, possibly due to their sheer number and lack of disclosure

7.7 Marlborough District Council's forthcoming 'heritage review' alongside the changes proposed within the RM Amendment Bill, provide the opportunity for Ngāti Koata in this regard

Te Rūnanga o Ngāti Rārua Environmental Strategy - Poipoi Te Ao Tūroa:

12 Whenua/ Land use activities and development,

12.1 Papa kāinga development - Ngāti Rārua consider that in this context 'papa kāinga' is development that allows traditional patterns of use (including, but not limited to, housing) on land owned communally by mana whenua iwi, whānau or hapū, so enabling them to maintain their culture and traditions.

12.1.2

- II. Seek definitions of 'papa kāinga' development in planning documents that allow whānau, hapū and iwi to use their land in ways that maintain their culture and traditions and which incorporate:
 - land regarded as Māori land in terms of Te Ture Whenua Māori Act 1996, including multiple owned Māori land and customary land,*
 - otherland returned to iwi through settlement processes, and*
 - all other land owned by Ngāti Rārua within the rohe**
- III. Encourage the development of consistent planning provisions for papa kāinga across Marlborough, Nelson and Tasman councils.*

12.2 Urban development

12.2.2 Tikanga/ Policies and methods

1.2 Statutory acknowledgements

Notice of applications - When a council receives an application for a resource consent on or near one of the SA areas, it is required to send notice of that application to Te Rūnanga o Ngāti Rārua, so that the iwi will be aware of potential developments while there is still time to take part in the process.

6.6.5 Summary Assessment

The proposed variation is considered to be consistent with the above Iwi Management Plans for the following reasons:

- The proposed variation will increase housing availability across Blenheim whilst also providing a range of housing options.
- The proposed provisions as part of the variation seek to appropriately manage amenity associated with housing developments.
- The threats on mauri from subdivision and earthworks would be appropriately managed at the stage of development.
- The appropriateness of the development with respect to infrastructure, services and implications for water will be assessed on their merits at the time of implementing the Urban Residential 4 Zoning.
- Iwi have been consulted with to provide feedback on the variation and proposed provisions.

7 Conclusion

Variation 7 will create a new Urban Residential 4 Zone which will assist to address a residential shortfall identified in MDC documents and provide for a higher density of housing that currently is subject to constraints. It will enable housing stock to be diversified to meet a demand and potentially increase affordability. Emphasis is placed on good urban design outcomes and minimising potential adverse effects.

Overall, having regard Part 2 of the RMA, to relevant NPS's, the PMEP and other documents it is considered the variation can be approved having regard to sections 32, 74 and 75 of the RMA.

A

Appendix A – Marlborough District Council Housing and Business Development
Capacity Assessment (HBA)

B

Appendix B – Urban Design Advice – Medium Density Housing in Marlborough
District

C

Appendix C – Proposed Amendments to the PMEP

