Before the Central Otago District Council

In the matter of The Resource Management Act 1991

A requested change to the Central Otago District Council's Operative District Plan - Plan Change 13 (PC13) And

SUPPLEMENTARY EVIDENCE of Jeffrey Brown for

River Terrace Developments Limited

Dated 21 June 2019

Counsel:

Warwick Goldsmith Barrister PO Box 2366, Wakatipu 9349 m + 64 021 220 8824 warwickgoldsmith@gmail.com

Introduction and Qualifications

- 1 My full name is Jeffrey Andrew Brown.
- 2 My qualifications and experience are as detailed in my primary evidence prepared for this hearing.
- I have complied with the Code of Conduct for Expert Witnesses contained in the Environment Court Consolidated Practice Note 2014. This evidence is within my area of expertise, except where I state that I am relying on another person, and I have not omitted to consider any material facts known to me that might alter or detract from the opinions I express.

Scope of this Supplementary Evidence

- This supplementary evidence provides some further evaluation, under s32 of the Act, of whether other potential methods being land areas other than the PC13 land could achieve the PC13 objective of providing for a diversity of housing product and housing affordability. The objective is Objective 20.3.1, as renumbered in the latest version of the RTRA provisions, dated 21 June 2019¹.
- 5 I provide this further evaluation below.
- I also provide the s32(AA) evaluation of the updated version of the plan provisions. This is at Attachment A.

Objective 20.3.1 (as renumbered) and evaluation under s32(1)(a)

7 The objective now proposed (tracked) is:

20.3.21 Objective – Diversity of housing product and housing affordability and availability.

Increased short term (within 3 years) and medium term (within 10 years) housing supply, variety and choice by creating a well-designed residential development comprising a range of housing densities and typologies to enable a range of affordable price options available as soon as possible.

2820204 page1

-

¹ This version is the clean version presented at the hearing on 10 June, with further modifications in red.

- The s32(1)(a) evaluation requires examination of the extent to which the objective being evaluated is the most appropriate way to achieve the purpose of the Act.
- The purpose of the Act is the sustainable management of resources: 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 addressing the matters in section 5(2)(a) (c). These include sustaining the potential of resources to meet the reasonably foreseeable needs of future generations and avoiding, remedying or mitigating adverse effects on the environment. I, and other witnesses, have addressed the effects on the environment in earlier evidence and I will not revisit those here because the focus of this s32 evaluation is on Objective 20.3.1.
- An integral component of peoples' and communities' well-being is the provision of housing, for the current and future generations. Housing must be available, it must be affordable, it should be well designed. Objective 20.3.1 addresses those three components. All of the other objectives of PC 13 are designed to flow from and implement different aspects of Objective 20.3.1.
- I consider that the addition of the reference to the short and medium term into the Objective provides a clearer goal and establishes a basis for provisions to directly and immediately address Cromwell's housing supply and the affordability of housing product, for at least the current generation. The addition of land to accommodate housing demand in the short and medium term will have a positive effect on the long-term housing supply overall, and therefore contribute to meeting the needs of future generations. Adequate zoned capacity for, and availability of housing, and the efficient use of finite land resources, are necessary to meet housing demand and to achieve and maintain housing affordability.
- In focusing on diversity of product, design, affordability, and availability of housing product in the short term and the medium term, I consider that the objective is the most appropriate to achieve the Act's purpose.

Section 32(1)(b) - discussion of options

- In examining whether the provisions are the most appropriate way to achieve Objective 20.3.1, the evaluation must firstly identify other *reasonably practicable* options for achieving the objective.
- The relevant options, to be put to the *reasonably practicable* test, are as follows:

- **Option A** The RTRA provisions formulated to address Objective 20.3.1;
- Option B The existing residential zoned land within Cromwell and surrounds, as discussed in Ms Brown's memo dated 7 June 2019 and in Ms Hampson's summary evidence dated 10 June 2019;
- **Option C** The future rezoning areas, also discussed in Ms Brown's memo and Ms Hampson's summary evidence.
- 15 I describe these options as follows, before evaluating them under s32(1)(b).

Option A - RTRA provisions

The relevant PC13 policy that flows from Objective 20.3.1 is (as renumbered):

20.4.31 Policy – Housing Affordability and availability Enable a range of dwelling types and sizes to help meet the housing needs of households on moderate incomes, while maintaining a high quality of urban and building design, and ensure that a significant quantity is available within three years.

17 The relevant rules are:

20.7.6 Prohibited activities ...

(ii) Failure to comply with Rule 20.7.7(xii) within time period

- (a) The sale of 200 affordable lots and 200 affordable houses as required by Rule 20.7.7(xii) must be completed within three years after the date Plan Change 13 (creating the Resource Area) becomes operative, subject to subclause (b) below.
- (b) The three year period referred to in subclause (a) above shall be extended by the following periods:
 - if any application for resource consent necessary to comply with Rule 20.7.7(xii) is publicly notified, that period between the date of public notification and the date the resource consent becomes operative;
 - (bb) if the Council fails to process any resource consent application required to comply with Rule 20.7.7(xii) within three months after the application is lodged, the period by which the time taken to process the resource consent application exceeds three months;
 - (cc) if the Council fails to process any application for subdivision engineering approval required to comply with Rule 20.7.7(xii) within three months after the application is lodged, the period by which the time taken to process the application for engineering approval exceeds three months;
 - (dd) if the Council fails to process any application for s224(c) certification required to comply with Rule

- 20.7.7(xii) within one month after the application is lodged, the period by which the time taken to process the application for s224(c) certification exceeds one month:
- (ee) if the Council fails to process any building consent application required to comply with Rule 20.7.7(xii) within three months after the application is lodged, the period by which the time taken to process the building consent application exceeds three months
- (ff) If any affordable lot or affordable house required to be sold under Rule 20.7.7(xii) is completed and marketed for sale at a price within the required price range, and does not sell, the period between the date one month after marketing commences and the date the affordable lot or affordable house is sold.
- (c) If this standard is breached, any subdivision or land use which requires resource consent is a prohibited activity during the period between the date of breach and the date the breach is remedied provided that this subclause does not apply to any application for subdivision or land use consent required to remedy the breach.

20.7.7 General Standards

(vii) Sale prices

Stage One of the subdivision of the Resource Area shall result in 200 affordable lots and 200 affordable houses (ie: total 400) being sold. For the purposes of this standard:

- (a) 'Affordable lot' means a freehold residential lot, capable of accommodating a two bedroom or three bedroom residential unit, which is sold for a price within the price range \$180,000 to \$250,000 or less;
- (b) 'Affordable house' means a freehold residential lot, with a fully constructed and landscaped two bedroom or three bedroom residential unit, which is sold for a price within the price range of \$485,000 to \$600,000 or less;
- (c) Compliance with this standard shall be demonstrated by delivery to the Council of a copy of the relevant sale and purchase agreement together with written confirmation from a law firm that the affordable lot or affordable house was sold at the price specified in the sale and purchase agreement:
- (d) Unless compliance with this standard is demonstrated to the Council, the Council shall be entitled to impose a condition on any consent for subsequent stages of subdivision within the Resource Area that s224(c) certification for such subdivision shall not issue until this standard has been complied with;
- (e) Compliance under subclause (d) above may be achieved in a progressive cumulative manner; ie: demonstration of compliance in respect of (for example) 20 lots (with or without houses) shall enable s224(c) certification to be given by Council for an additional 20 lots beyond Stage One so that, as compliance is demonstrated in respect of each lot, an additional lot may be created.

Option B: existing zoned land in Cromwell and surrounds

- The existing zoned land comprise the areas in Sub-totals A, B, C, D and E in Ms Brown's Table 4 (and as discussed in Ms Hampson's Table 1), including:
 - the existing consents / plan changes (Top 10 land, Wooing Tree);
 - Greenfield land within the Residential zones;
 - Town Centre area sites;
 - · Settlements;
 - Infill within the above areas, including some redevelopment.
- 19 I also include the Freeway Orchard in this option, for the reasons I discuss below.

Option C: Rezoning land to achieve more zoned residential capacity

- This includes greenfield land that would need to be rezoned to provide for residential capacity, and brownfields land that would need to be up-zoned to provide for more capacity. The greenfield areas include (again from Ms Brown's Table 4 and Ms Hampson's Table 1, and also from Mr Mead's evidence and Mr Whitney's s42A report):
 - · The golf course;
 - The Freeway orchard land;
 - The Racecourse land.

Discussion

- 21 The I consider that Option A is *reasonably practicable* because the policy and the methods have been formulated to directly address the short and medium term need for affordable housing in the Cromwell area, in that:
 - Rule 20.7.7(vii) requires that section and house prices, for the first 400 lots / units, sold at specified prices;
 - Rule 20.7.6(ii) requires that the developer achieves Rule 20.7.7(vii), and if Rule 20.7.7(vii) is not achieved then any further development beyond 400 lots / units is prohibited until it is achieved.

- This ensures that the first 400 lots / units are sold at specified price levels, and avoids land banking.
- I consider that of the items in Option B, the *reasonably practicable* items include the greenfield Residential Zone land; Top 10 and Wooing Tree land; the Town Centre Area sites; and the settlements (Pisa Moorings, Lowburn and Bannockburn).
- In my view much of Option C is not a *reasonably practicable* option for the following reasons:
 - (a) The golf course is a Recreation Reserve (under the Reserves Act) and is part owned by the Cromwell Golf Club and the Crown. Any conversion of golf course land for residential purposes would likely be a long term prospect, in my view, because:
 - There is no evidence that the current owners intend to change the use from golf course to residential;
 - Even if they did wish to undertake such a change, various statutory processes would be required, including the uplifting of the designation and a plan change, probably preceded by, or concomitant with, the construction of a new golf course elsewhere;
 - The existing residential neighbours of the golf course, who have likely paid a premium for their land because it is adjacent to and enjoys the open space amenities of golf course, are likely to resist the change in use.
 - (b) The Racecourse is reserve land and would require some process to change that status, as well as a plan change. Again, there is no certainty about the outcome of those processes, or the timing, and if it were to happen it would likely be in the longer term (and I acknowledge that Mr Mead acknowledges that timing);
 - (c) Brownfield up-zoning would enable greater density within the existing residential areas. There is no certainty about the outcome of that plan change process, particularly given that the existing residential areas are in multiple ownerships of small sites, and there would likely be resistance from some or many owners to the potential for greater density enabled in their neighbourhoods. If it were to happen it would take time, and then it would require owners to redevelop their sites, including potentially the need for demolition, or for sites to be amalgamated to enable higher density

development. For these reasons I consider that this is not a *reasonably practicable* item

- The Freeway orchard land, although requiring a rezoning to enable a residential intensity of development, is not subject to any designation, and is in a single ownership. Although there is no indication that the owners wish to do this, I have included it as a *reasonably practicable* option and added it to Option B above.
- 26 Based on the above, the *reasonably practicable* options are therefore Option A, Option B including the Freeway Orchard.
- 27 I therefore progress to s32(1)(b) for Option A and Option B.

Section 32(1)(b) – whether the provisions in the proposal are the most appropriate way to achieve the objective

- The examination under Section 32(1)(b)(ii) requires assessment of the efficiency and effectiveness of the provisions in achieving the objectives; and in doing so, identifying and assessing the benefits and costs of the environmental, economic, social, and cultural effects that are anticipated from the implementation of the provisions (s32(2)(a)).
- 29 My examination is in Table A attached.
- My overall conclusion from that evaluation is that Option A (PC13) in combination with Option B (the existing zoned land) is the most appropriate way to achieve Objective 20.3.1 because the PC13 provisions directly focus on, and provide clear mechanisms and obligations to achieve affordability and availability of housing product in the short term and the medium term, and (along with other PC13 provisions), diversity of product, and good design. In combination with the Option B areas, Cromwell would be served with a healthy level of diversity and choice of product, competition, and supply of residential product.
- Option B alone goes some way towards achieving aspects of Objective 20.3.1 relating to design, variety and choice because of the range of potential lot sizes and housing typologies that could arise across the various existing zones. However, the provisions are not appropriate in achieving Objective 20.3.1 because they do not impose clear obligations on developers to achieve affordability, and availability of housing product in the short term and the medium term.

- The Option B provisions are therefore not the most appropriate in achieving Objective 20.3.1.
- I will await Ms Brown's evidence on the Council's Spatial Plan and may prepare a further supplementary statement in response that evidence.

Section 32AA evaluation of the updated PC13 provisions

34 In Attachment A I provide a further s32AA evaluation of the updated provisions.

J A Brown

21 June 2019

Further Section 32 evaluation of options for achieving Objective 20.3.1

The relevant objective is Objective 20.3.1(as renumbered) which states (including the modifications since the hearing was adjourned on 14 June):

20.3.21 Objective – Diversity of housing product and housing affordability and availability

Increased short term (within 3 years) and medium term (within 10 years) housing supply, variety and choice by creating a well-designed residential development comprising a range of housing densities and typologies to enable a range of affordable price options available as soon as possible.

Option	s32(2)(a)			s32(1)(b)(ii)		s32(1) – overall
	Costs	Benefits	Risk of acting or not acting	Efficiency	Effectiveness	appropriateness in achieving the objective
Option A The RTRA provisions for achieving Objective 20.3.1, including: • Policy 20.4.1; • Rule 20.7.6(ii); • Rule 20.7.7(xii); and • The zoning of the land This option assumes Option A and Option B1 co- existing	Costs of the provisions fall on the developer as a result of the need to ensure the quantum of lots / units is delivered in the short term, within the time frame, and potentially selling the first stage (400 lots and/or units) at less than the market rate.	Benefits include the timely delivery of a significant quantum of affordable housing in the short term. These benefits would be enjoyed by the people who purchase the lots or units in the first stage. The additional rezoned land would cause an oversupply of capacity relative to demand in the short to medium term, providing greater choice of location and diversity of housing	There is risk to the developer that Rule 20.7.7(xii) is not achieved and that waiting for a period of time causes an opportunity cost of not being able to proceed with the subsequent stages of the RTRA development. An oversupply of capacity reduces the risk that some District Plan-enabled capacity is not brought to the market in a timely manner – i.e. – it reduces the impact of developers trying to control the market	It may be inefficient for the developer to wait for Rule 20.7.7(xii) to be achieved, but not inefficient to any other person or group. It is efficient for land supply to exceed demand to slow the rate of property price rises and potentially reduce property prices.	The provisions would be effective in enabling people to enter the housing market at more affordable prices, and in doing so potentially increasing the potential for more affordable prices in other locations in Cromwell. Providing for additional controls, including the prohibited activity mechanism, is an effective and efficient way in forcing the developer to deliver housing product, and	The provisions are appropriate in achieving Objective 20.3.1 because they directly focus on, and provide clear mechanisms and obligations to achieve affordability, and availability of housing product in the short term and the medium term, and (along with other provisions), diversity of product, and good design. The provisions are the most appropriate way to achieve Objective 20.3.1.

		product (including lot size, unit typology). Benefits from more affordable product attracting more people to the Cromwell area and the overall economic benefits to the community from increased spending, increased construction activity that may not otherwise occur, and increased rates income for the District. Benefits to new purchasers of having the potential choice of different lot sizes, housing typologies.	prices by drip-feeding product onto the market. Reduces the risk of the RTRA developer land-banking the RTRA land.		hence for wider management of housing affordability.	
Option B Includes the greenfield residentially zoned locations, Top 10 park and Wooing Tree land; the Town Centre Area sites; and the settlements. It also includes the Freeway Orchard This option assumes Option B	Costs to prospective new entrants into the property market arising from less competition in the market and hence higher entry prices. Costs to the community arising from the time taken for zoned land to become development-ready, including by way of	Benefits to the developers from not having the competition caused by additional land that is zoned and development-ready. Benefits to existing property owners of having their property values remaining consistent or rising due to lack of	Risk that the less the area of zoned land available in the short term and medium term the greater the ability for existing developers to control the market by drip feeding supply. Risk that the zoned land will not be brought into "development-ready" state because of the	Less efficiency in the market arising from less land supply and the ability of developers to control the market by drip feeding supply. This could be avoided in the case of the Freeway land only, provided any suitable provisions were imposed at the time of any plan change.	No effective methods in the existing zonings to assure that any affordable housing product is released to the market in a timely manner. The Freeway land could contain such methods, but a plan change would take time and there is no certainty about the outcome of that.	The provisions go some way towards achieving aspects of Objective 20.3.1 in relation to design, variety and choice because of the range of potential lot sizes and housing typologies that could arise across the various zones. The provisions are not appropriate in

existing alone i.e. without PC13	land-banking and enabling developers to control the market prices by drip-feeding product onto the market. Costs of plan change for the Freeway land.	competition in the market. Potential (but not certain) benefits to new purchasers of having the choice of different lot sizes, housing typologies. Potential (but not certain) benefits of imposing similar provisions for affordability and availability on the Freeway land, if its zone were to change.	potential for land- banking. Risk that the Freeway land may not be rezoned or rezoned in a manner that serves Objective 20.3.1.		There is also no certainty about the timing of any plan change and whether it could secure housing availability and affordability in the short to medium term. There is no evidence that any developer is intending to provide affordable housing in the short and medium term.	achieving Objective 20.3.1 because they do not impose clear obligations on developers to achieve affordability, and availability of housing product in the short term and the medium term. This could be remedied in the case of the Freeway land, but there is no certainty about that. The provisions are, overall, not the most appropriate in achieving Objective 20.3.1.
----------------------------------	--	--	---	--	--	---

S32AA assessment of the red updates to the RTRA provisions

The following tables contain the Section 32AA evaluation of the proposed new or modified provisions in the updated (red) PC13 provisions since the adjournment of the hearing on 14 June 2019.

1. Objective 20.3.1

The objective (as renumbered) is modified as follows:

20.3.21 Objective – Diversity of housing product and housing affordability and availability

Increased short term (within 3 years) and medium term (within 10 years) housing supply, variety and choice by creating a well-designed residential development comprising a range of housing densities and typologies to enable a range of affordable price options available as soon as possible.

The purpose of the Act is the sustainable management of resources: 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 addressing the matters in section 5(2)(a) - (c).

An integral component of peoples' and communities' well-being is the provision of housing, for the current and future generations. The addition of the reference to the short and medium term into the Objective provides a clearer goal and establishes a basis for provisions to directly and immediately address Cromwell's housing supply and the affordability of housing product, for at least the current generation. The addition of land to accommodate housing demand in the short and medium term will have a positive effect on the long-term housing supply overall, and therefore contribute to meeting the needs of future generations. Adequate zoned capacity and the efficient use of finite land resources are necessary to meet housing demand and to achieve and maintain housing affordability.

In focusing on affordability and availability of housing product in the short term and the medium term, the objective is the most appropriate to achieve the Act's purpose.

2. Policy 20.4.1: Housing Affordability

Modification to the policy (as renumbered) as follows:

20.4.31 Policy – Housing Affordability and availability

Enable a range of dwelling types and sizes to help meet the housing needs of households on moderate incomes, while maintaining a high quality of urban and building design, and ensure that a significant quantity is available within three years.

The modified policy is evaluated against the relevant objective(s) of the RTRA as follows:

Relevant Objective(s)	Discussion: Appropriateness, Effectiveness and Efficiency, Costs and Benefits
20.3.1 Objective – Diversity of housing product and housing affordability and availability	The rule modification provides a timeframe to ensure efficiency in delivery of housing for moderate income households.
Increased short term (within 3 years) and medium term (within 10 years) housing supply, variety and choice by creating a well-designed residential	Costs of this rule will fall on the developer as a result of the need to ensure the quantum is delivered in the short term, within the time frame.

development comprising a range of housing densities and typologies to enable a range of affordable price options available as soon as possible.

The benefits include the timely delivery of a significant quantum of affordable housing in the short term, which would be enjoyed by the people who purchase the lots or units in the first stage. The additional rezoned land would cause an oversupply of capacity relative to demand in the short to medium term, providing greater choice of location and diversity of housing product (including lot size, unit A more affordable product will attract more people to the Cromwell area and there will be overall economic benefits to the community from increased spending, increased construction activity that may not otherwise occur, and increased rates income for the District. New purchasers would have the benefit of having the potential choice of different lot sizes and housing typologies.

It is efficient for land supply to exceed demand to slow the rate of property price rises and potentially reduce property prices. Providing for additional controls over delivery is an effective and efficient way in forcing the developer to deliver the housing product, and hence for wider management of housing affordability.

The policy is appropriate for achieving the objective.

3. Policy 20.4.12: Reverse Sensitivity

Modification to the policy as follows:

20.4.12 Policy – Reverse Sensitivity

Avoid reverse sensitivity effects on existing land uses in the neighbourhood, particularly the Highlands Motorsport Park, Cromwell Speedway, and horticulture / orcharding activities, and the Cromwell aerodrome.

The modified policy is evaluated against the relevant objective(s) of the RTRA as follows:

Relevant Objective(s)	Discussion: Appropriateness, Effectiveness and Efficiency, Costs and Benefits
20.3.11 Objective – Reverse sensitivity Existing activities adjacent to the Resource Area are protected from adverse reverse sensitivity effects, particularly Highlands Motorsport Park, Cromwell Speedway and horticulture activities/orcharding, so that constraints on those activities resulting from reverse sensitivity effects are avoided.	It is appropriate that the reverse sensitivity effects of the Cromwell aerodrome be managed as an existing noisy activity in the vicinity. The addition will effectively support the objective to avoid constraints on adjacent activities. The benefits include protecting the Cromwell aerodrome from adverse sensitivity effects. The method is considered appropriate for achieving the objective.

4. Rule 20.7.1(ii): Building design

The rule is modified to include a requirement for any buildings to comply with design guidelines, as follows:

20.7.1(ii)(k) Building design

The design of any building shall be approved by a Design Review Board as complying with the River Terrace Design Guidelines. The Board and the Guidelines shall be established and applied through a design review process implemented through a Consent Notice condition imposed under Rule 20.7.3(vii)(n).

The new rule is evaluated against the relevant objective(s) of the RTRA as follows:

Relevant Objective(s)	Discussion: Appropriateness, Effectiveness and Efficiency, Costs and Benefits
20.3.3 Objective – Well-designed built environment A well-designed built environment that provides for and positively responds to roads and open spaces, provides high quality amenity for residents, and contributes to public safety.	The inclusion of this rule requiring compliance with the design guidelines will ensure that dwelling design is not ad hoc (which could lead to poor design outcomes, poor streetscape and lower amenity overall) but rather provides for a cohesive, high-quality built environment that contributes positively to the residential amenity values of the area.
contributes to public safety.	Requiring compliance with design guidelines is an efficient method for ensuring well-designed built form is achieved in a consistent manner.
	The costs of including this rule are borne by the developer and by future property owners in the reduction in design choice and the time and resources needed to prepare and submit designs to the design panel.
	The costs are outweighed by the benefits of a well-designed development with high amenity values.
	The additional rule is necessary for ensuring the provisions are the most appropriate for achieving the objective.

5. Rule 20.7.1(vi): Subdivision precedes building

A rule is added to include a requirement that a subdivision consent precede construction of any building, as follows:

20.7.1(vi) Subdivision precedes building

A subdivision consent which achieves compliance with Rule 20.7.3(vii)(n) (Design Controls) and Rule 20.7.7(viii) (Reverse Sensitivity Covenants) must precede commencement of construction of any building.

Reasons:

Residential building design controls and avoidance of reverse sensitivity effects are integral aspects of development within the

Resource Area which need to be in place before construction commences.

The new rule is evaluated against the relevant objective(s) of the RTRA as follows:

Relevant Objective(s)	Discussion: Appropriateness, Effectiveness and Efficiency, Costs and Benefits
20.3.3 Objective – Well-designed built environment A well-designed built environment that provides for and positively responds to roads and open spaces, provides high quality amenity for residents, and contributes to public safety. 20.3.10 Objective – Reverse sensitivity	The addition of the rule ensures that subdivision will precede built development, to ensure that the development is co-ordinated overall rather than potentially ad-hoc. Rules 20.7.3(n) and 20.7.7(viii) are key methods for achieving good design and avoiding reverse sensitivity effects. Ensuring that the measures they provide for are in place prior to the undertaking of any land use is the most appropriate way to achieve the objectives.
Existing activities adjacent to the Resource Area are protected from adverse reverse sensitivity effects, particularly Highlands Motorsport Park, Cromwell Speedway and horticulture activities/orcharding, so that constraints on those activities resulting from reverse sensitivity effects are avoided.	The costs are to the developer in the reduction of choices available when developing the land, but this is outweighed by the benefits in effectively protecting the outcomes that the objectives promote. The rule is the most appropriate way to ensure the objectives are achieved.

6. Rule 20.7.3(viii)(I): Subdivision

The rule title is modified to refer to Stage One works and includes additional options for the location the off-road walkway/cycleway, as follows:

20.7.3(viii)(I): Subdivision

Staging of the Stage One development works

Stage One of the subdivision of the Resource Area shall comprise at least 400 residential lots, and shall include the following works:

- (i) The sealing of the balance of Sandflat Road to Pearson Road:
- (ii) The shoulder sealing of Pearson Road between Sandflat Road and Bannockburn Road;
- (iii) The intersection upgrades required at the State Highway 6 / Sandflat Road intersection under Rule 20.7.7(ii) (left turn deceleration and acceleration lanes);
- (iv) A formed off-road walkway/cycleway 3m wide, along
 - (aa) Sandflat Road, State Highway 6 and Cemetery Road (to the Cemetery Road / Chardonnay Street intersection); or
 - (bb) Sandflat Road and Pearson Road connecting River Terrace to Bannockburn Road; or
 - (cc) Any alternative route and distance approved by the Council.

The modified rule is evaluated against the relevant objective(s) of the RTRA as follows:

Relevant Objective(s)	Discussion: Appropriateness, Effectiveness and Efficiency, Costs and Benefits
20.3.5 Objective – Parks and open space network Parks and open spaces that cater for the recreation and amenity needs of residents, and a network of pedestrian and cycle connections and greenways that are safe and convenient and which, along with the road network, allow easy connections within and beyond the Resource Area.	The modifications allow for a range of possible routes for the location of the formed off-road walkway and cycleway linking the RTRA to other parts of Cromwell. The rule enables the selection of the best route in order to achieve the safe and convenient path as sought by the objective.
	The costs are borne by the developer as part of the subdivision works.
	The benefits include being able to provide for the most direct route to link to the pedestrian/ cycle network for residents of the area.
	The benefits outweigh the costs, and the modifications are necessary for ensuring that the provisions are the most appropriate for achieving the objective.

7. Rule 20.7.3(viii): Subdivision

A rule is added include a mechanism for the provision of land to the New Zealand Transport Agency in Stage Two of the subdivision, as follows:

20.7.3(viii)(m) Sta

Stage Two development works

Stage Two of the subdivision of the Resource Area (being the stage which enables the 401st residential lot to be created) shall include provision for an area of land at the Sandflat Road / State Highway 6 intersection to be vested in or transferred to the New Zealand Transport Agency for future roading purposes. The area of land shall be located and dimensioned as determined by NZTA as being sufficient and appropriate to enable a roundabout (as designed by NZTA) to be constructed at the Sandflat Road / State Highway 6 intersection.

The new rule is evaluated against the relevant objective(s) of the RTRA as follows:

Relevant Objective(s)	Discussion: Appropriateness, Effectiveness and Efficiency, Costs and Benefits
20.3.6 Objective – Road network A safe and efficient road network within the Resource Area that provides for all transport modes, including walking and cycling, while also integrating with the existing transport network and possible future development in surrounding areas.	As traffic numbers increase the intersection of State Highway 6 and Sandflat Road may require upgrading. This is appropriate to ensure the ongoing safety and efficiency of the intersection.
	The costs of this option are borne by the developer as part of the subdivision works. The benefits include maintaining an effective
	and efficient roading network for existing and future residents of the area.
	The benefits outweigh the costs, and the method is the most appropriate in achieving the safety and efficiency of the road network.

8. Rule 20.7.3(viii): Subdivision

A rule is added to include a trigger for the establishment of Design Guidelines for residential buildings, as follows:

20.7.3(viii)(n) Residential Building design

Any application for subdivision consent for any part of the Residential A and Residential B Sub-Areas shall include proposed Design Guidelines (for residential buildings excluding retirement living buildings) and a Design Review Board process to be approved by the Council and implemented through a Consent Notice condition.

The Council shall exercise its discretion in respect of the matters in Rule 20.7.3(vii).

The new rule is evaluated against the relevant objective(s) of the RTRA as follows:

Relevant Objective(s)	Discussion: Appropriateness, Effectiveness and
	Efficiency, Costs and Benefits
20.3.3 Objective – Well-designed built environment A well-designed built environment that provides for and positively responds to roads and open spaces, provides high quality amenity for residents, and contributes to public safety.	The inclusion of this rule requiring design guidelines and a design review board process at the time of subdivision application will provide a robust framework to avoid ad hoc design throughout the Resource Area and to ensure a co-ordinated and integrated design of the built environment is achieved. This will in turn provide for higher residential amenity for residents.
	This method is more efficient than including an extensive list of standards relating to the design and appearance of buildings in the district plan rules or requiring resource consent by way of controlled or restricted discretionary activity status, which in the context of individual dwellings would add significant transactions costs to applicants and the Council.
	The method is efficient because the guidelines can be amended or updated in the future with relative ease and without a plan change.
	The cost of including this rule are borne by the developer as time and resources will be needed to prepare the Design Guidelines and set up the Review Board. There is a minor cost to future residents in achieving compliance.
	The benefits of requiring Design Guidelines and a Design Guideline Review Board include establishing a better designed and more coordinated built environment for future residents and the wider community.
	The rule is therefore the most appropriate for achieving the objective.

9. Rule 20.7.3(x): Development of residential units within the Resource Area

The rule is modified to reduce the total number of residential units in the RTRA, as follows:

20.7.3(x) Development of between 840 750 and 900 residential units within the Resource Area

Any subdivision or development which will result in the total residential units (including retirement units) within the Resource Area exceeding 840 750. For the purposes of this rule a unit in a retirement development, intended for retirement living, is deemed to be 0.4 of a residential unit.

The modified rule is evaluated against the relevant objective(s) of the RTRA as follows:

Relevant Objective(s)	Discussion: Appropriateness, Effectiveness and Efficiency, Costs and Benefits
20.3.3 Objective – Well-designed built environment A well-designed built environment that provides for and positively responds to roads and open spaces, provides high quality amenity for residents, and contributes to public safety.	The modification to the rule reflects NZTA's acceptance that the trigger for the intersection upgrade should be the total traffic generated by 690 dwellings and 150 retirement living units, which equates to a total traffic volume the equivalent of 750 residential units. The expression as a total number of residential units is cleaner and more easily interpreted by plan user, without changing the substance of the rule or affecting how it achieves the objective.

10. Rule 20.7.4(i): Breach of General Standards in Rule 20.7.7 and Rule 20.7.5(viii): Breach of General Standards in Rule 20.7.7

The rules are modified to make non-compliance with Rules 20.7.7(vii) and 20.7.7(x) non-complying activities, as follows:

20.7.4(i) Breach of General Standards in Rule 20.7.7

Any proposal that does not meet the general standards at Rule 20.7.7 except Rules 20.7.7(vii), 20.7.7(viii), and 20.7.7(ix) and 20.7.7(xii).

20.7.5(viii) Breach of General Standards in Rule 20.7.7

Any proposal that does not meet the general standards at Rules 20.7.7(viii), 20.7.7(viii), and 20.7.7(ix) and 20.7.7(xii).

The modified rules are evaluated against the relevant objective(s) of the RTRA as follows:

Relevant Objective(s)	Discussion: Appropriateness, Effectiveness and Efficiency, Costs and Benefits
20.3.10 Objective – Reverse sensitivity Existing activities adjacent to the Resource Area are protected from adverse reverse sensitivity effects, particularly Highlands Motorsport Park, Cromwell Speedway and	The standard in Rule 20.7.7(viii) requires no-complaint covenants in relation to motorsport, orcharding and aerodrome activities. The standards in Rules 20.7.7(vii) and 20.7.7(ix) requires the acoustic insulation of buildings containing

horticulture activities/orcharding, so that constraints on those activities resulting from reverse sensitivity effects are avoided.

20.3.11 Objective - Healthy buildings

Construction of buildings that provide quiet and healthy internal environments that protect residents, to the extent necessary, from effects of existing activities adjacent to the Resource Area.

noise sensitive activities in respect of the proximity to noisy activities.

These standards are key methods for avoiding reverse sensitivity effects (Rule 20.7.7(vii)) and for protecting residents from the adverse effects of noise (Rules 20.7.7(viii) and (ix)).

The methods are efficient and effective for addressing the effects of noisy activities on adjacent properties. It is appropriate, in achieving the objectives, that not meeting the standards is discouraged, and non-complying activity status is the most appropriate method to achieve this

The costs are the reduction in the choice available to the developer or residents, by imposition of the non-complying status for breaching the rule, but this is heavily outweighed by the benefits in effectively locking in the protection outcomes that the objectives promote.

The non-complying status is the most appropriate for ensuring that the methods achieve the objectives.

20.3.1 Objective – Diversity of housing product and housing affordability and availability

Increased short term (within 3 years) and medium term (within 10 years) housing supply, variety and choice by creating a well-designed residential development comprising a range of housing densities and typologies to enable a range of affordable price options available as soon as possible.

The modified rule will result in the sale of lots / units above the prices set out in Rule 20.7.7(xii) requiring resource consent for a non-complying activity.

The costs of this rule fall on the developer as a result of the need to ensure the quantum of lots / units is delivered at the prices set out in Rule 20.7.7(xii) (potentially at less than the market rate) and the time and resources that would be required to consent any sale above those prices.

Benefits include the timely delivery of a significant quantum of affordable housing. These benefits would be enjoyed by the people who purchase the lots or units in the first stage.

The modified rule will be effective in enabling people to enter the housing market at more affordable price. Providing for additional controls is an effective and efficient way in forcing the developer to deliver housing product at an affordable price.

The non-complying status is the most appropriate for ensuring that the method achieves the objective.

11. Rule 20.7.6(ii): Failure to comply with Rule 20.7.7(xii) within time period

A new rule is included making any subdivision or land use requiring resource consent a prohibited activity if new Rule 20.7.7(xii) is not complied with. The rule is as follows:

20.7.6(ii) Failure to comply with Rule 20.7.7(xii) within time period

- (a) The sale of 200 affordable lots and 200 affordable houses as required by Rule 20.7.7(xii) must be completed within three years after the date Plan Change 13 (creating the Resource Area) becomes operative, subject to subclause (b) below.
- (b) The three year period referred to in subclause (a) above shall be extended by the following periods:
 - (aa) if any application for resource consent necessary to comply with Rule 20.7.7(xii) is publicly notified, that period between the date of public notification and the date the resource consent becomes operative;
 - (bb) if the Council fails to process any resource consent application required to comply with Rule 20.7.7(xii) within three months after the application is lodged, the period by which the time taken to process the resource consent application exceeds three months;
 - (cc) if the Council fails to process any application for subdivision engineering approval required to comply with Rule 20.7.7(xii) within three months after the application is lodged, the period by which the time taken to process the application for engineering approval exceeds three months;
 - (dd) if the Council fails to process any application for s224(c) certification required to comply with Rule 20.7.7(xii) within one months after the application is lodged, the period by which the time taken to process the application for s224(c) certification exceeds one month;
 - (ee) if the Council fails to process any building consent application required to comply with Rule 20.7.7(xii) within three months after the application is lodged, the period by which the time taken to process the building consent application exceeds three months
 - (ff) If any affordable lot or affordable house required to be sold under Rule 20.7.7(xii) is completed and marketed for sale at a price within the required price range, and does not sell, the period between the date one month after marketing commences and the date the affordable lot or affordable house is sold.
- (c) If this standard is breached, any subdivision or land use which requires resource consent is a prohibited activity during the period between the date of breach and the date the breach is remedied provided that this subclause does not apply to any application for subdivision or land use consent required to remedy the breach.

The new rule is evaluated against the relevant objective(s) of the RTRA as follows:

Relevant Objective(s)	Discussion: Appropriateness, Effectiveness and Efficiency, Costs and Benefits
20.3.1 Objective – Diversity of housing product and housing affordability and availability Increased short term (within 3 years) and medium term (within 10 years) housing supply, variety	The new rule strongly reinforces the short-term development timeframe and sale price limitations and ensures efficient delivery of affordable housing as required by Rule 20.7.7(xii).

and choice by creating a well-designed residential development comprising a range of housing densities and typologies to enable a range of affordable price options available as soon as possible.

There is risk to the developer that Rule 20.7.7(xii) is not achieved and that waiting for a period of time causes an opportunity cost of not being able to proceed with the subsequent stages of the RTRA development. It may be inefficient for the developer to wait for Rule 20.7.7(xii) to be achieved, but not inefficient to any other person or group.

The benefits include certainty that the land will be utilised for the purpose of affordable housing in the short term, by imposing a strong incentive to the development for quick delivery of an affordable housing stock. The new rule reduces the risk of the RTRA developer land-banking the RTRA land.

Providing for additional controls, including the prohibited activity mechanism, is an effective and efficient way in forcing the developer to deliver housing product, and hence for wider management of housing affordability.

The costs are outweighed by the benefits, and the method is the most appropriate for achieving the objective, particularly in relation to providing affordable product as soon as possible.

12. Rule 20.7.7(vii): Acoustic insulation of dwellings near State Highway 6

The rule is modified to include detail on demonstrating compliance with the acoustic insulation requirements, as follows:

20.7.7(vii) Acoustic insulation of dwellings near State Highway 6

- Any new residential buildings, or buildings containing activities sensitive to road noise, located within 80m of the boundary with State Highway 6 shall be designed, constructed and maintained to ensure that the internal noise level does not exceed 40dB LAeq(24hr) in bedrooms and all other habitable spaces. This shall take account of any increases in noise from projected traffic growth during a period of not less than 10 years from the commencement of construction of the development.
- (b) Compliance with this rule shall be demonstrated by a report from a suitably qualified and experienced acoustics expert. The report shall detail the constructions and assumptions used in the calculation process. Noise measurement is not required.
- (c) The titles affected shall be encumbered with a consent notice requiring ongoing compliance with this standard in perpetuity.

The modified rule is evaluated against the relevant objective(s) of the RTRA as follows:

Relevant Objective(s)	Discussion: Appropriateness, Effectiveness and Efficiency, Costs and Benefits
20.3.11 Objective – Healthy buildings Construction of buildings that	The addition to the rule replicates the clause in Rule 20.7.7(x)(d), which requires compliance with acoustic insulation standards to be demonstrated by a report from a suitably

provide quiet and healthy internal environments that protect residents, to the extent necessary, from effects of existing activities adjacent to the Resource Area.

qualified acoustic expert and is equally applicable to Rule 20.7.7(vii) also.

There is a cost to this method, of commissioning the report. This cost is borne by the developer or future house builders.

The benefit of the addition to the rule is the additional check for compliance. This benefit outweighs the cost, and the method contributes effectively to achieving Objective 20.3.11 for healthy internal environments.

13. Rule 20.7.7(viii): Reverse sensitivity covenants and Rule 20.7.7(ix): Reverse sensitivity – Orcharding activities

Rule 20.7.7(viii) is modified to widen the applicability of the restrictive no-complaint covenants and Rule 20.7.7(ix) is deleted as a consequence of the modification to Rule 20.7.7(viii), as follows:

20.7.7(viii) Reverse sensitivity - Motorsports Activities covenants

- (a) Activities enabled under Rules 20.7.1, 20.7.3 and 20.7.4 must be subject to a restrictive no-complaint covenants in favour for the benefit of:
 - (i) Cromwell Motorsport Park Trust Limited in respect of Lot 400 DP466637 and Lot 1 DP 307492 as the benefitting benefited land (Motorsports Covenant Land):
 - (ii) Central Otago District Council in respect of Lot 1 DP 403966 as the benefitting benefited land (Speedway Covenant Land);
 - (iii) Alan Bevin McKay in respect of Lot 2 DP300152 and Sections 28-36 Sarita Subdivision as the benefited land (Orchard Covenant Land);
 - (iv) Peter John Mead and Alastair David Stark in respect of Part Lot 2 DP19059 as the benefited land (Orchard Covenant Land);
 - (v) 45 South Cherry Orchards Limited in respect of Lot 3
 DP19744 and Lot 2 DP421474 as the benefited land
 (Orchard Covenant Land);
 - (vi) Central Otago District Council in respect of Section
 91 Block III Cromwell Survey District and Lot 2
 DP301554 as the benefited land (Aerodrome
 Covenant Land).
- (b) For the purposes of this rule a "restrictive no-complaint covenant" is a restrictive covenant which:
 - (i) is registered against the title(s) to the servient burdened land on which the activities will take place in favour for the benefit of the benefitting benefited land;
 - (ii) in the case of the Motorsports Covenant Land Let 400
 DP466637and Lot 1 DP 307492, prevents any owner
 or occupier of the servient burdened land from
 complaining about or taking any steps to prevent or
 limit motorsports and related activities lawfully carried
 out as authorised by the terms and conditions of
 resource consent numbers RC070149 and
 RC150225 including any variations operative prior to
 19 May 2018.

- (iii) in the case of the Speedway Covenant Land Lot 1 DP 403966, prevents any owner or occupier of the servient burdened land from complaining about or taking any steps to prevent or limit speedway and stock car track and related activities lawfully carried out as authorised by the terms and conditions of the planning consent for those activities issued by the (former) Vincent County Council dated 29 September 1980 including any variations operative prior to 19 May 2018;
- (iv) in the case of any Orchard Covenant Land, prevents any owner or occupier of the burdened land from complaining about or taking any steps to prevent or limit:
 - (aa) noise being lawfully generated in the normal course of orcharding activities being undertaken on the benefited land, including noise from frost-fighting, bird-scaring and orchard-related helicopter activities;
 - (bb) smoke from the burning of wood and foliage on the benefited land as a result of orchard tree trimming and replacement activities;
 - (cc) spray drift resulting from orchard spraying activities on the benefited land;
- (v) in the case of the Aerodrome Covenant Land, prevents any owner or occupier of the burdened land from complaining about or taking any steps to prevent or limit aerodrome activities;
- (vi) is binding on successors in title; and
- (vij) is in the format detailed in Rule 20.7.13, er Rule 20.7.14 or Rule 20.7.15 (whichever is applicable) or alternative wording approved by the Council. In the case of the Aerodrome Covenant Land, the covenant shall be in the format detailed in Rule 20.7.14 except that the Approved Activities will be activities associated with the operation of an aerodrome on the Aerodrome Covenant Land.
- (c) This rule shall be complied with by ene either or both following methods (listed in order of preference):
 - (i) by registration of a restrictive covenant (under the Property Law Act 2007 and the Land Transfer Act 2017) registered against the records of titles to the servient burdened land and the benefitting benefited land, if the owner of the benefitting benefited land allows and enables such registration;
 - (ii) if the owner of the benefitting benefited land does not allow and enable registration under (i) above, by subdivision consent condition imposing the restrictions required by this rule and recorded in a consent notice registered against the records of title(s) to the servient burdened land;
 - (iii) by land use consent condition imposing the restrictions required by this rule and the requiring registration of a covenant under s108(2)(d) of the Resource Management Act 1991 against the titles to the servient land;

Reason:

Existing motorsports, and speedway, orcharding and aerodrome activities on land near the Resource Area are entitled to protection from reverse sensitivity effects caused by residents and occupiers within the Resource Area.

20.7.7(ix) Reverse sensitivity - Orcharding activities

- (a) Activities enabled under Rules 20.7.1, 20.7.3 and 20.7.4 must be subject to a restrictive no-complaint covenant in favour of:
 - Lot 2 DP 300152 and Section 28-36 Sarita Subdivision:

each as the benefitting land.

- (b) For the purposes of this rule a "restrictive no-complaint covenant" is a restrictive covenant which:
 - is registered against the title(s) to the servient land on which the activities will take place in favour of the benefitting land;
 - (ii) prevents any owner or occupier of the servient land from complaining about or taking any steps to prevent noise being lawfully generated in the normal course of orcharding activities being undertaken on the benefitting land, including noise from frost-fighting, bird-scaring and orchard-related helicopter activities;
 - (iii) is binding on successors in title;
 - (iv) is in the format detailed in Rule 20.7.15 or alternative wording approved by the Council.
- (c) This rule shall be complied with by one of the following methods (listed in order of preference):
 - (i) by registration of a restrictive covenant (under the Property Law Act 2007 and the Land Transfer Act 2017) registered against the titles to the servient land and the benefitting land, if the owner of the benefitting land allows and enables such registration;
 - (ii) if the owner of the benefitting land does not allow and enable registration under (i) above, by subdivision consent condition imposing the restrictions required by this rule and recorded in a consent notice registered against the title(s) to the servient land;
 - (iii) by land use consent condition imposing the restrictions required by this rule and requiring registration of a covenant under s108(2)(d) of the Resource Management Act 1991 against the titles to the servient land.

Reason:

Existing orcharding activities on land near the Resource Area are entitled to protection from reverse sensitivity effects caused by residents and occupiers within the Resource Area.

The modified rules are evaluated against the relevant objective(s) of the RTRA as follows:

Relevant Objective(s)	Discussion: Appropriateness, Effectiveness and Efficiency, Costs and Benefits
20.3.10 Objective – Reverse sensitivity Existing activities adjacent to the Resource Area are protected from adverse reverse sensitivity effects particularly Highlands Motorsport Park, Cromwell Speedway and horticulture activities/orcharding, so that constraints on those activities resulting from reverse	The rule consolidates the two previous reverse sensitivity rules into one rule, Rule 20.7.7(viii), which incorporates the land covered by 20.7.7(ix). The new rule also identifies additional land and activities that would benefit from the required no-complaints covenants to protect these existing uses from reverse sensitivity effects. The land included is on the opposite side of State Highway 6 from the RTRA land.

sensitivity effects are avoided.	There are minimal additional costs arising from the additions to the rule because of the existing requirement to prepare and register the covenants.
	Benefits include ensuring protection of additional non-residential activities in the vicinity, including orcharding activities and the aerodrome, and additional effects generated by those activities (such as spray drift and burning).
	The additions assist in and are the most appropriate methods for ensuring that the objective for reverse sensitivity effects is achieved.

14. Rule 20.7.7(ix): Acoustic insulation of buildings containing noise sensitive activities

The rule is modified to reflect the updated position of Mr Styles in his summary statement, as follows:

20.7.7(ix) Acoustic insulation of buildings containing noise sensitive activities

(a) Noise Sensitive Spaces located within the Resource Area shall be designed, constructed and maintained to ensure that the following Outdoor-Indoor Transmission Class (OITC) noise level reductions are achieved in the Acoustic Insulation Zones shown on the Acoustic Insulation Plan at Rule 20.7.11

Acoustic Insulation Zone	OITC for Bedrooms D2m,nTw,+Ctr for Bedrooms	OITC for other Noise Sensitive Spaces D2m,nTw,+Ctr for Other Noise Sensitive Spaces
Α	3 0 8	3 0 4
В	33 40	25 36
С	306	25 32

(b) The OITC assessment shall be determined in accordance with ASTM E1332 16 Standard Classification for Rating Outdoor-Indoor Sound Attenuation; The D2m,nTw,+Ctr assessment shall be determined in accordance with ISO 717-1 Acoustics – Rating of sound insulation in buildings and of building elements – Part 1: Airborne Sound Insulation;

(c) Noise Sensitive Spaces includes:

- Bedrooms, kitchens, living areas and any other habitable rooms in dwellings;
- classrooms and indoor learning areas, lecture theatres in schools or educational facilities;
- (iii) conference of function spaces, bedrooms and living areas associated with visitor accommodation;
- (iv) Noise sensitive spaces in medical facilities; and

 (v) Any other rooms containing noise sensitive activities that are occupied frequently or for extended periods –

> but this does not include spaces insensitive to noise such as hallways, laundries, bathrooms, toilets, garages, closets, lobbies, workshops or storage spaces.

- (d) Compliance with this rule shall be demonstrated by a report from a suit ably qualified and experienced acoustics expert. The report shall detail the constructions and assumptions used in the calculation process. Noise measurement is not required.
- (e) Where the design requires windows and doors to be closed to meet the OITC requirements, all Noise Sensitive Spaces shall be ventilated or supplied with fresh air to meet the requirements of the Building Act, and shall be mechanically cooled (air conditioned) to ensure that the occupants do not need to open windows or doors for thermal comfort.
- (f) The titles affected shall be encumbered with a consent notice requiring ongoing compliance with this standard in perpetuity.

The modified rule is evaluated against the relevant objective(s) of the RTRA as follows:

Balance (Objection (a)	Dii
Relevant Objective(s)	Discussion:
	Appropriateness, Effectiveness and Efficiency, Costs and Benefits
20.3.10 Objective – Reverse sensitivity	The modifications reflect the updated position of Mr Styles in his summary statement.
Existing activities adjacent to the Resource Area are protected from adverse reverse sensitivity effects particularly Highlands Motorsport Park, Cromwell Speedway and horticulture activities/orcharding, so that constraints on those activities resulting from reverse sensitivity effects are avoided.	The more stringent internal noise controls better achieve the objectives.
20.3.11 Objective – Healthy buildings Construction of buildings that provide quiet and healthy internal environments that protect residents, to the extent necessary, from effects of existing activities adjacent to the Resource Area.	

15. Rule 20.7.7(xii): Stage Two commercial development

A new rule is added requiring a minimum level of commercial development prior to the Stage Two being certified, as follows:

20.7.7(xii) Stage Two commercial development

Before the Council issues s224(c) certification for the Stage Two subdivision plan (being the Plan which creates the 401st residential lot) at least one commercial premise containing at least 200m² floor area must be fully constructed for the purpose of a neighbourhood convenience retail activity.

The new rule is evaluated against the relevant objective(s) of the RTRA as follows:

A	iscussion: ppropriateness, Effectiveness and fficiency, Costs and Benefits
ordinated, integrated greenfields development Efficient greenfields development that is co-ordinated by way of a Structure Plan to achieve an integrated, connected, high quality residential neighbourhood. 20.3.8 Objective – Neighbourhood Centre A neighbourhood centre in a convenient location to provide for the day to day convenience needs of the residential neighbourhood, and to complement and not undermine the existing Cromwell retail and business centres.	the addition of the rule ensures that rogression of the site as a comprehensive and stegrated development is promoted during its rowth. The costs are to the developer in the construction of the commercial premise, and the potential risk that the premise may be intenanted at least until there is sufficient ritical mass of population within the Resource area to sustain a convenience retail business. The benefits include the opportunity for a seighbourhood convenience retail for the esource Area, and the reduction of trips of the premise would also likely act as the anchor or other convenience premises such as a café. The rule effectively protects the outcomes that the objectives promote. The benefits outweigh the costs and the rule is the most appropriate way to achieve the objectives.

16. Rule 20.7.7(xii): Sale prices

A new rule is added requiring subdivision to result in affordable houses, as follows:

20.7.7(xii) Sale prices

Stage One of the subdivision of the Resource Area shall result in 200 affordable lots and 200 affordable houses (ie: total 400) being sold. For the purposes of this standard:

- (a) 'Affordable lot' means a freehold residential lot, capable of accommodating a two bedroom or three bedroom residential unit, which is sold for a price within the price range \$180,000 to \$250,000 or less;
- (b) 'Affordable house' means a freehold residential lot, with a fully constructed and landscaped two bedroom or three bedroom residential unit, which is sold for a price within the price range of \$485,000 to \$600,000 or less;
- (c) Compliance with this standard shall be demonstrated by delivery to the Council of a copy of the relevant sale and purchase agreement together with written confirmation from a law firm that the affordable lot or affordable house was sold at the price specified in the sale and purchase agreement;

- (d) Unless compliance with this standard is demonstrated to the Council, the Council shall be entitled to impose a condition on any consent for subsequent stages of subdivision within the Resource Area that s224(c) certification for such subdivision shall not issue until this standard has been complied with;
- (e) Compliance under subclause (d) above may be achieved in a progressive cumulative manner; ie: demonstration of compliance in respect of (for example) 20 lots (with or without houses) shall enable s224(c) certification to be given by Council for an additional 20 lots beyond Stage One so that, as compliance is demonstrated in respect of each lot, an additional lot may be created.

The new rule is evaluated against the relevant objective(s) of the RTRA as follows:

Relevant Objective(s)	Discussion: Appropriateness, Effectiveness and Efficiency, Costs and Benefits
20.3.1 Objective – Diversity of housing product and housing affordability and availability Increased short term (within 3 years) and medium term (within 10 years) housing supply, variety and choice by creating a well-designed residential development comprising a range of housing densities and typologies to enable a range of affordable price options available as soon as possible.	The new rule establishes maximum prices ranges for lots / house in Stage One to ensure efficient delivery of affordable housing as defined. The costs of this rule fall on the developer as a result of the need to ensure the quantum of lots / units is delivered in the short term and potentially selling 400 lots and/or units at less than the market rate. Benefits include the timely delivery of a significant quantum of affordable housing in the short term. These benefits would be enjoyed by the people who purchase the lots or units in the first stage. The new rule will be effective in enabling people to enter the housing market at more affordable price. Providing for additional controls is an effective and efficient way in forcing the developer to deliver housing product at an affordable price. The method is considered appropriate for achieving the objective.