

SECTION 32

PROPOSED CHRISTCHURCH REPLACEMENT DISTRICT PLAN

CHAPTER 6 and CHAPTER 13 – Temporary Earthquake Recovery Activities - Workers' Temporary Accommodation

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1. STRATEGIC CONTEXT

1.1 PURPOSE OF THE CHAPTER

The purpose of these provisions is to provide for temporary accommodation for workers involved in the earthquake rebuild, either through the conversion of permanent buildings for temporary use as accommodation or the erection and use of temporary or relocatable buildings.

1.2 PROPOSED DISTRICT PLAN PROVISIONS: OVERVIEW AND SYNOPSIS

The operative City Plan and Banks Peninsula District Plan had provisions for workers' temporary accommodation inserted under s27(1)(a) of the Canterbury Earthquake Recovery Act 2011 consisting of Clause 9.2 of Part 9, General City Rules in the City Plan and Issue 2 in Chapter 41 of the Banks Peninsula District Plan.

These operative provisions allow for:

1. the use of permanent accommodation facilities such as guest accommodation, student housing, elderly person's housing or retirement villages to house rebuild workers;
2. the temporary conversion of other permanent buildings in appropriate zones to provide accommodation; and
3. the establishment of temporary units or complexes of temporary or moveable units, including modular units.

The proposed provisions covered by this section 32 assessment refer to other Plan provisions that are to be notified at a later stage of the review. Areas that were not zoned in Stage 1, and are to be zoned in a later stage, have been identified with an "Area" name to identify where different temporary earthquake recovery activity provisions are to apply. The "Area" names come from the Operative Plan zones and are not a rezoning through this Proposal. This will provide some certainty as to where provision is to be made for such temporary activities. However, a number of Plan standards still remain to be notified at a later stage, so the full set of provisions applying to temporary earthquake recovery activities will not be resolved until all the relevant provisions of the Christchurch Replacement District Plan are notified and decisions made by the Independent Hearings Panel. For this reason it is proposed that these temporary activity provisions only have effect once all relevant standards are operative. The intention is that the Operative Plan provisions for workers' temporary accommodation, which provide for such activities until 2022, remain in force until the Replacement Plan is made operative.

The Strategic Directions chapter as notified in Stage 1, and as supported by the Council at the hearing before the Independent Hearings Panel, recognises the need to provide for temporary earthquake recovery related activities including temporary construction related activities and additional housing and accommodation opportunities.

The proposed provisions take a similar approach to the operative plans to providing for workers' temporary accommodation with minor amendments including:

1. dropping the objectives and policies specific to workers' temporary accommodation, which will be covered by objectives and policies for temporary activities in the Strategic Directions chapter;
2. adding requirements for workers' temporary accommodation to comply with natural hazards and contaminated land provisions;
3. permitting workers' temporary accommodation in some additional zones;
4. requiring parking to be provided for temporary accommodation in the central city and for effects on the transport network to be considered for workers' temporary accommodation that triggers a resource consent application.

1.3 CONSULTATION

The Independent Hearings Panel directed that these provisions, along with other temporary earthquake recovery activity provisions that were originally proposed to be introduced with the other Stage 2 provisions, be brought forward and publicly notified by 7 February 2015. The directions required the Council to consult with the Minister for Canterbury Earthquake Recovery, the Minister for the Environment, other Ministers of the Crown who may be affected by the plan, the Canterbury Regional Council, Selwyn District Council, Waimakariri District Council, the New Zealand Transport Agency and Te Runanga o Ngai Tahu. The consultation period was short due to the timeframes included in the directions, and at the end of that period there had been a small number of responses, principally from CERA requesting simplification of provisions where possible and ensuring consistency with the Stage 1 provisions for temporary accommodation for displaced households.

Consultation was undertaken with the Collaborative Advisory Group, comprising representatives of the Canterbury Regional Council, Selwyn District Council, Waimakariri District Council, Canterbury Earthquake Recovery Authority, New Zealand Transport Agency, Ngai Tahu and the Ministry for Environment (in an advisory role), on the 22 January 2015. The only additional suggestion from the Collaborative Advisory Group was to consider increasing the 200 person limit for complexes of relocatable workers' accommodation in the central city.

Consultation with elected members highlighted concerns about the amenity impacts of temporary buildings in residential areas, including the central city.

2. RESOURCE MANAGEMENT ISSUES

2.1 STRATEGIC PLANNING DOCUMENTS

The Land Use Recovery Plan in s3.2.1 and s3.3.6 recognises the need to provide temporary accommodation options for rebuild workers, not only to support a significant temporary labour force to assist with the rebuild but also to reduce competition for permanent rental and guest accommodation required by homeowners while their houses are being repaired.

The Recovery Strategy for Greater Christchurch includes “providing options for... temporary or replacement housing” and encouraging the provision of accommodation for temporary construction workers as priorities in section 5.

The Canterbury Regional Policy Statement recognises as part of the explanation for Issue 6.1.1 that a “spectrum of housing types needs to be available to accommodate people on different levels of income and with different requirements, including a possible temporary working population”.

2.2 RESOURCE MANAGEMENT ISSUES

RESOURCE MANAGEMENT ISSUE 1 – Providing temporary housing for rebuild workers in appropriate locations and at an appropriate scale

There is one relevant resource management issue and that is how to provide temporary housing for rebuild workers in appropriate locations and at an appropriate scale.

A 2013 report commissioned by the Ministry of Business, Innovation and Employment (MBIE) on housing pressures in Christchurch¹ estimates a loss of 11,500 dwellings in metropolitan greater Christchurch between 2010-2012 as a result of the earthquakes, with affordable housing, including rental accommodation, being disproportionately affected. The demand for workers to assist with the rebuild has brought and will continue to bring additional migrants into the region, placing even greater strain on the remaining housing stock. Statistics New Zealand estimates an additional gross housing demand of 23,700 over the period from 2012-2028 reflecting both temporary relocation for earthquake repairs and additional housing demand from rebuild workers.

House prices and rents have increased significantly in many areas reflecting this demand. The average price of Christchurch properties rose 7.5% between February 2012 and February 2013. In February 2013, the average weekly rent in the greater Christchurch region was \$384, a 31% increase from August 2010.

MBIE reported in September 2014² that approximately \$1.2 billion of construction work associated with the rebuild was estimated to be completed. Work is forecast to peak at close to \$1.6 billion in the December 2016 quarter and to require approximately 38,000 construction trades workers. There were 675 rebuild-related visa arrivals in Canterbury in the September 2014 quarter, up from 508 in the June quarter.

While providing additional temporary housing, either in converted permanent buildings or by erecting or relocating temporary buildings, could help to alleviate the strain on the housing market, it also has the potential, depending on its scale and location, to have adverse effects on amenity values for permanent residents and to put additional strain on fragile infrastructure, particularly the transport and wastewater networks.

¹ Ministry of Business, Innovation & Employment; "Housing pressures in Christchurch: A Summary of the Evidence/2013"

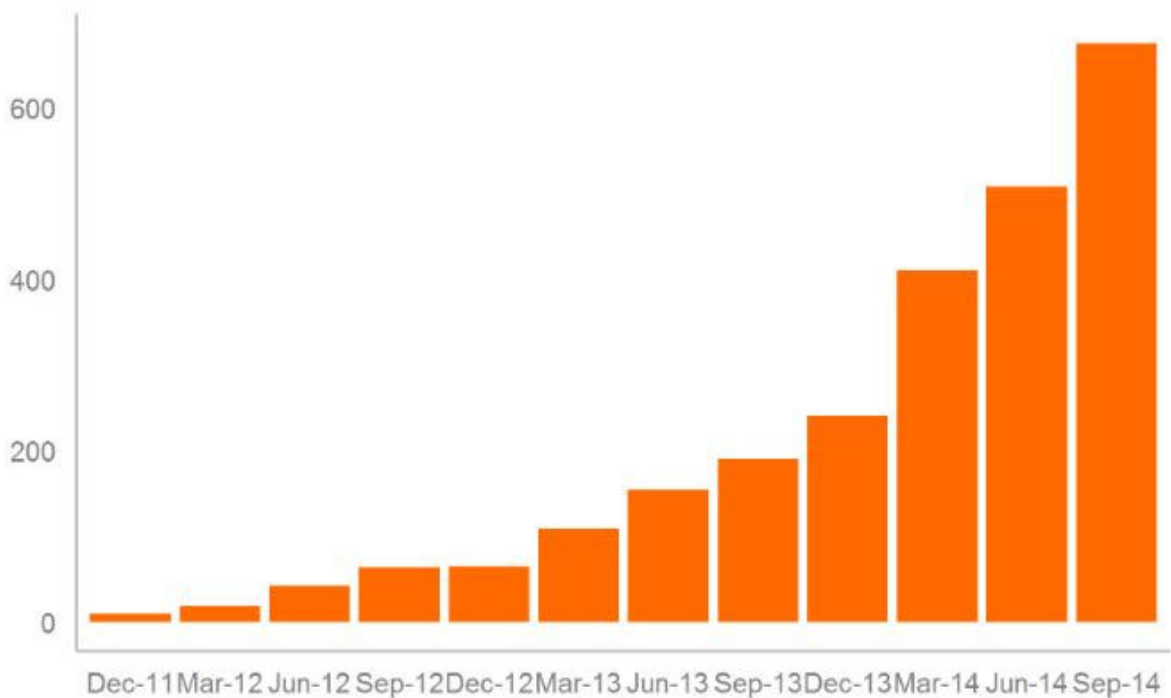
² Ministry of Business, Innovation & Employment; 'Quarterly Canterbury Job-matching Report: September 2014'

Figure 1: Average weekly private rents from new bonds lodged by major New Zealand regions



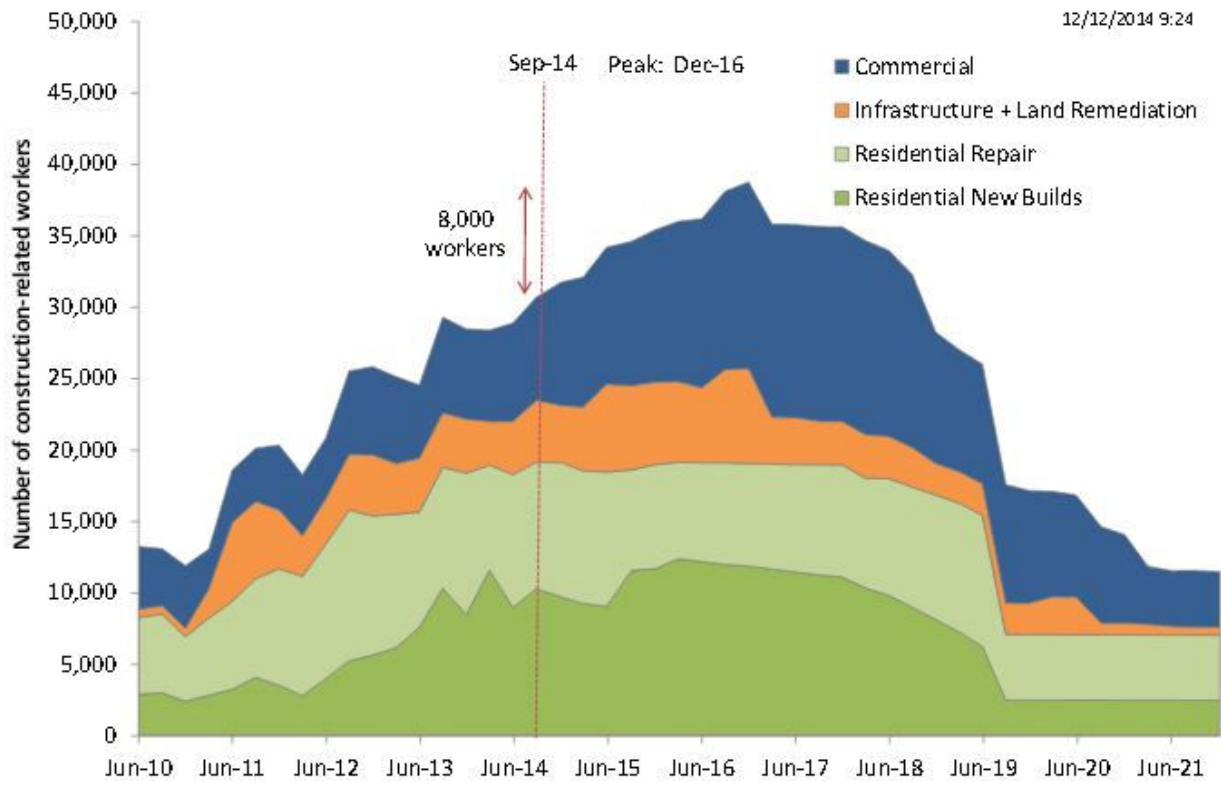
Source: Ministry of Business, Innovation & Employment

Figure 2: Rebuild-related work visa arrivals to Canterbury (2011-2014)



Source: Ministry of Business, Innovation & Employment

Figure 3: Greater Christchurch construction-related employment projections



Source: Ministry of Business, Innovation & Employment; Canterbury Earthquake Recovery Authority

3. SCALE AND SIGNIFICANCE EVALUATION

The level of detail undertaken for the evaluation of the proposed provisions is normally determined by an assessment of the scale and significance of the implementation of the proposed provisions. The scale and significance assessment considers the environmental, economic, social and cultural effects of the provisions. In making this assessment regard has been had to the following, namely whether the provision;

- a. is of regional or city-wide significance and whether the provision is predetermined to impede the City's recovery;
- b. is important to resolve an issue or problem particularly to protect life and property;
- c. will radically change from current provisions; and/or
- d. will affect reasonable use of land; and/ or
- e. will adversely affect those most directly affected or those with particular interests including Maori (consideration needs to be given as to whether there is certainty of effects based on the availability of information to assess benefits and costs);
- f. limit options for future generations to remedy effects;
- g. will directly assist in the City's recovery.

However, the level of evaluation able to be undertaken through this Section 32 has been significantly influenced by the truncated process and timeframe directed by the Independent Hearings Panel. The Section 32 evaluation will continue to be updated through the submissions from the community and stakeholders.

4. GENERAL DIRECTION OPTIONS EVALUATION AND RECOMMENDATIONS

Section 32(1)(b) requires an evaluation of whether the provisions are the most appropriate way to achieve the objectives by identifying other reasonable practicable options, assessing the efficiency and effectiveness of the provisions in achieving the objectives, and summarising the reasons for deciding on the provisions.

The assessment must identify and assess the benefits and costs of environmental, economic, social and cultural effects that are anticipated from the implementation of the provisions, including opportunities for economic growth and employment. The assessment must if practicable quantify the benefits and costs and assess the risk of acting or not acting if there is uncertain or insufficient information available about the subject matter.

Option 1: Status quo - rollover of existing plan provisions

- a. The existing plan provisions are summarised in 1.2 above.
- b. Under the provisions in the operative plans, 17 consent applications have been received since September 2012. They have the potential to create, between them, 857 additional residential units. This does not include additional temporary housing provided in guest accommodation, student housing, retirement villages, and the like, which are permitted activities under the operative Plan rules and do not require a resource consent. This has gone some way towards addressing the issue of providing additional housing options for temporary workers and reducing the demand for rental or guest accommodation.
- c. There have not been significant enforcement issues raised with respect to workers' temporary accommodation that has already been built.
- d. Rolling over the existing plan provisions with no modifications, however, has the potential to create issues with respect to:
 - i. the amenity effects of modular units where these are not mitigated by setback controls or landscaping requirements that would ordinarily be required in residential areas;
 - ii. the impacts of potentially large complexes of temporary buildings on the transport network and other sensitive infrastructure;
 - iii. the need to better integrate with the Natural Hazards and Hazardous Substances and Contaminated Land provisions.
 - iv. the need to update the Wastewater Overview Map showing appropriate areas for temporary accommodation in the Design Guide to reflect SCIRT repairs since 2012 and new information on vulnerabilities to the wastewater network post-earthquakes;
- e. The operative plans include objectives and policies for workers' temporary accommodation that have been superseded by the objectives and policies in the Strategic Directions chapter with respect to temporary activities. The Strategic Directions chapter as notified and as supported by the Council at the hearing before the Independent Hearings Panel, recognises the need to provide for temporary construction related activities until 2022 and for additional accommodation, as well as the need to manage adverse effects.
- f. As significant demand for accommodation for rebuild workers is anticipated to continue at least until 2019, it is recommended that provisions for workers' temporary accommodation generally similar to those in the Operative plan be included in the proposed Replacement District Plan but that some amendments be introduced to address the above issues (see discussion of additional options below).

Option 2: Allow larger scale workers' temporary accommodation as permitted activities in the central city

- a. The operative plan provisions allow complexes of temporary buildings housing up to 200 people as a permitted activity in the Central City Mixed Use Zone. In consultation, one reason suggested for the relatively low uptake of this type of temporary accommodation from developers is that the 200 person limit potentially does not allow for development of a scale that would be economically viable and that larger complexes should be permitted as of right.
- b. This option recognises the significance of the need to provide workers' temporary accommodation but does not address the primary reason for low uptake from developers, particularly for larger developments, which are understood to be the difficulties in securing financing and an adequate return-on-investment for a temporary development of this nature. Providing for complexes of temporary buildings housing more than 200 people as permitted activities even when restricted to the central city, would be difficult without creating potential for significant adverse effects on amenity values and on transport and infrastructure networks.
- c. This option is assessed as being a less appropriate way of achieving the objectives and policies of the Plan and the purpose of the RMA, compared to Option 1 – retaining provision for workers' temporary accommodation at the current scale.

Option 3: Permit workers' temporary accommodation in additional zones

- a. While continuing to provide for existing zones as set out in Option 1, providing for temporary workers' accommodation in additional appropriate zones is another option for addressing the key issue.
- b. In the operative City Plan, workers' temporary accommodation in temporary or relocatable buildings for up to 200 people is provided for as a permitted activity in the Central City Mixed Use Zone. It is considered appropriate to provide for the same activity and temporary buildings in the Central City Business Zone and Central City (South Frame) Mixed Use Zone as these environments have a similar capacity to absorb the effects of temporary developments on this scale.
- c. The operative rules also provide, as a controlled activity, for temporary or relocatable buildings in central city Living Zones, medium density residential areas and commercial centres but does not provide for temporary workers' accommodation in the Living 5 (Visitor Accommodation) zone. As a similar or higher density of development is anticipated for this zone as for the zones where the accommodation is allowed as a controlled activity, it is considered appropriate to add the Living 5 Zone to Rule 6.1.3.3.2 C1.
- d. This option is assessed as being a more effective and efficient way of achieving the objectives and policies of the Plan, compared with Option 1 – retaining provisions for workers' temporary accommodation in the current zones.

Option 4: Introduce additional controls on workers' temporary accommodation

Car Parking and Traffic Generation

- a. The operative Plan rules permit complexes of temporary or relocatable accommodation units housing up to 200 people in the Central City Mixed Use zone with no requirement for car parking to be provided. Availability of carparking to assist the recovery of Central City businesses has been an emerging issue for the rebuild. As such, it is considered more appropriate to introduce an additional requirement of carparking for workers' temporary accommodation complexes at a rate of one space per four beds, consistent with what is required under the operative Plan rules for these complexes in other zones.

- b. Where workers' temporary accommodation triggers a restricted discretionary resource consent under the operative plan rules, applications are assessed against their effects on car parking availability but not on the effects on the transport network generally (i.e. traffic generation). It is considered appropriate, given that consent applications of this type could be for very significant sized residential developments, that a matter of discretion for impacts on the transport network be introduced.

Amenity

- c. Concerns have been raised in consultation (see s1.3) about the amenity impacts of temporary buildings, particularly modular units, on residential areas and consideration given to additional controls requiring landscaping, setbacks or other urban design controls.
- d. Outside of the Central City Mixed Use zone, complexes of temporary accommodation buildings under the operative plan provisions are a Controlled or Restricted Discretionary activity with Council matters of control/discretion including site layout and building design and location suitability. The policy for Temporary Recovery Activities in the Strategic Directions chapter allows for consideration of the "effects on amenity and character of the surrounding community environment". This is considered a sufficient approach to address any significant adverse amenity effects on the receiving environment.
- e. While it would be possible to introduce additional requirements for temporary landscaping, for example, it is unlikely that this would have a significant mitigating effect on this type of development, which has been allowed subject to more relaxed urban design standards on the understanding that the activity is of a temporary nature. Additional urban design controls would increase costs for developers and could further reduce the commercial viability of workers' temporary accommodation.
- f. This option is assessed as being a less effective and efficient way of achieving the objectives and policies of the Plan, and is not the most appropriate way of achieving the purpose of the RMA, compared to Option 1- retaining the operative plan's approach to urban design and amenity issues with respect to workers' temporary accommodation.

Location Suitability (Natural Hazards Overlays, Contaminated Land, Heavy Industrial and High Noise Generating Areas, Flat Land Recovery Area)

- g. The operative plan provisions were inserted as a complete set of rules that, in theory, exclude consideration of other plan or zone rules with respect to workers' temporary accommodation including natural hazards, hazardous substances, contaminated land, and noise attenuation. Additional consideration needs to be given to areas where residential development either is not appropriate or should be carefully managed to protect the health and safety of occupants. As such, it is considered appropriate to clarify that the objectives, policies and provisions of proposals relating to natural hazards, hazardous substances and contaminated land continue to apply to workers' temporary accommodation. Otherwise there is a risk of workers' temporary accommodation establishing in areas subject to flooding, rockfall, historic contaminated land or unacceptable levels of noise.
- h. The operative plan provisions make conversion of a permanent building or construction of a complex of temporary buildings a restricted discretionary activity except in a Rural, Rural-Residential, Conservation or Open Space 3A or 3D zone where those activities would be non-complying. As such workers' temporary accommodation under the operative plan provisions is a restricted discretionary in the Industrial Heavy, Special Purpose (Airport), Special Purpose (Landfill), Special Purpose (Styx Mill Transfer Station) and Lyttleton Port zones but non-complying in Rural zones. Because of the likelihood of noise or site contamination issues with

those areas, it is considered more appropriate to include them with the list of areas where workers' temporary accommodation would be a non-complying activity.

- i. Workers' temporary accommodation is not considered to be appropriate within the "Residential Red Zone" Overlay because of the sensitivity of the wastewater network and other infrastructure in that area.

4.1 ADOPTED DIRECTION

Option 1: Continue to provide for workers' temporary accommodation with minor amendments including:

Option 3: Permit workers' temporary accommodation in some additional zones;

Option 4a-b: Introduce additional car parking requirements and assessment matters relating to impacts on the transport network in some circumstances;

Option 4f-h: Introduce additional restrictions on some zones and areas where workers' temporary accommodation would not be appropriate;

Update the Wastewater Overview Map