



Intensification Action Plan

September 2020



 **Nelson City Council**
Te Kāunihera o Whakatū

A2410696



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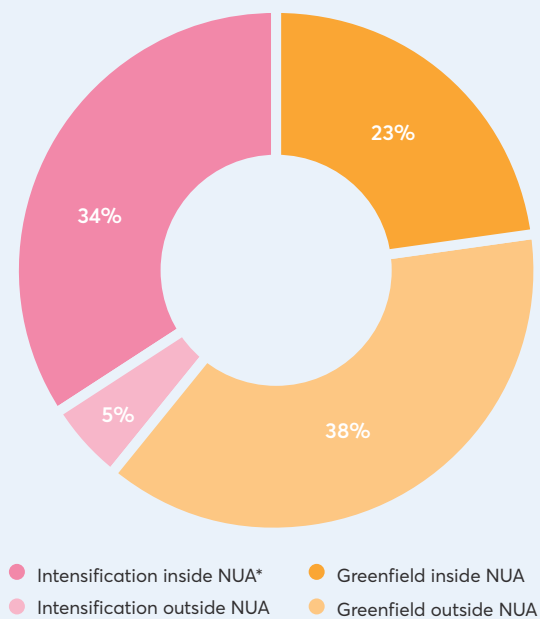


Summary

Purpose

As more people seek to live in Nelson's Smart Little City, extra planning for housing is required. To provide direction on the way forward a Nelson Tasman Future Development Strategy (FDS) covering the combined region was jointly adopted by Nelson City Council and Tasman District Council in July 2019. The FDS has been developed to guide the development of the city's growth capacity in the larger Nelson Urban Area (that being Nelson, Richmond and Hope). The FDS highlights the need for planning rules and incentivisation tools to meet projected housing market demands over the next 30 years and sets out the role that both greenfield (expansion and intensification) and brownfield (intensification) have to play in accommodating Nelson's future growth. Included in this is that at least 60 percent of future housing growth is to be accommodated by intensification (the building up of housing) within the Nelson Urban Area.

Figure 1. The location of regional growth capacity as identified in the Nelson Tasman Future Development Strategy (Figure 3, page 11)



The FDS recommends each Council develop an Intensification Action Plan *to identify and progress actions to enable and support the intensification outcomes of the Future Development Strategy.*

Nelson's Intensification Action Plan provides a guiding framework for Council's actions to enable housing intensification, with a focus on the areas the FDS has identified. The actions concentrate on Nelson City Council's jurisdiction only, designed to deliver on the shared vision for regional growth through its focus on Nelson's growth plan, taking into account Council's strategic aspirations and desire to be more intentional about its growth planning.

While the global pandemic in early 2020 has introduced some uncertainty around population projections during the development of this action plan, the strategic framework of the FDS remains relevant. The FDS directs the location of growth while reflecting community priorities and outcomes, at whatever rate growth occurs in the future. There is also a well-documented shortfall in housing supply even for the current population, reflected in housing prices and other indicators of housing stress. Reports of Nelson's housing capacity can be found on Council's website: nelson.govt.nz/building-and-property/city-development/urban-development-capacity/



Overview

The FDS was adopted by the Nelson Tasman Joint Committee on 26 July 2019. It is a high-level strategy that guides how the two regions intend to grow over the next 30 years. The FDS, along with each Council's Long Term Plans and Resource Management Plans, gives effect to the requirements of the National Policy Statement on Urban Development Capacity, which was the National Policy Statement at that time. Since the development of the FDS, in July 2020, the Government has released an updated National Policy Statement on Urban Development (NPS-UD) which will inform its future reviews and updates.

Although Nelson experiences a range of housing needs this action plan concentrates on enabling and encouraging intensified housing within the urban boundary. Nelson has limited greenfield capacity, however, this action plan is not intended to substitute the role of greenfield development in easing supply as both have a key role. Notwithstanding this, additional support of intensified development is important in recognition that it can be harder to achieve its uptake than with greenfield development. Intensification of the existing urban area also seeks to encourage better use of these areas with benefits for people from increased accessibility to workplaces, services and amenities as well as supporting greater accessibility to public and active transport networks and the efficient provision of infrastructure within the city.

In response to the intensification of housing, the role of green space is expected to become increasingly important to the wellbeing of

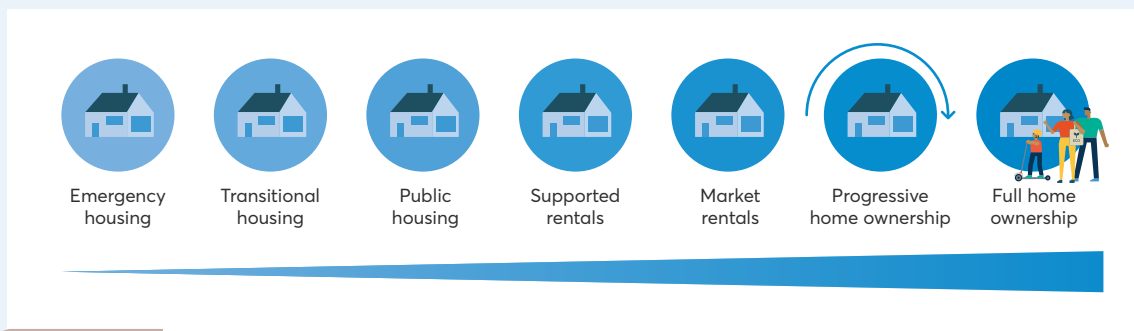
communities. Green spaces provide residents of urban environments with the opportunity to interact and connect with nature, shade, and help to increase natural biodiversity, all critical to the success of intensification of housing. Vegetation can also be used to retain stormwater to reduce peak discharges. Council will be encouraging developers to build up green infrastructure in support of the clever land management and urban design objectives it seeks.

For the purpose of this document, intensification means focusing on compact urban growth by encouraging and enabling more housing to be created, either through the replacement or adaptation of existing buildings or development of vacant land.

The Intensification Action Plan is intended to enable new dwellings across the housing continuum.

Actions are focused on facilitating the coordination and prioritisation across the following Council workstreams: Housing preference, Regulation, Infrastructure, and Cost. Actions are designed to either directly affect housing supply or create the necessary conditions for intensification, for example, planned and phased infrastructure. The cost of implementing the actions varies considerably, with some a commitment to continuing existing practices, while others require significant time and investment. Detailed actions of each of these workstreams can be found in the relevant sections that follow.

Figure 2. Continuum of housing needs



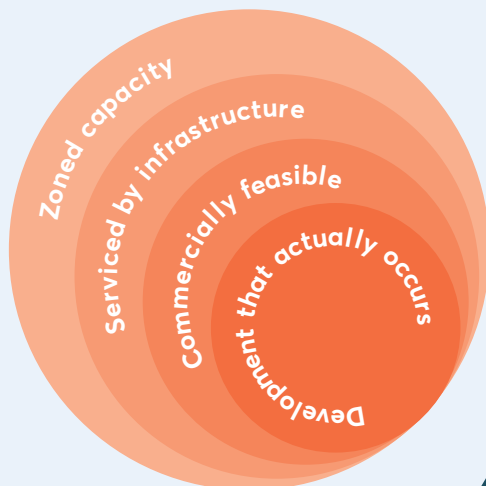
Implementation

While the FDS provides a 30-year framework for planned growth, it will be reviewed regularly as per the requirements of the NPS-UD. Once reviewed, the NPS-UD will also require an implementation plan, which is to be reviewed annually. More Government guidance is expected to be released shortly about the requirements of this implementation plan.

Meanwhile, it is important to understand the difference between capacity and supply in relation to this action plan as Council currently has limited control over increasing the supply of housing¹. This is largely generated through the work of developers and private landowners, although intensified housing is also delivered by social housing providers and iwi. Delivery of public housing, residential housing and urban development is also the focus of the Ministry of Housing and Urban Development, which leads the country's housing and urban development work programme.

Council's current key areas of influence sit with what is plan-enabled under its operative Resource Management Plan – through land-use zoning and rules – and what is serviced through infrastructure provision to a site or area. In this way, Council provides an enabling environment that supports landowners to redevelop their land to meet demand.

Figure 3. The capacity-supply relationship showing the broad relationship between capacity and market supply. Council's influence sits within the two top spheres



Te Tau Ihu iwi

The FDS was prepared in consultation with Te Tau Ihu iwi².

In terms of spatial constraints and opportunities, some common themes from the consultation with iwi included the need to take a longer view, protection, enhancement and restoration of the natural environment (for example water health) and supporting social and economic development. This includes supporting the ability of whānau and their communities to maintain their relationship with their ancestral lands, and enhancing their sense of identity and belonging in the region.

More work is proposed through workstream 1 – to progress the relationship with iwi, and through workstream 2 – the development of the Whakamahere Whakatū Nelson Plan (WWNP). In future, the NPS-UD has increased the scope of matters for consideration – in preparation of Future Development Strategies for example – and the values and aspirations of iwi/hapu for the desired state of the urban environment.

Papakāinga is used to describe the traditional and contemporary Māori concept of the kāinga (village) occupation of ancestral or tribal lands. The draft Whakamahere Whakatū Nelson Plan is expected to enable land-use planning changes to better provide for papakāinga and the development of Māori land (including Treaty settlement land) in Nelson.

1. The Government's Urban Growth Agenda is looking at tools to assist both central and local government in this area.

2. The natural grouping of eight iwi at the top of the South Island: Ngāti Apa ki te Rā Tō, Ngāti Koata, Ngāti Kūia, Ngāti Rārua, Ngāti Tama ki Te Tau Ihu, Ngāti Toa Rangatira, Rangitāne o Wairua, Te Ātiawa o Te Waka-a-Māui



Summary of actions

The table below provides a summary of the individual actions to incentive intensification. Further information on the actions is provided in the relevant section of the plan.

Table 1. Summary of actions

| Goal | Action | Responsibility | Timescale |
|---|---|--|--|
| Housing preference | | | |
| Alignment between new dwelling supply and current/ future household demand | Implement monitoring and reporting measures identified in the FDS and under the National Policy Statement on Urban Development (a detailed assessment of housing need and supply) | City Development | Quarterly with annual publication of results |
| | Maintain and build relationships with Te Tau Ihu iwi, Kāinga Ora-Homes and Communities and local CHPs to maximise opportunities for more targeted housing in Nelson including social housing or papakāinga | Strategy, City Development & Resource Consents | Ongoing |
| | Proactively assist developers to include housing as a part of mixed-use developments in the city centre, city centre fringe and suburban commercial zones, for example, by testing design feasibility ideas, maintaining relationships with developers and landowners, focusing public realm upgrades in locations where they can leverage residential development and proactively assisting through pre-application meetings | City Development, Resource Consents & Building | Ongoing |
| Improvements in the perception of, and confidence in, intensive housing | Continue to provide free independent advice for development proposals that have significant urban design implications through the Urban Design Panel | City Development | Ongoing |
| | Review Council's Urban Design Protocol Action Plan | City Development | 2021 |
| | Continue to require high-quality design standards for intensive housing through Plan objectives, policies and rules | Environmental Planning | Ongoing |

| Goal | Action | Responsibility | Timescale |
|--|--|---|------------------------------|
| Housing preference | | | |
| Improvements in the perception of, and confidence in, intensive housing | Explore the possibility of facilitating a partnership to establish a collaborative exemplar housing development in the city centre/fringe area using Council-owned assets | City Development & Property Services | Ongoing |
| | Through Council's website platform, promote successful projects where development has worked well as a result of good design and/or Council/developer collaboration through Council's media and communications channels. For example, using Our Nelson, the Council's Facebook and Twitter feeds to showcase and report on innovative and creative projects | City Development & Communications | Ongoing |
| Regulation | | | |
| Council's Resource Management Plan/s enable and encourage housing intensification in the city particularly in FDS areas | Ensure the Regional Policy Statement is drafted to provide clear support for housing intensification as recommended in the FDS and required by the NPS-UD | Environmental Planning | 2022 onwards |
| | <p>For the WWNP to;</p> <ul style="list-style-type: none"> provide for intensive housing in greenfield areas, and brownfield areas identified for intensification to encourage and enable these housing types to be provided and enable a mix of housing typologies provide high-quality on-site amenity appropriate to the mix of uses and residents' needs as informed by Housing and Business Development Capacity Assessments and continued testing of capacity provided by draft rules reduce notification requirements for infill housing | Environmental Planning & City Development | In conjunction with the WWNP |



| Goal | Action | Responsibility | Timescale |
|--|---|--|-----------|
| Regulation | | | |
| Landowners know how to navigate and understand the regulatory environment concerning intensification projects | <p>Develop information guides to assist with investment decision making for all types of intensification and promote the building of these housing types</p> <ul style="list-style-type: none"> For the city centre – on the conversion of upstairs commercial space to residential For brownfield residential – regulatory requirements of the Resource Management Act and Building Act for example, for backyard infill, tiny homes or repurposing of existing homes to intensify | Communications, Environmental Planning, Building, Resource Consents & City Development | Ongoing |
| | <p>Continue to help applicants considering intensive housing proposals, for example through pre-application meetings, the use of the urban design panel, major projects and duty planner services. A proportion of these services are already free for customers</p> | Resource Consents, supported by Building & City Development | Ongoing |
| National direction is implemented throughout Council activities | <p>Stay up to date with national direction through changes to its legislative and regulatory documents. Raise local issues at a national level, for example, through submission responses to draft National Policy Statements</p> | All departments | Ongoing |



| Goal | Action | Responsibility | Timescale |
|---|---|--------------------------------------|--|
| Infrastructure | | | |
| Future Long Term Plan's, AMP's and Infrastructure Strategy enable sufficient housing intensification in designated areas | Undertake Neighbourhood Asset Upgrade Plans for each FDS intensification area to guide current and future infrastructure investment in a coordinated way including use of road and reserve for low impact stormwater and amenity offsets | City Development & Activity Managers | During decade 1 of the Long Term Plan 2021–2031 |
| | Alignment of lead and lag infrastructure budgeting to ensure capacity is enabled in each intensification area in a coordinated way | Activity Managers | Propose in draft Long Term Plan 2021–2031 and ongoing for future Long Term Plans |
| Utilities infrastructure planning is undertaken in conjunction with intensification development | Ensure utility planning activities consider the proposed intensification areas for example, active and/ or public transport opportunities nearby or exploring the benefit of preparing parking management plans in areas that apply | Activity Managers | Ongoing. Policy-Strategy work to inform draft Long Term Plan 2021–2031 |
| | Ensure that infrastructure policies provide for future intensification. For example, city centre intensification objectives are supported through, and aligned with, the Public Transport Plan, Out and About Policy and Parking Strategy development and NZTA projects and funding opportunities | Activity Managers | Ongoing |
| Reserve amenity is in step with intensification | Develop new Level of Service and associated development programme for the upgrade of existing urban neighbourhood reserves in intensification areas and align with Neighbourhood Asset Upgrade Plans | Parks and Reserves | To be consulted on in conjunction with the draft Long Term Plan 2021–2031 |
| Public realm improvements leverage private residential development in the city centre | Continue to deliver planned city centre programmes to reinforce the city centre as an attractive place for events and recreation as well as to live and work | City Development | Ongoing |



| Goal | Action | Responsibility | Timescale |
|---|---|--------------------------------------|--|
| Cost | | | |
| Council's Development Contributions policy supports its intensification objectives | Propose changes in the policy particularly for reserve contributions through the LTP 2021–2031 | City Development | Propose in draft Long Term Plan 2021–2031 and ongoing for future Long Term Plans |
| Budgeting of Infrastructure investment to service-plan enabled growth | Budget infrastructure is programmed to enable the provision of increased capacity through the LTP process at the right time in response to FDS and Housing Business Assessment results | Activity Managers | Propose in draft Long Term Plan 2021–2031 and ongoing for future Long Term Plans |
| Development Agreements provide a workable solution to the timing of infrastructure capacity | Continue to use Development Agreements to deliver FDS intensification objectives | Activity Managers & City Development | Ongoing |
| | Consider introducing the ability to negotiate an affordability criteria when doing private development agreements | Activity Managers & City Development | Ongoing |
| Any divestment of Council's community housing supports social and affordable housing solutions in Nelson | Establish a Housing Reserve to allow Council to work with and support partners who have the ability to deliver social and affordable housing solutions for the community into the future | Strategy | Ongoing |
| More uptake of residential in the city centre | Provide for consideration of a City Centre Residential Conversion Fund of \$50,000 in the draft LTP 2021–2031 over years 1 to 3, to subsidise the regulatory cost of conversion of upstairs commercial to residential in existing city centre buildings | City Development | Propose in draft Long Term Plan 2021–2031 |



Introduction

What is intensification?

Intensification is the practice of focusing on compact urban growth, by encouraging and enabling more housing to be created either through replacement or adaptation of existing buildings or development of vacant land. In this way, the intensification of areas or suburbs involves a transition from lower density types of housing to include more intensive types of housing. Intensification traditionally takes one of two forms:

- Infill – Where an additional dwelling(s) is added to a single site and may or may not include subdivision of the site.
- Redevelopment – Where an original dwelling is removed from a site and replaced with a number of attached units/apartments. This can also include the comprehensive redevelopment of multiple dwellings and sites, as shown in the figure below.

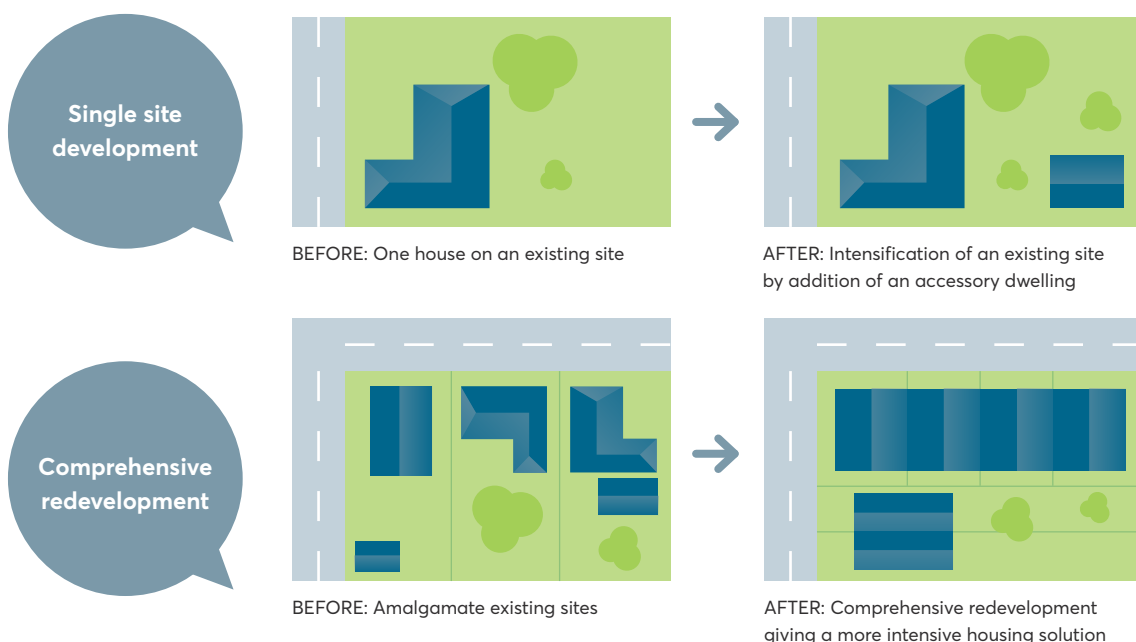
The definition of different density standards as adopted in the National Planning Standards.³

- Low-density residential zone – Areas used predominantly for residential activities and buildings consistent with a suburban scale and subdivision pattern, such as one to two-storey

houses with yards and landscaping, and other compatible activities.

- General residential zone – Areas used predominantly for residential activities with a mix of building types, and other compatible activities.
- Medium-density residential zone – Areas used predominantly for residential activities with moderate concentration and bulk of buildings, such as detached, semi-detached and terraced housing, low-rise apartments, and other compatible activities.
- High-density residential zone – Areas used predominantly for residential activities with high concentration and bulk of buildings, such as apartments, and other compatible activities.
- Mixed-use zone – Areas used predominantly for a compatible mixture of residential, commercial, light industrial, recreational and/or community activities
- City Centre zone – Areas used predominantly for a broad range of commercial, community, recreational and residential activities. The zone is the main centre for the district or region.

Figure 4. Growth by intensification (extract from Nelson Tasman Future Development Strategy, Figure 6, page 17)



Why intensification in Nelson?

The Nelson Tasman Joint Committee at its meeting 26 July 2019, resolved that “both Councils strongly support intensification where it is currently feasible in order to accommodate growth now. There are some areas which are ready to go for intensification... Changes in the next Long Term Plan as a result of the intensification action plan will enable future intensification areas to be brought forward”.

Support for this type of housing development has emerged in response to housing growth needing to keep up with population demand and in recognition that compact urban cities offer key benefits to their residents.

Alongside its intensification objectives, the FDS also provides for urban expansion, proposed for Saxton and Mahitahi for example, the mix of which is expected to provide Nelson’s future housing capacity. The capacity provided in the FDS is not needed all at the same time. The capacity is to be spread over a 30-year period, with emphasis on the period from 2028 to 2048. This is because some capacity for the next 10 years is already provided for under Council’s operative Resource Management Plan. Figure 7 demonstrates the FDS’s projected capacity for decade 2 and 3. For more information on proposed growth areas see Council’s website, nelson.govt.nz/building-and-property/city-development/future-development-strategy

Figure 5. Growth dwellings and extra capacity needed (extract from Nelson Tasman Future Development Strategy, Figure 2, page 10)

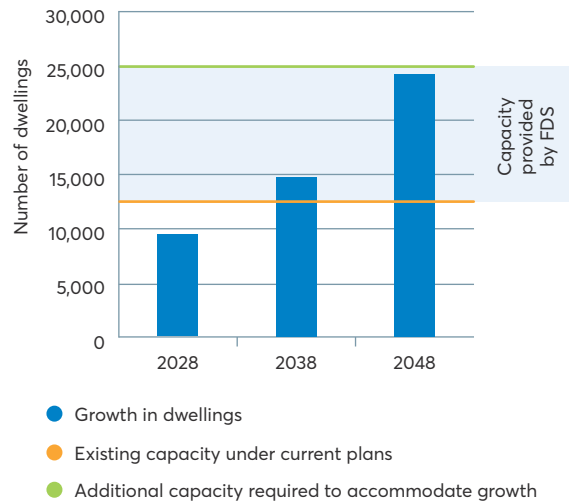


Figure 6. Nelson’s growth dwellings and extra capacity needed in a high growth scenario

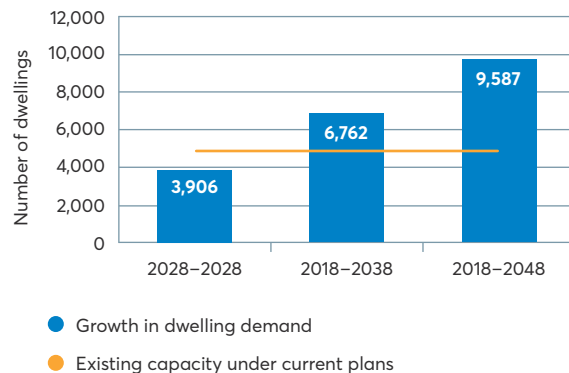
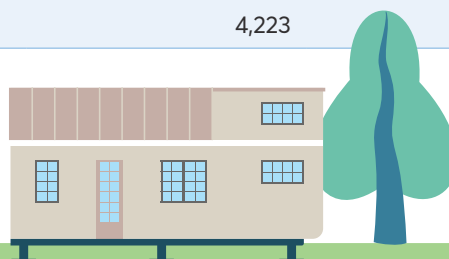


Figure 7. Long term household capacity projection (brownfield and greenfield) by broad location

(adapted from Nelson Tasman Future Development Strategy, Table 1, page 15)

| Nelson – Intensification Area | | Decade 2: 2029–2038 | Decade 3: 2039–2048 | Total |
|-------------------------------|------------------------------|---------------------|---------------------|-------|
| Brownfield | Greenfield | | | |
| Central | – | 2,288 | 154 | 2,442 |
| Stoke | – | 313 | 981 | 1,294 |
| Dodson | – | 190 | – | 190 |
| – | Mahitahi Valley ⁴ | 614 | 228 | 842 |
| – | Saxton | 819 | – | 819 |
| Nelson total | | 4,223 | 1,363 | 5,586 |

4. Referred to as Kaka Valley in the Nelson Tasman Future Development Strategy



For intensified development, the FDS recommends significant housing intensification in and around the Nelson City Centre, areas to the south of Nelson's City Centre and in Stoke over the next three decades.

Supported by the Government's Urban Growth Agenda, intensification is an effective way to shape a city and accommodate its growing housing needs. Locally, during consultation on the FDS, the majority of respondents also supported the district's growing population be housed in and near existing town centres. There are many advantages to more people living within walking distance of schools, employment, shops, amenities and services. These include the health, community and environmental benefits that stem from providing day-to-day needs and social and cultural interactions within walking distance of people's homes.





As a result, the FDS identified a pattern of settlement that reinforces local centres and a 'spine' core transport network as the best way to achieve the type of growth the community

asked for. It also identified spatial areas within the existing urban area that could provide the necessary potential for increased density. In Nelson, these were assessed as around the Dodson Valley area, Nelson City Centre and Stoke.

Focusing on developing existing neighbourhoods and the city centre area also means investing in higher levels of amenity within these communities. As these areas are intensified, special care and attention is needed to consider the quality of life, access to social amenity and health and wellbeing impacts on the people and the communities who live there.

Benefits can also be realised by aligning infrastructure development work with existing routine renewals and the improvement of supporting assets like wastewater and stormwater. If planned well, this approach will allow the city to maximise the value it achieves from its overall spend on infrastructure and services.

Figure 8. Location and type of intensification proposed in the Nelson District (extract from Nelson Tasman Future Development Strategy, Table 2, page 16)

| Type of intensification | Details | Locations | Estimate of capacity by household |
|---|---|---|-----------------------------------|
|  | Mixed use area in and around city centre – some four to six storey apartments | Nelson City Centre | 676 |
|  | Some three-storey terrace housing, some low-rise apartments, some mixed-use (commercial ground floor residential above) | Waimea Road, Hospital/ Nelson South, Victory, Stoke Centre, St Vincent | 1,142 |
|  | Some two-storey terraced housing, some townhouses | Fairfield Park, The Black Cat, Stoke School, Arapiki, Isel, Washington Valley, The Brook, Nayland | 1,826 |
|  | Additional infill units and townhouses on some sites | The Nile | 90 |



The FDS identified the following initiatives that the action plan should at least consider:

Figure 9. Intensification Action Plan

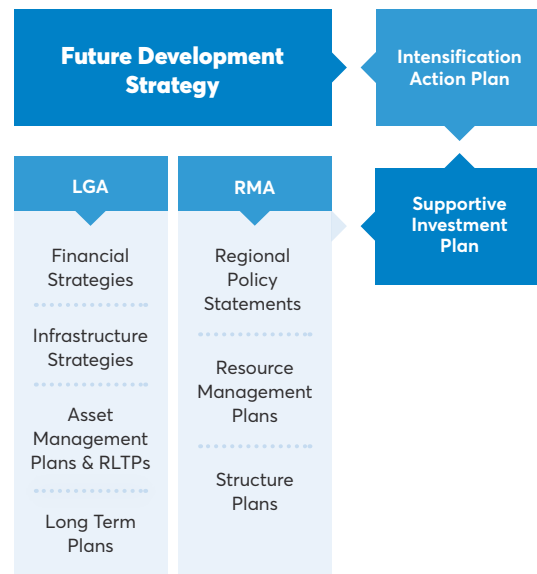
(extract from Nelson Tasman Future Development Strategy, page 35)

- Identify, research and collate information on housing preferences.
- Develop a strategy for improvements to transport, reserves and community facilities in areas subject to intensification.
- Review of Development Contributions policies to ensure that they better reflect costs associated with different types and locations of growth (intensification versus expansion).
- Explore acquisition of key sites to help catalyse development and/ or achieve strategic public realm outcomes.
- Consideration of partnerships with Community Housing Providers, Housing New Zealand and potential Urban Development Authorities to facilitate redevelopment of public land holdings.
- Collaboration with private sector housing providers on possible 'pilot' projects to demonstrate high-quality, feasible intensification projects in appropriate locations.
- Development of educational and guidance material for applicants to facilitate good quality design outcomes.
- Identify intensification areas that could be progressed (up zoned) in the short to medium term.

Where does the Intensification Action Plan fit within Council's strategic framework?

The Intensification Action Plan is one of the detailed recommendations of the FDS to help with its implementation. While the actions in this plan provide a framework to support the intent of the FDS, they are not binding or exclusive. As more information comes to hand, and the feasibility of capacity is explored, actions may change or further subsequent actions may apply. In this way, it sits alongside other guiding documents that are used to inform Council's Activity Management Plans, Long Term Plans, Resource Management Plans and other documents of Council. Delivery of its actions will be dependant on Council's priorities over time, with timings and actions adjusted accordingly. Future actions will also be informed by the annual monitoring and reporting of housing supply and demand by Council.

Figure 10. Strategic framework of Council's plans



Related issues not within the scope of this Intensification Action Plan

- Climate change: The FDS identified potential areas for housing intensification in Nelson City. However, some of those areas were identified as being potentially vulnerable to the impacts of sea-level rise. Council will be engaging with the community on these and other climate change adaptation issues separately, initially through the Nelson Plan consultation.
- Housing affordability levers not in Council's control. These include, but are not limited to, the following effects on the local market: availability and terms of bank finance, tax settings, regional labour force and employment, construction costs and development of private landholdings.
- Increasing the supply of developed land. Council does not have control mechanisms for increasing supply. Council only has

control of what is "plan enabled" through land-use zoning and rules, what is serviced through infrastructure provision to the site, and the use of the assets it owns.

- The internal amenity, energy performance or construction standards of new dwellings. While these are important considerations, they are beyond the scope of enabling the FDS.

Actions to contribute to intensification objectives

The Plan organises its actions under four key workstreams to achieve its purpose of incentivising intensification in areas where Council has influence or control. The four workstreams are: Housing preference, Regulation, Infrastructure, and Cost. As the city's very first housing intensification action plan, its focus is on creating the building blocks necessary to enable the city's long-term intensification objectives. The four workstreams are set out in the sections that follow.

Workstream 1 – Housing preference

This workstream aims to support attractive urban development to see more intensification within the Nelson District and a greater variety of housing uptake is delivered. Actions focus on quality design, understanding our housing needs, leading by example (creating exemplar housing developments on Council land) and working with others to create a diversity of housing supply.

Summary of Housing Preference Intensification goals

Alignment between new dwelling supply and current/ future household demand

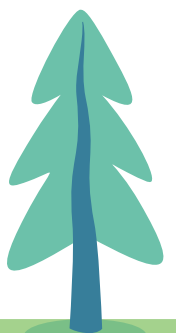
In 2013 the typical dwelling in Nelson was a three-bedroom house with two residents. There were also a significant number of two-bedroom dwellings with one resident and a notable number of three-bedroom dwellings housing only one person. (See Figure 11 on page 17.)

Nelson's demographic is also changing, with an expected increase in those aged over 65.

It is anticipated that an ageing population would increase demand for a different type of housing choice, often smaller, low maintenance housing types that are close to services. (See Figure 12 on page 18.)

The recent increasing trend* towards attached dwellings, such as apartments, retirement village units, townhouses or flats being built across both Nelson and Tasman is encouraging, but further investigation will help understand whether what is being built is expected to meet our future population profile. (See Figure 13 on page 18.)

**In the year ended June 2019, 30% of consented new dwellings in Nelson and Tasman were attached dwellings, compared with an average of 15% in the previous 10 years.*



There are many participants in the housing sector who contribute to the overall housing stock that is provided. This action plan seeks to have a better understanding of potential housing mismatches (the stock in Nelson in relation to future needs) and to work with iwi, Government, developers, landowners and other housing providers to see a more diverse range of housing provided to accommodate the greater range of living arrangements that are expected in the future.

With the development of apartments and townhouses in the city centre growing, this action plan seeks to continue to actively support the inclusion of housing as a part of mixed-use developments in the city centre, city centre fringe and the suburban commercial zones. The intention is to assist developers by testing design feasibility ideas and providing pre-application support while also continuing to focus public realm improvements in locations that support city centre residential.

Improvements in the perception of and confidence in intensified housing

While building up offers many benefits, for it to be successful, people, including those undertaking the development, need to buy into this approach. Therefore there is a role in the promotion of high-quality design to assist with reorientating market expectations from standalone dwellings with bigger sections to better appreciate the benefits that higher-density provides.

High-quality urban design will also continue to be supported through the Nelson Resource Management Plan, Nelson Tasman Land Development Manual and Urban Design Panel. Use of the Crime Prevention Through Environmental Design (CPTED) and reserves standards will also continue to support good practice design.

Nelson City Council is a signatory to the New Zealand Urban Design Protocol and has an action plan in support. The Urban Design Protocol Action Plan would benefit from a review to determine its relevancy in the current urban growth environment and to provide recommendations on its update.

Council owns a number of properties scattered throughout the city. These areas are currently occupied by a mix of public car parking, private car parking, civic buildings, private commercial activity or vacant earthquake-prone buildings. Further exploration of Council's role in leading and improving the perception of intensified housing is warranted. This may be achieved through the investigation into possibilities of facilitating a partnership to create an exemplar housing development. This type of development would aim to demonstrate and showcase the benefits that being well connected to transport and other central facilities and services provide.

Figure 11. Household composition in Nelson. 2013 Census

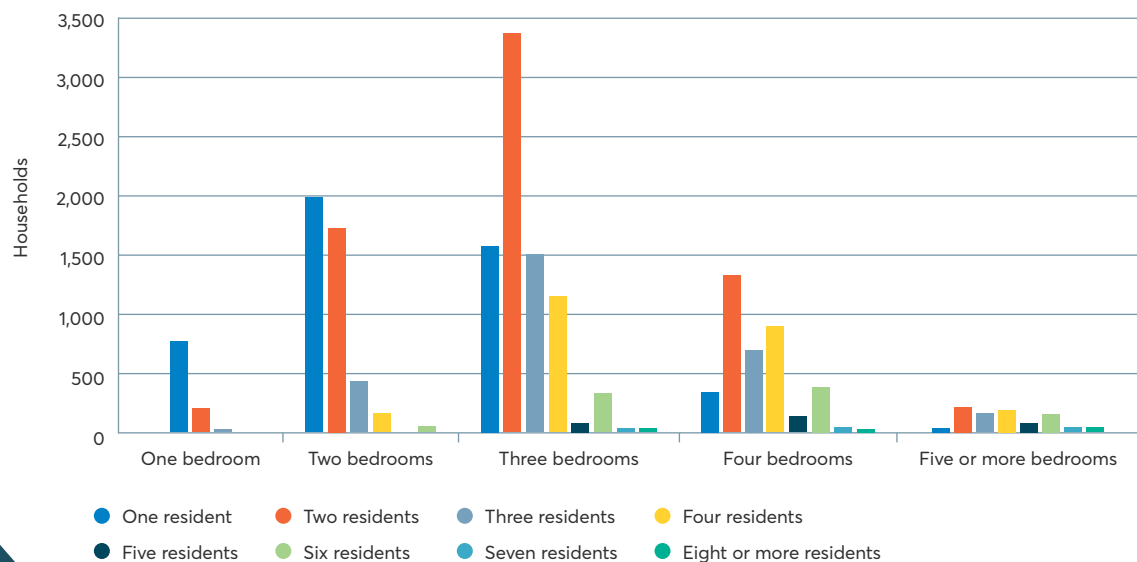


Figure 12. Population projection by age group (based on 2019 Statistics New Zealand population projection updates)

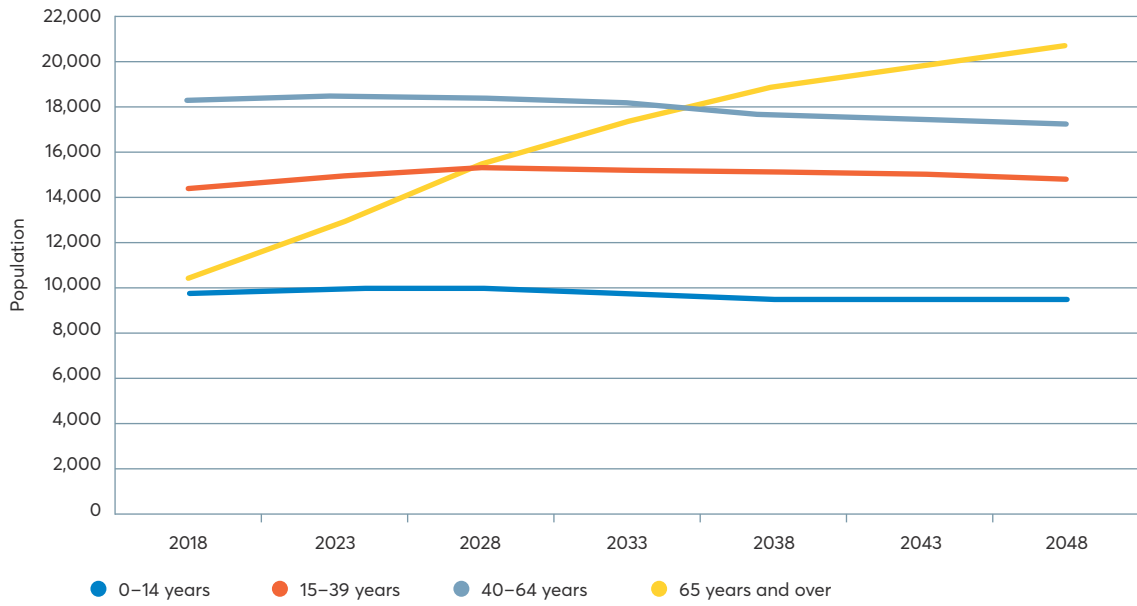


Figure 13. Building consents for new dwellings, Nelson and Tasman, by type, 2006–2018 (June year)

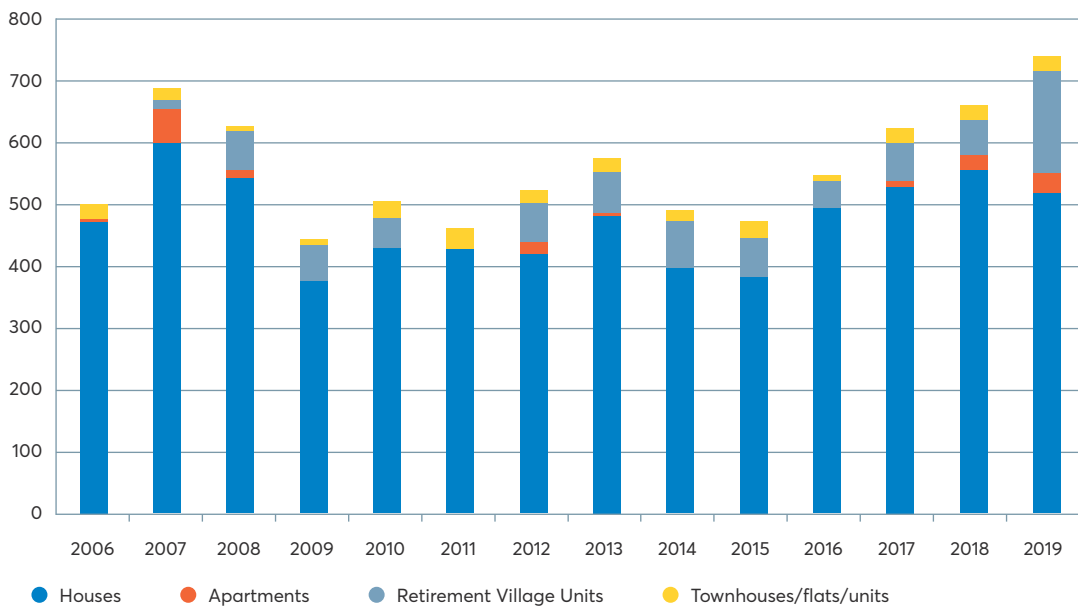


Table 2. Actions to improve the housing preference of intensified housing and to incentivise its uptake

| Housing preference | | | |
|---|---|--|--|
| Goal | Action | Responsibility | Timescale |
| Alignment between new dwelling supply and current/ future household demand | Implement monitoring and reporting measures identified in the FDS and under the National Policy Statement on Urban Development (a detailed assessment of housing need and supply) | City Development | Quarterly with annual publication of results |
| | Maintain and build relationships with Te Tau Ihu iwi, Kāinga Ora-Homes and Communities and local CHPs to maximise opportunities for more targeted housing in Nelson including social housing or papakāinga | Strategy, City Development & Resource Consents | Ongoing |
| | Proactively assist developers to include housing as a part of mixed-use developments in the city centre, city centre fringe and suburban commercial zones, for example, by testing design feasibility ideas, maintaining relationships with developers and landowners, focusing public realm upgrades in locations where they can leverage residential development and proactively assisting through pre-application meetings | City Development, Resource Consents & Building | Ongoing |
| Improvements in the perception of, and confidence in, intensive housing | Continue to provide free independent advice for development proposals that have significant urban design implications through the Urban Design Panel | City Development | Ongoing |
| | Review Council's Urban Design Protocol Action Plan | City Development | 2021 |
| | Continue to require high-quality design standards for intensive housing through Plan objectives, policies and rules | Environmental Planning | Ongoing |



| Housing preference | | | |
|---|--|--------------------------------------|-----------|
| Goal | Action | Responsibility | Timescale |
| Improvements in the perception of, and confidence in, intensive housing | Explore the possibility of facilitating a partnership to establish a collaborative exemplar housing development in the city centre/fringe area using Council-owned assets | City Development & Property Services | Ongoing |
| | Through Council's website platform, promote successful projects where development has worked well as a result of good design and/or Council/ developer collaboration through Council's media and communications channels. For example, using Our Nelson, the Council's Facebook and Twitter feeds to showcase and report on innovative and creative projects | City Development & Communications | Ongoing |

Workstream 2 – Regulation

The regulation workstream aims to achieve clear and effective regulatory methods that enable sufficient high-quality intensification in the right place. Therefore actions under this workstream are concentrated on activities in the regulatory space, for example, the draft Whakamahere Whakatū Nelson Plan, and assisting people in understanding these regulatory processes and requirements. Building Act constraints are not included as these are not able to be addressed through this process.

Summary of Regulation Intensification goals

Council's current and future Resource Management Plans enable and encourage housing intensification in FDS areas

Council's Resource Management Plan is a significant mechanism Council has to enable housing for Nelson's growing population. The Nelson Resource Management Plan already contains provisions designed to enable growth and encourage intensified developments, for example, through Comprehensive Development.

However, while growth has occurred under the current Plan, intensification uptake has remained relatively modest.

The current Nelson Resource Management Plan is under review and a new Plan, the Whakamahere Whakatū Nelson Plan (WWNP) is in the process of being developed. At the time of developing this action plan, a range of planning methods are proposed in the draft WWNP and to align it with the NPS-UD to enable greater residential intensification.



Where higher land density uses are proposed in the WWNP it is expected that a broader range of amenity values, characteristics that influence and enhance people's appreciation of that area, will be provided in that neighbourhood. This is important as intensified development traditionally means that less private open space is provided on-site. The benefit of greater use of public amenity is the more efficient and effective use of the open spaces that are regulated for and provided by Council.

Regional Policy Statements set out the significant resource management issues for a region, and the resource management issues of significance to iwi authorities in the region. They guide the development of future Resource Management Plans (the WWNP), by setting a vision for how Nelson will grow and develop over the life of that Plan (the next 10–20 years).

The FDS recommended a review of Nelson's Regional Policy Statement to:

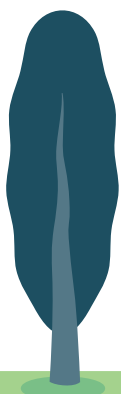
- Establish new objectives that introduce the 2019 FDS growth concept (intensification and expansion areas) and give statutory support to the overall settlement pattern
- Establish new objectives and policies to enable centres-based intensification of the existing urban area, noting that the character of those places will be subject to change over the medium to long term
- Afford greater policy support for well-designed intensification in appropriate locations within existing urban areas, and discourage poorly designed or located intensification proposals
- Provide policy support for urban expansion areas that are consistent with the first stages of the 2019 NTFDS (2028–2038)
- Establish staging 'triggers' that manage the release of the larger urban expansion areas identified in the second stage of the 2019 FDS (2038–2048) (or subsequent reviews), based on factors such as overall population growth rates, percentage of new housing located in intensification areas, and adequate forward supply of development opportunities
- Achieve coordinated and logical urban growth, including efficient integration of land use and necessary infrastructure.

The National Policy Statement on Urban Development seeks:

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.

National Policy Statement on Urban Development 2020 pg 10. www.mfe.govt.nz/sites/default/files/media/Towns%20and%20cities/AA%20Gazetted%20-%20NPSUD%2017.07.2020%20pdf.pdf



Landowners know how to navigate and understand the regulatory environment concerning intensification projects

Supporting people to better understand development opportunities is also key. Small investors are important, as they can collectively contribute to significant housing supply, one or two dwellings at a time. In some cases, the creation of new housing units will be for their own family benefit, and will not necessarily conform to a standalone model. This action plan seeks to assist small investors by producing user guides to make navigating the Building Act and Resource Management Act easier, and

continue to support those considering smaller intensive housing proposals by subsidising some of the costs associated with pre-application meetings and duty planner services, for example.

National direction is implemented throughout Council activities

Central Government is continuing to provide additional direction and guidance to councils to assist with urban development that requires changes to Council's existing plans and policies. Council needs to stay well informed of these changes as well as ensure that local issues are well understood at a national level.

Table 3. Actions to improve the regulatory environment of intensified housing and to incentivise its uptake

| Regulation | | | |
|---|--|---|------------------------------|
| Goal | Action | Responsibility | Timescale |
| Council's Resource Management Plan/s enable and encourage housing intensification in the city particularly in FDS areas | Ensure the Regional Policy Statement is drafted to provide clear support for housing intensification as recommended in the FDS and required by the NPS-UD | Environmental Planning | 2022 onwards |
| | <p>For the WWNP to;</p> <ul style="list-style-type: none"> provide for intensive housing in greenfield areas, and brownfield areas identified for intensification to encourage and enable these housing types to be provided and enable a mix of housing typologies provide high-quality on-site amenity appropriate to the mix of uses and residents' needs as informed by Housing and Business Development Capacity Assessments and continued testing of capacity provided by draft rules reduce notification requirements for infill housing | Environmental Planning & City Development | In conjunction with the WWNP |



Regulation

| Goal | Action | Responsibility | Timescale |
|--|--|--|-----------|
| Landowners know how to navigate and understand the regulatory environment concerning intensification projects | Develop information guides to assist with investment decision making for all types of intensification and promote the building of these housing types <ul style="list-style-type: none"> For the city centre – on the conversion of upstairs commercial space to residential For brownfield residential – regulatory requirements of the Resource Management Act and Building Act for example, for backyard infill, tiny homes or repurposing of existing homes to intensify | Communications, Environmental Planning, Building, Resource Consents & City Development | Ongoing |
| | Continue to help applicants considering intensive housing proposals, for example through pre-application meetings, the use of the urban design panel, major projects and duty planner services. A proportion of these services are already free for customers | Resource Consents, supported by Building & City Development | Ongoing |
| National direction is implemented throughout Council activities | Stay up to date with national direction through changes to its legislative and regulatory documents. Raise local issues at a national level, for example, through submission responses to draft National Policy Statements | All departments | Ongoing |



Workstream 3 – Infrastructure

Ensuring that supporting network infrastructure is in place

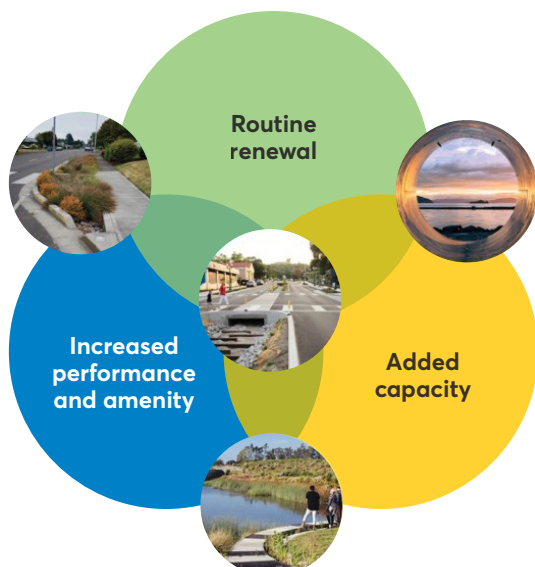
Infrastructure underpins all development and having high-quality, reliable infrastructure plays a critical role. The infrastructure workstream aims to provide certainty to developers that there is sufficient capacity in each intensification area to encourage development by achieving a coordinated plan for high-quality intensification asset development and upgrades. It also ensures that public realm enhancements planned for the city centre support private residential development in this area to occur.

Summary of Infrastructure Intensification goals

Future Long Term Plan's, AMP's, Spatial Plan's and Infrastructure Strategy enable sufficient housing intensification in designated areas

Infrastructure activity covers the three waters (water, wastewater and stormwater) transport and reserves and involves:

- Renewal – the replacement of an ageing or failing asset
- Performance – improvements to, or change of, the performance of an asset
- Capacity – provision of new capacity for more users (growth)



The development of Neighbourhood Asset Upgrade Plans, a street by street assessment including three waters, transport and reserve amenity of intensification areas, will inform and guide the location and timing of infrastructure and service investment of the areas. This will include consideration of the role of green spaces, corridors and vegetation in support of low-impact stormwater and amenity offsets, and community wellbeing. Programming of investment through Activity Management Plans, Long Term Plans and the 30-year Infrastructure Strategy is the main planning tool of the Infrastructure workstream to achieve plan-enabled growth.

Although some intensification investment involves longer lead time such as investment in decade two or three of the FDS, infrastructure investment also needs have the ability to be responsive and adaptive to growth, to be able to respond as and where it happens.

That means a different method of budgeting, funding and delivery of some project types is needed, in particular, lag investment, such as transport infrastructure. Lag investment is responsive because it happens at the time when the demand is created, providing Council the flexibility to accommodate high-cost projects at relatively short notice in the way it funds and spends programme budgets.



When making decisions on lead investment it is important to consider:

- The amenity standards required to support a behaviour change towards intensification through neighbourhood quality, while relieving amenity concerns of existing residents
- Avoidance of “splitting” and/or duplicating costs by investing growth income in situations where renewals and performance improvements would otherwise be required anyway.

The actions below have been designed to help determine and accommodate both lag and lead investment, principally through Long Term Plan and Annual Plan mechanisms to enable future intensification to be planned, budgeted and programmed across a busy work programme. This is important as significant infrastructure investment will be required in the draft Long Term Plan 2021–31 and its subsequent versions to accommodate the city’s intensification objectives.

Utilities infrastructure planning is undertaken in conjunction with intensification development

To use resources efficiently it is important to programme infrastructure at the right time, which is not too early or too late relative to uptake rates. While intensification provides many benefits, as communities will be closer to employment, schools and services, it requires additional planning of its utilities, for example, transport links, including active and public transport and main-trunk connections. Transport planning requires identifying improvements that have the greatest benefits while helping to keep people safe. The NPS-UD directive to remove minimum parking rates in district plans will also require an additional planning response.

Reserve Infrastructure

Planning also plays a key part in the delivery of reserve amenity as more people occupy the same area, and the role of public space becomes more important. While traditional standalone housing units provide a number of on-site amenities (such as access to private play equipment, trees, lawns and open space), higher density land use means some of this amenity value will need to be publically provided, including access to greenspace, reserves and playgrounds. There is also a greater need for holistic design as space and materials will benefit from being multi-functional and adaptable. For example, a street may begin to play a greater role in providing trees, shade and areas of green through the use of water-sensitive design – design that uses natural components, i.e. vegetation and soil, to address stormwater effects.

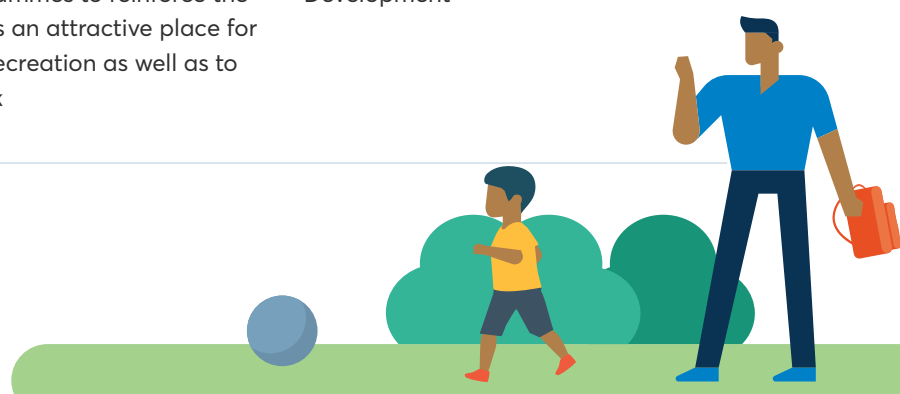
Public realm improvements in the city centre

Both the FDS and Nelson’s City Centre programme Six Key Moves prioritise the growth of residential activity in the city centre. Creating a liveable city means more people living close to shops, hospitality, culture and entertainment and supports the modal shift to more active and sustainable forms of transport that Council seeks. It also adds vibrancy to the heart of Nelson’s centre. With more people expected to live in the city centre, improvements to the quality of it are needed to ensure it is ready to support the additional residential growth. This means continuing to deliver planned city centre programmes to reinforce the city centre as an attractive place for events and recreation as well as to live and work.



Table 4. Actions to improve infrastructure capacity for intensified housing and to incentivise its uptake

| Infrastructure | | | |
|---|---|--------------------------------------|--|
| Goal | Action | Responsibility | Timescale |
| Future Long Term Plan's, AMP's and Infrastructure Strategy enable sufficient housing intensification in designated areas | Undertake Neighbourhood Asset Upgrade Plans for each FDS intensification area to guide current and future infrastructure investment in a coordinated way including use of road and reserve for low impact stormwater and amenity offsets | City Development & Activity Managers | During decade 1 of the Long Term Plan 2021–31 |
| | Alignment of lead and lag infrastructure budgeting to ensure capacity is enabled in each intensification area in a coordinated way | Activity Managers | Propose in draft Long Term Plan 2021–2031 and ongoing for future Long Term Plans |
| Utilities infrastructure planning is undertaken in conjunction with intensification development | Ensure utility planning activities consider the proposed intensification areas for example, active and/or public transport opportunities nearby or exploring the benefit of preparing parking management plans in areas that apply | Activity Managers | Ongoing. Policy – Strategy work to inform draft Long Term Plan 2021–31 |
| | Ensure that infrastructure policies provide for future intensification. For example, city centre intensification objectives are supported through, and aligned with, the Public Transport Plan, Out and About Policy and Parking Strategy development and NZTA projects and funding opportunities | Activity Managers | Ongoing |
| Reserve amenity is in step with intensification | Develop new Level of Service and associated development programme for the upgrade of existing urban neighbourhood reserves in intensification areas and align with Neighbourhood Asset Upgrade Plans | Parks and Reserves | To be consulted on in conjunction with the draft Long Term Plan 2021–31 |
| Public realm improvements leverage private residential development in the city centre | Continue to deliver planned city centre programmes to reinforce the city centre as an attractive place for events and recreation as well as to live and work | City Development | Ongoing |



Workstream 4 – Cost

The purpose of the cost workstream is to ensure intensification is cost-incentivised through Council's funding programmes. This includes mechanisms that collect infrastructure-related funding are fit for purpose, responding to the types of spending that are needed and considering whether this investment can be optimised, and ensuring that appropriate funding and budgeting mechanisms are in place in support.

Council's current 30-Year Infrastructure Strategy, Long Term Plan and Development Contribution policies jointly establish a financial system for infrastructure growth costs to be charged back to developers at the time of development.

Summary of Cost Intensification goals

Council's Development Contributions policy supports its intensification objectives

A development contribution is a charge by Council to cover growth-related costs, namely for water, wastewater, stormwater, transport, reserves and community facilities. Development contributions are collected at the resource consent and building consent stages or where a service connection is authorised. Development contributions are applied over the whole of Nelson as a single catchment.

Council has identified three potential areas requiring review; the reserves development contributions, the overall complexity of the policy and its listed exemptions. The proposed amendments will be consulted on as part of public consultation on the draft Long Term Plan 2021–31.

Budgeting of infrastructure to service-plan enabled growth

Infrastructure is programmed to enable the provision of increased capacity through the Long Term Plan process and to maximise

opportunities for upgrades to be aligned with asset renewal programmes. Development capacity is infrastructure ready when:

- Short-term – there is adequate existing development infrastructure to support the development of the land
- Medium-term – as for the short-term above or funding for adequate infrastructure to support development of the land is identified in the Long Term Plan
- Long-term – as for the medium-term above or the development infrastructure to support the development capacity is identified in Council's Infrastructure Strategy

Development Agreements provide a workable solution to the timing of infrastructure capacity

Development Agreements are contractual agreements voluntarily entered into between one or more developers and Council. The agreements may cover the provision, supply or exchange of infrastructure and/or land or paying money to provide network infrastructure, works or reserve land. Development Agreements give developers certainty and flexibility to proceed with a development that may not align with the Council's infrastructure provision timeframe.



For example, the Council sets out how it intends to provide core infrastructure for growth in its Long Term Plan (10 years) and Infrastructure Strategy (30 years). A developer may wish to enter into a Development Agreement when their proposed development requires strategic infrastructure within a timeframe that is not aligned with the Council's infrastructure plans, or if the infrastructure the proposed development needs is a larger scale than that contemplated in the Council's Long Term Plan.

There is also an opportunity to negotiate affordability criteria when doing private development agreements that could see a part of the development set aside for affordable housing.

Divestment of Council's community housing supports social and affordable housing solutions in Nelson

Council has confirmed its intent to set aside the full proceeds of any divestment of its

community housing assets as a Housing Reserve during its Annual Plan 2020/21 process. The decision recognises that housing affordability is a critical issue for Nelson and that the Housing Reserve would allow Council to work with and support partners who have the ability to deliver social and affordable housing solutions for the community into the future. As social housing is traditionally intensified housing, this action will facilitate the development of criteria to ensure funds are allocated to support and leverage objectives that maximise social and affordable housing in Nelson.

City Centre Residential Conversion Fund

Provide for consideration of a City Centre Residential Conversion Fund of \$50,000 in the draft Long Term Plan 2021–31 over years 1 to 3, to subsidise the regulatory cost of conversion of upstairs commercial to residential, to incentivise residential uptake in existing city-centre buildings.

Table 5. Actions to improve costs for intensified housing and to incentivise its uptake

| Cost | | | |
|---|--|-------------------|--|
| Goal | Action | Responsibility | Timescale |
| Council's Development Contributions policy supports its intensification objectives | Propose changes in the policy particularly for reserve contributions through the LTP 2021–31 | City Development | Propose in draft Long Term Plan 2021–2031 and ongoing for future Long Term Plans |
| Budgeting of Infrastructure investment to service-plan enabled growth | Budget infrastructure is programmed to enable the provision of increased capacity through the LTP process at the right time in response to FDS and Housing Business Assessment results | Activity Managers | Propose in draft Long Term Plan 2021–2031 and ongoing for future Long Term Plans |



| Cost | | | |
|---|---|--------------------------------------|---|
| Goal | Action | Responsibility | Timescale |
| Development Agreements provide a workable solution to the timing of infrastructure capacity | Continue to use Development Agreements to deliver FDS intensification objectives | Activity Managers & City Development | Ongoing |
| | Consider introducing the ability to negotiate an affordability criteria when doing private development agreements | Activity Managers & City Development | Ongoing |
| Any divestment of Council's community housing supports social and affordable housing solutions in Nelson | Establish a Housing Reserve to allow Council to work with and support partners who have the ability to deliver social and affordable housing solutions for the community into the future | Strategy | Ongoing |
| More uptake of residential in the city centre | Provide for consideration of a City Centre Residential Conversion Fund of \$50,000 in the draft LTP 2021–31 over years 1 to 3, to subsidise the regulatory cost of conversion of upstairs commercial to residential in existing city centre buildings | City Development | Propose in draft Long Term Plan 2021–2031 |



Glossary

Council means Nelson City Council

Demand means: In relation to housing, the demand for dwellings in an urban environment in the short, medium and long-term, including:

- the total number of dwellings required to meet projected household growth and projected visitor accommodation growth;
- demand for different types of dwellings;
- the demand for different locations within the urban environment; and
- the demand for different price points recognising that people will trade off (b), (c) and to meet their own needs and preferences.

Development capacity means in relation to housing land, the capacity of land intended for urban development based on:

- the zoning, objectives, policies, rules and overlays that apply to the land, in the relevant proposed and operative regional policy statements, regional plans and district plans; and
- the provision of adequate development infrastructure to support the development of the land.

Development infrastructure means network infrastructure for water supply, wastewater, stormwater, and land transport as defined in the Land Transport Management Act 2003, to the extent that it is controlled by local authorities.

Expansion areas means rural-zoned areas that have been identified for assessment in the Future Development Strategy as providing medium and long-term housing capacity.

FDS means Future Development Strategy under policies PC12 to PC14 of the NPS-UDC.

Greenfield development means land identified or used for urban development (residential, business or industrial) that has not been previously used for that purpose.

HBA means Housing and Business Development Capacity Assessment

Infill means new standalone houses that are constructed within the existing defined area of the city

Intensification means development that increases the density of an existing urban area. Intensification can occur as infill, redevelopment or within greenfield development areas where the zoning is changed to enable increased density.

Long-term means between 11 and 30 years.

Medium-term means between three and 10 years.

Nelson Urban Area is defined by Statistics New Zealand and means the geographical area covering all of the Nelson Territorial Authority Area (excluding the Whangamoa area unit) and the main Richmond Urban areas of the Tasman Territorial Authority area, including the following area units:

- Aniseed Hill
- Hope
- Best Island
- Bell Island
- Ranzau
- Richmond East
- Richmond West

NPS-UD means National Policy Statement on Urban Development

Plan-enabled means the cumulative effect of all zoning, objectives, policies, rules and overlays and existing designations in plans, and the effect this will have on opportunities for development being taken up.

Short-term means within the next three years.





BUS STOP

