



n Nelson City Council
te kaunihera o whakatū

AGENDA

Extraordinary meeting of the

Nelson City Council

**Monday 29 April 2019
Commencing at 10.00a.m.
Council Chamber
Civic House
110 Trafalgar Street, Nelson**

**Pat Dougherty
Chief Executive**

Membership: Her Worship the Mayor Rachel Reese (Chairperson), Councillors Luke Acland, Ian Barker, Mel Courtney, Bill Dahlberg, Kate Fulton, Matt Lawrey, Paul Matheson, Brian McGurk, Gaile Noonan, Mike Rutledge, Tim Skinner and Stuart Walker

Quorum: 7

[Nelson City Council Disclaimer](#)

Please note that the contents of these Council and Committee Agendas have yet to be considered by Council and officer recommendations may be altered or changed by the Council in the process of making the formal Council decision.

Council Values

The Mayor and councillors held a strategic planning day on 30 November 2016 with a programme that covered key challenges and opportunities for the triennium, the values Council wished to work by, and objectives for what needed to be achieved during this term of Council.

Following are the values agreed during the planning day:

- i) Whakautetanga: valuing each other, showing respect
- ii) Kōrero Pono: honesty, integrity, trust, fidelity
- iii) Māiatanga: having courage, being bold, trail blazing, having a sense of purpose
- iv) Whakamanatanga: demonstrating excellence, raising the bar, effectiveness, resourcefulness
- v) Whakamōwaitanga: compassion, empathy, humility, servant leadership
- vi) Kaitiakitanga: stewardship
- vii) Manaakitanga: generosity of spirit, humour, fun

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Opening Prayer

1. Apologies

- 1.1 An apology has been received from Councillor McGurk

2. Confirmation of Order of Business

3. Interests

- 3.1 Updates to the Interests Register

- 3.2 Identify any conflicts of interest in the agenda

4. Public Forum

- 4.1 Tony Vining and Aaron Walton - Special Housing Area Application for 71 Haven Road

5. Recommendations from Committees

- 5.1 Extraordinary Community Services Committee 29 April 2019

- 5.1.1 Stoke Library Remediation

Please note the recommendation below is a draft recommendation and may be subject to change following consideration by the 29 April 2019 Extraordinary Community Services Committee meeting.

That the Council

That the Council

- 1. Approves unbudgeted expenditure of up to \$40,000 for the creation of temporary library services at the former Stoke Seniors Hall.**

6. Special Housing Area - 71 Haven Road

5 - 15

Document number R10089

Recommendation

That the Council

- 1. *Receives the report Special Housing Area - 71 Haven Road (R10089) and its attachment (A2171702); and***

- 2. *Approves 71 Haven Road (A2171702) for recommendation by the Mayor to the Associate Minister of Housing and Urban Development, subject to the landowner entering into a legal Deed with the Council which requires, amongst other matters, approval by the Urban Design Panel, and that the developer, at its sole cost, shall design, obtain all necessary consents for, and construct any additional infrastructure, or upgrades to the Council's infrastructure, required to support the development of the Special Housing Area.***

REPORT R10089

Special Housing Area - 71 Haven Road

1. Purpose of Report

- 1.1 To consider a proposed new Special Housing Area (SHA).
- 1.2 To agree that Her Worship the Mayor recommend to the Associate Minister of Housing and Urban Development (MHUD) the SHA at 71 Haven Road. This SHA is considered suitable by the Council for consideration under the Housing Accord and Special Housing Areas Act 2013 (HASHAA) as amended by the Housing Legislation Amendment Act 2016.

2. Recommendation

That the Council

- 1. Receives the report Special Housing Area - 71 Haven Road (R10089) and its attachment (A2171702); and***
- 2. Approves 71 Haven Road (A2171702) for recommendation by the Mayor to the Associate Minister of Housing and Urban Development, subject to the landowner entering into a legal Deed with the Council which requires, amongst other matters, approval by the Urban Design Panel, and that the developer, at its sole cost, shall design, obtain all necessary consents for, and construct any additional infrastructure, or upgrades to the Council's infrastructure, required to support the development of the SHA.***

3. Background

- 3.1 Council entered into a Housing Accord with the then Minister of Building and Housing on 11 June 2015 under HASHAA. The Accord has been extended three times and now terminates on 16 September 2021, with

Item 6: Special Housing Area - 71 Haven Road

the ability to recommend new SHAs to the Minister being repealed on 16 September 2019.

- 3.2 In order to meet its obligations under the Housing Accord, especially in relation to targets, Council can consider using Special Housing Areas as a tool under HASHAA. Under the Accord Council can recommend the creation of Special Housing Areas to the Associate Minister of Housing and Urban Development.
- 3.3 To date the Council has recommended 40 SHAs to the Associate Minister with a total potential yield of approximately 1516 residential units. Once a SHA has been approved for gazettal, applications may be made for a resource consent called a qualifying development. Applications for qualifying developments are assessed with specific provisions to meet the purpose of the HASHAA. To date, 32 qualifying development consents have been granted (this includes consents for some developments that require multiple or staged consents).
- 3.4 As long as the Council is an Accord Authority, it can consider proposals for new SHAs and process existing or future resource consents under the HASHAA.
- 3.5 The purpose of this report is to consider a new SHA request prior to the ability to recommend new SHAs to the Minister being repealed on 16 September 2019.

4. Discussion

- 4.1 Officers have received a request for one further SHA. Details of the SHA, proposed qualifying development criteria, and an early assessment of infrastructure requirements are provided in Attachments 1.
- 4.2 The criteria used to evaluate SHA suitability and the site's assessment are also summarised in Attachment 1, along with a map identifying the site. The criteria include the HASHAA requirements that need to be satisfied (infrastructure is likely to be provided and that there is demand for housing), consistency with the Accord, and alignment with the Nelson Resource Management Plan.
- 4.3 Progress on SHAs recommended to the Minister has been slow over the last year, with the last SHA taking 316 days (or 45 weeks) to get gazetted. Currently there are 5 SHA recommendations sitting with the Minister.
- 4.4 Officers received advice from MHUD that the Minister is not planning on extending HAHSA. This included a request that all new SHAs be lodged by 30 April at the latest, to enable the Minister to consider them for gazettal before the repeal date. Officers have advised the MHUD that this last SHA will be recommended as soon as possible should Council decide to approve it as a result of this report.

Affordability Criteria

- 4.5 MHUD have also advised that the Government has a focus on housing affordability and supplied a new SHA template which requires the submission of affordability criteria.
- 4.6 Officers have worked with the applicant to ensure feasible affordability criteria are put forward as part of this application and the qualifying development criteria.
- 4.7 The proposal for the residential apartment building is that it is to be pre-fabricated using xlam joinery. It will comprise 25 one and two bedroom apartments with parking as a minimum. Ten of the apartments will be offered with a price range between \$550,000 to \$595,000. The Median Sales Price for the Nelson Region as per the REINZ February 2019 is \$560,000.

Infrastructure Provision

- 4.8 The Council can choose to require the landowner to enter into a Deed detailing infrastructure requirements that need to be met. Officers have evaluated the infrastructure requirements of the SHA and recommend that there is a need for a Deed for this SHA to make clear to developers their responsibility in relation to ensuring sufficient infrastructure capacity/connection to support the development. A disadvantage with entering into a Deed is that it adds officer time and administration to the SHA process and has legal costs associated with it. However this is outweighed by the clarity the Deed provides in identifying who is responsible for costs to provide sufficient infrastructure to serve the SHAs.

Urban Design Panel

- 4.9 The Council's standard Deed template also requires that Urban Design Panel approval is submitted to the Council with any resource consent sought under the HASHAA. The Deed specifies that the costs of the Urban Design Panel approval process are passed on to the applicant. Officers are aware that there has been one current SHA developer who has questioned the value of the Urban Design Panel process. That developer expressed concern over the scope of alterations proposed by the Panel. Many other developers have appreciated the expert advice provided by the Panel. Officers consider that the Urban Design Panel remains the most appropriate method to ensure quality of design in a process has more limited provisions for any notification than the Management Act 1991 (RMA).

Permitted Baseline

- 4.10 The site is zoned Inner City Fringe with rules including a maximum height of 12m. Parking spaces are required at the level of 1 space per 1-2 bedroom units, and 2 spaces for units with 3 or more bedrooms. Daylight angles apply on the boundary with the Residential Zone.

5. Options

- 5.1 Council has the option of approving this SHA for recommendation to the Associate Minister, or declining to recommend it to the Associate Minister.
- 5.2 If the Council decides to recommend the SHA proposal to the Associate Minister of Housing and Urban Development, it is recommended that it be subject to entering into a Deed to ensure that the landowner acknowledges that the costs and responsibility of providing appropriate and sufficient infrastructure connection and capacity to the sites is to be borne by the developer, unless it is a project included in the Council's LTP, and also being subject to approval by the Urban Design Panel.
- 5.3 The table below summarises the advantages, risks and disadvantages.

Option 1: Approve the SHA for recommendation to the Associate Minister	
Advantages	The developer is afforded the fast track consent process and non-notification presumption provided for by the HASHAA. The development would provide approximately an additional 25 dwellings
Risks and Disadvantages	Risks are mitigated through the requirement to enter into a Deed ensuring clarity over infrastructure and urban design. SHAs require additional administration by the City Development Team.
Option 2: Decline the SHA for recommendation to the Associate Minister	
Advantages	Minimal administrative demands on officers.
Risks and Disadvantages	If the SHA is not approved there is a risk that this currently vacant and under developed piece of city centre land is not developed, or if it is that it is to a much lower density and activity as provided for by the NRMP.

6. Conclusion

- 6.1 Officers have received a request for a SHA to be approved at 71 Haven Road.
- 6.2 The Council as an Accord Territorial Authority is able to consider this request for recommendation to the Associate Minister of Housing and Urban Development.

Item 6: Special Housing Area - 71 Haven Road

- 6.3 Council Officers have evaluated the request in accordance with the HASHAA and Nelson Housing Accord intentions and commitments and provided recommendations accordingly.

Author: **Lisa Gibellini, Team Leader City Development**

Attachments

Attachment 1: A2171702 SHA Summary Sheet 71 Haven Road

Important considerations for decision making

1. Fit with Purpose of Local Government

This recommendation is consistent with Local Government's role to provide efficient and effective performance of regulatory functions appropriate to present and anticipated future circumstances by using the enhanced regulatory powers afforded under the HASHAA and the Nelson Housing Accord to enable the release of additional land for housing.

2. Consistency with Community Outcomes and Council Policy

The recommendation is largely consistent with the Nelson Housing Accord and the Community Outcome: *Our urban and rural environments are people-friendly, well planned and sustainably managed.*

3. Risk

Risks associated with this recommendation include matters of public perception. The principle risk arises due to the lower level of notification afforded under the HASHAA. Other risks exist that the credibility of the SHA programme, and by extension the Council, is undermined if approved areas are not developed due to uneconomic infrastructure requirements; or do not yield significant housing benefits. If the SHA recommended in this report is not approved then there is a risk that development of those sites is not enabled, and the goal of furthering the supply of residential units as part of the Housing Accord is not met.

4. Financial impact

The key financial impact of the SHA request and recommendation process is the operational expenditure cost of its administration. There is no means for the Council to recover part or all of these costs from applicants and therefore this is a general expenditure of rates.

The costs of processing qualifying development consents are recovered from the applicants through charges, which are applied similarly to other consent fees.

5. Degree of significance and level of engagement

The approval of SHAs located in existing urban zones is of low to medium significance because it does not significantly impact the community outside of immediate neighbours. The establishment of the SHA recommended in this report will result in a qualifying development application, and at that time engagement with adjacent landowners will occur if the Council's regulatory arm considers that they are affected. Overall, the establishment of the SHA recommended in this report will assist with increasing housing supply in Nelson which will be of benefit to the wider community.

6. Inclusion of Māori in the decision-making process

No engagement with Māori has been undertaken in preparing this report.

7. Delegations

No committee of the Council has delegations for the Housing Accord and Special Housing Areas Act 2013 and therefore the matter needs to be considered by the Council.

Under Section 85 of the HASHAA, the Council's Chief Executive is "a consent authority under the RMA and has all associated powers required to effectively carry out his or her functions for the purposes of [the HASHAA]."



Special Housing Area Application for 71 Haven Road, Nelson
Nelson City Council

1. Site Information	
Special Housing Area (SHA) Name	71 Haven Road, Nelson
Property Address	71 Haven Road, Nelson
Approximate Size (ha)	3,654 m ²
Landowner(s)	Haven Rd 2004 Limited
Developer(s)	Haven Rd 2004 Limited
Date SHA Application submitted to HUD	
Brownfield/Greenfield	Greenfield
Total approximate Housing Yield (including brief description of typologies)	30 Apartments. Consisting of 1 and 2 bedroom Units.
Other land uses to be included (e.g. Commercial and community spaces)	None – Residential Development

2. Qualifying Development Criteria	
Legislative Criteria	Notes/comments
Predominantly Residential	Yes
Building Height (must be <6 storeys/27 metres)	20 meters, 6 storeys
Minimum Number of Dwellings per qualifying development	25
Housing Affordability Criteria (may include median house prices, median household/individual income and median multiple)	10 of the 25 apartments will be offered with a price range between \$550,000 to \$595,000. The Median Sales Price for the Nelson Region as per the REINZ February 2019 is \$560,000.

3. Assessed Criteria		
Criteria	Criteria Satisfied (y/n)	Explanation
Consistent with Housing Accord and its targets	y	The intensive development, including the apartments offered at medium house prices, of this city centre site will contribute to the diversity of housing stock and typology, thereby contributing to the Housing Accords aim of enhancing housing supply and affordability.
Adequate Infrastructure exists or is likely to exist (Note: this criterion relates to Section 16 HASHAA which requires that the Minister must be satisfied that adequate infrastructure either exists or is likely to exist having regard to relevant planning documents, strategies, policies and any other relevant information. The		<u>General</u> The area is likely to have suitable provision for infrastructure to support the development. This will be a mix of Council supplied capacity currently available to the site and developer supplied infrastructure capacity/connection where there is currently insufficient capacity/connection and it is not provided for in the Long Term Plan. All internal infrastructure will be provided by the developer in accordance with the NCC Land Development manual 2010.



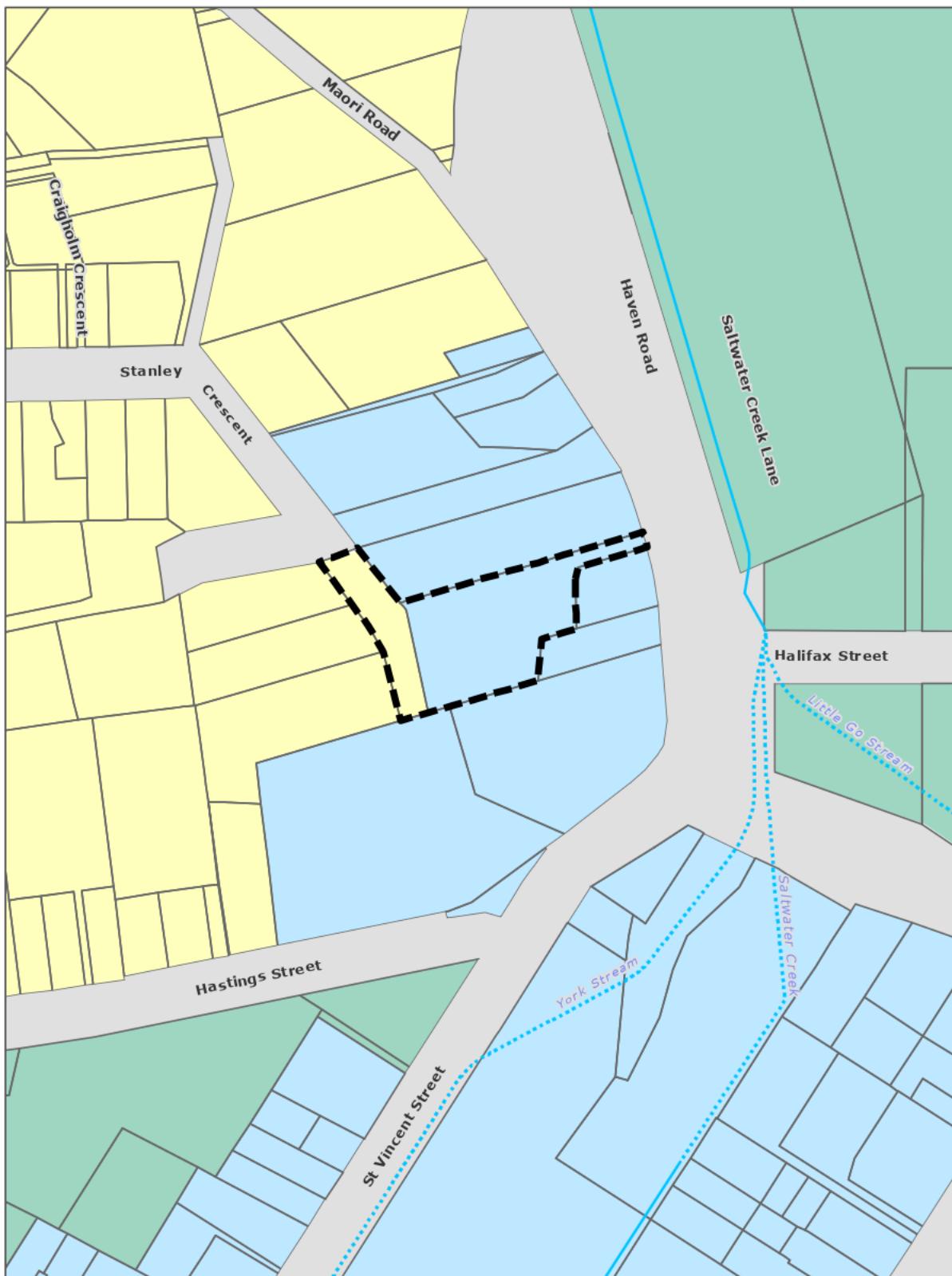
<p>onus will still be on the developer under section 34 HASHAA to satisfy Council that there will be sufficient and appropriate infrastructure to support the development through the HASHAA resource consent process).</p>	<p><u>Transportation</u> Access to this site will be off the existing access on Haven Road. It is important that good, safe pedestrian/cycle access to the adjacent road network is included in the design. Good visibility at the access of pedestrians, cyclists and traffic must be achieved. The Developer will need to work with Council's Transport Engineer Adviser to determine the best access option.</p> <p><u>Water supply</u> There are no issues with the water capacity of the council main in Haven Road however there is no guarantee that the existing private connection serving this site has adequate capacity.</p> <p><u>Stormwater</u> The developer will need to undertake a flood risk assessment for the site and determine the likely flows through the site resulting from a rain event with an Annual Exceedance Probability of 1% and demonstrate that the new building will not be at risk of inundation and that the development works will not result in any new or additional inundation on adjoining land. Secondary flood routes will need to be defined and provided for if relevant. This assessment and further details can be addressed at the time of application for Resource Consent.</p> <p>Parts of the downstream system have capacity constraints and therefore the development will need to install onsite stormwater detention to mitigate any increased flows.</p> <p>Where any on site detention is required this will need to be designed by a suitably experienced Chartered Professional Engineer. Any proposal for onsite disposal (soakage) will need to be designed/approved by a Geotechnical engineer. The developer will need to demonstrate that the post development flows will not result in an increase in peak flows and that the development will not result in an increase in flooding risk on any other property.</p> <p><u>Local Reserves</u> There is more than adequate provision of reserves within walking distance to this development.</p>
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Evidence of Demand to create qualifying developments (s16(3)(b))		The applicant has undertaken significant design and costing of the development in order to achieve certainty on the affordability component. There is on-going demand to create this qualifying development.
Evidence of Demand for residential housing in the SHA (s16(3)(c))		There is ongoing demand for housing in Nelson, with the current undersupply resulting in continued increase in housing prices at all points.

4. Other key considerations	
Alignment with City or District Plan	The proposed SHA aligns with the provisions of the NRMP in relation to the Inner City Fringe Zone and its use for intensive residential development. The proposal does involve a scale of development beyond the permitted activity stands for height.
Planning History of site/area	The site has been vacant for many years. The site is in close proximity to a SHA approved for a similar scale development.
Reasons for using SHA process	The SHA process provides certainty for the developer in regards to non-notification for departure from the height standards in the NRMP, which enables commitment to provision of units at the medium house price, essentially reducing risks associated with the development.
Views of iwi and hapu/consistency with Treaty of Waitangi	Iwi have not been consulted. This would occur under the consent process provided for in HASHAA.
Other social and cultural impacts	This would be evaluated under the consent process provided for in HASHAA.
Environmental impacts	This would be evaluated under the consent process provided for in HASHAA.
Community Consultation	The need for community consultation would be evaluated under the consent process provided for in HASHAA.
Directly affected land owner(s) views	No consultation with other landowners has been undertaken, this would form part of the consent process under HAHSA

5. Full SHA Application
The details of the SHA development will be considered at resource consent stage.



71 Haven Road

Special Housing Area



Legend

Special Housing Area

Inner City - Fringe

Open Space Recreation

Residential

0 10 20 30 40
Scale 1:2,000 m

April 2019

File Ref: A2167760
Original map size A4.
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