



Notice of the Ordinary meeting of

Urban Development Subcommittee

Te Kōmiti Āpiti, Whakahou Taone

Date:	Friday 9 September 2022
Time:	1.30p.m.
Location:	Council Chamber Civic House 110 Trafalgar Street, Nelson

Supplementary Agenda

Rārangi take

Chairperson

Cr Judene Edgar

Members

Her Worship the Mayor Rachel Reese

Cr Mel Courtney

Cr Kate Fulton

Cr Brian McGurk

Cr Pete Rainey

Ms Chanel Starkey

Quorum 3

**Pat Dougherty
Chief Executive**

[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. For enquiries call (03) 5460436.

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Progress Update on Implementation of the National Policy Statement on Urban Development

1. Purpose of Report

- 1.1 To report progress on implementation of the National Policy Statement on Urban Development, 2020 (NPS UD).

2. Summary

- 2.1 The NPS UD directs local authorities to undertake a range of actions – all aimed at improving opportunities and information for decision-making for land development to meet community needs for housing and business activities.
- 2.2 All but one of the NPS UD actions have been successfully completed or are on-track to be delivered on time. Actions that have been completed include production of the Housing and Business Assessment in 2021 and removal of minimum car parking standards in 2021. The Future Development Strategy (FDS) is on track to be completed in time to inform the next Long Term Plan.
- 2.3 A delay to notification of Housing Plan Change 29 has meant one of the action timeframes for implementing Policy 5 (Housing Intensification) has not yet been met. Key reasons for the delay relate to additional process steps required to respond to new legislation; the need to efficiently align the outcomes from the FDS with Plan Change 29; staffing constraints; and responding to additional information requests from elected members.
- 2.4 Housing Plan Change 29 will implement NPS UD Policy 5 and is anticipated to be notified following decisions of the next term of Council - in the first half of 2023.

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3. Recommendation

That the Urban Development Subcommittee

- 1. Receives the report Progress Update on Implementation of the National Policy Statement on Urban Development (R27224); and***
- 2. Endorses the approach and progress to implement the National Policy Statement on Urban Development as set out in Report R27224.***

4. Background

- 4.1 The National Policy Statement on Urban Development (NPS UD) is a national direction under the Resource Management Act (<https://environment.govt.nz/assets/publications/National-Policy-Statement-Urban-Development-2020-11May2022-v2.pdf>). The NPS UD came into effect on 20 August 2020.
- 4.2 The purpose of the NPS UD is to support productive and well-functioning cities, in a coordinated and nationally consistent manner.
- 4.3 The NPS UD directs local authorities to undertake a range of actions – all aimed at improving opportunities and information for decision-making for land development to meet community needs. The NPS UD is designed to improve the responsiveness and competitiveness of land and development markets; and aims to ensure capacity is provided in accessible places– close to jobs, community services, public transport, and other amenities.
- 4.4 Under the NPS UD, Nelson City Council is a Tier 2 authority, along with Tasman District Council. Implementation of the NPS UD is partially shared with Tasman District Council.
- 4.5 Timeframes have been assigned for local authorities to implement many of the required actions. The actions relevant to Tier 2 local authorities are set out in Table 1 below.

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Table 1: NPS UD Timeframes for Implementation

<https://environment.govt.nz/publications/national-policy-statement-on-urban-development-2020-updated-may-2022/>

Local authority	Subject	National Policy Statement provisions	By when
Tier 2 only (other than a tier 2 territorial authority required by section 80F of the Act to prepare an IPI)	Intensification	Policy 5	Proposed plan or plan change notified no later than 2 years after the commencement date (by 20 Aug 2022)
Tiers 1 and 2	First Future Development Strategy (FDS) made publicly available after the commencement date	Policy 2 (see Part 3 subpart 4)	In time to inform the 2024 long-term plan
Tiers 1 and 2	Housing and Business Assessment (HBA) so far as it relates to housing	Policy 2 (see Part 3 subpart 5)	By 31 July 2021
Tiers 1 and 2	HBA relating to both housing and business land	Policy 2 (see Part 3 subpart 5)	In time to inform the 2024 long-term plan
Tiers 1, 2, and 3	Car parking	Policy 11(a) (see clause 3.38)	No later than 18 months after the commencement date

5. Discussion

5.1 A summary of progress on implementing the NPS UD is reported in the table below, with commentary following.

Action and required date for implementation	Progress update
Proposed plan or plan change notified no later than 2 years after the commencement date (by 20 Aug 2022)	Delayed. Draft intensification provisions were consulted on via the Draft Whakamahere-Whakatu Nelson Plan, and subsequently reworked for upcoming notification of Housing Plan Change 29.
HBA so far as it relates to housing by 31 July 2021	Completed on time. http://www.nelsoncity.co.nz/assets/Building-Planning/Downloads/urban-development-capacity/Housing-and-Business-Capacity-Assessment-Tasman-and-Nelson-Tier-2-Urban-Environment-Jun2021.pdf

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First FDS made publicly available after the commencement date – in time to inform 2024 Long Term Plan	On track. First FDS issued in 2019, and second FDS consulted on, with adoption by Council timeframed for August 2022.
HBA relating to both housing and business land- to inform 2024 Long Term Plan	Completed on time – refer HBA link above, which included a business assessment.
Carparking standards removed from District Plan	Completed on time – standards for car parking were removed 1 January 2021.

5.2 All but one of the NPS UD actions have been completed on time.

Housing intensification plan change

5.3 NPS UD requires a plan change to implement housing intensification (Policy 5) by 20 August 2022. Policy 5 requires plans to *"Enable building heights and densities that reflect the relative demand for use, and the level of accessibility from planned or existing active transport"*.

5.4 Housing Plan Change 29 (PC29) is being developed to enable more housing supply and housing options in Nelson’s residential and commercial zones, with greater provision for housing intensification, including new ‘medium density’ standards. Preparation of PC29 is well advanced and was on track to have a decision to notify the plan change by the required NPS UD date.

5.5 A number of factors have delayed the release of Plan Change 29 including:

1. New Legislation: The introduction of new legislation on 20 December 2021 – the Resource Management Amendment Act Enabling Housing Supply and Other Matters. The new legislation created a requirement for Tier 1 local authorities to create an Intensification Planning Instrument and apply the Medium Density Residential Standards using a specific process – the Intensification Streamlined Planning Process (ISPP). The use of this process is optional for Tier 2 authorities. Nelson City Council considered the option of using the ISPP on 7 April 2022, and then 19 May 2022 – ultimately deciding to not use that mechanism (refer report R27224) and proceed with Plan Change 29 using the existing planning pathways.
2. Additional Work: At the Council meeting on 19 May 2022 Council requested two additional housing topics for officers to report back on (Perimeter Block Housing and Climate Change); and noted the housing timeframe for notification of the plan change would be delayed.

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3. Resourcing: Significant staffing constraints, COVID 19 and the need to respond to a large volume of RMA changes continue to affect timely delivery of projects.
4. Alignment with FDS: Council indicated a preference to allow the FDS process to be completed prior to issuing a housing plan change. The FDS will be with Elected Members for adoption in August 2022. Alignment between the Housing Plan Change and that FDS is very logical for growth planning; and an efficient use of resources as it reduces the need for a subsequent FDS-driven plan change. It is anticipated that FDS alignment exercise will occur September to November 2022.
- 5.6 The timely delivery of Housing Plan Change 29 is important, because although the Nelson Tasman Housing and Business Capacity Assessment 2021 shows short term capacity is sufficient to meet demand, housing affordability has continued to decline - and there are predicted mid-term and long-term capacity shortfalls. The heights and densities anticipated through Housing Plan Change 29 will respond to these mid to long term demands for housing and particularly provide for greater capacity in areas serviced by public transport or active transport corridors, including walking accessibility.

6. Options

- 6.1 There are limited options for this report as it provides a progress update, however, Council has the option to endorse the approach and progress to implement the NPS UD – or not.
- 6.2 If Council does endorse the approach, it provides transparency on progress with implementing the NPS UD, including the reasons for delayed implementation of Policy 5 – this is officer’s recommended option.
- 6.3 If Council does not endorse the approach, then an alternative approach will need to be developed for a decision of Council.
- 6.4 For both options the Minister for the Environment may request an explanation for the delay on implementation of Policy 5. The explanation would be based on the reasons set out in this report.

7. Next Steps

- 7.1 The decision to notify Housing Plan Change 29 will be made in the next term of Council. Following the election, officers will take Elected Members through the draft Housing Plan Change 29 to confirm content. Following that, a draft must be provided to iwi and specified statutory agencies as part of the formal process required under the Resource Management Act. The feedback from those parties must be considered by Council prior to notification.

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7.2 Notification of plan change 29 is anticipated in the first half of 2023.

Author: Maxine Day, Manager Environmental Planning

Attachments

Nil

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Important considerations for decision making
1. Fit with Purpose of Local Government <p>The implementation of national policy statements is a responsibility for local government under the Resource Management Act 1991. The work contributes to promoting the social, economic, environmental, and cultural wellbeing of communities in the present and for the future.</p>
2. Consistency with Community Outcomes and Council Policy <p>The decision in this report addresses the following community outcomes: “Our urban and rural environments are people friendly, well planned and sustainably managed”.</p>
3. Risk <p>The decision in this report is low risk, as it does not involve levels of service, budget changes, people’s health and safety or the environment.</p> <p>There is risk that the Ministry for the Environment requests an explanation for the delayed implementation of Policy 5. If such an explanation is sought, officers will relay the reasons set out in this report. It is likely the Ministry will expect timely implementation of Policy 5.</p>
4. Financial impact <p>There are no direct financial implications from the decisions in this report.</p>
5. Degree of significance and level of engagement <p>The report’s recommendation is of low significance under the Significance and Engagement Policy as endorsing the process and its timing will have little impact on the community. No engagement is proposed.</p>
6. Climate Impact <p>As a progress report, the decision in this report does not have a direct impact on climate change. Aspects of implementing the NPS UD will require consideration of, or have considered, climate change.</p>
7. Inclusion of Māori in the decision making process <p>No engagement with Māori has been undertaken in preparing this report.</p>
8. Delegations <p>The Environment and Climate Committee has the following delegations to consider</p>

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Areas of Responsibility:

- Planning documents or policies, including (but not limited to) the Land Development Manual
- Policies and strategies related to resource management matters
- The Regional Policy Statement, District and Regional Plans, including the Nelson Plan

Delegations:

The committee has all of the responsibilities, powers, functions and duties of Council in relation to governance matters within its areas of responsibility, except where they have been retained by Council, or have been referred to other committees, subcommittees or subordinate decision-making bodies.

The exercise of Council's responsibilities, powers, functions and duties in relation to governance matters includes (but is not limited to):

- Monitoring Council's performance for the committee's areas of responsibility, including legislative responsibilities and compliance requirements

Powers to Recommend (if applicable):

- NA