

# Medium Density Housing Strategy and Implementation Plan 2014

2022 Addendum  
Prepared for Hastings District Council

1 July 2022



## Document Quality Assurance

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# CONTENTS

Summary	1
1.0 Introduction	4
2.0 Background	4
2.1 Hastings Urban Issues and Urban Design Framework 2010	4
2.2 Hastings Medium Density Housing Strategy (MDHS)	5
3.0 Context Assessment	7
4.0 Housing Demand and Supply	7
4.1 Housing Demand	7
4.2 Housing Supply	8
4.3 Reconciling Supply and Demand	9
5.0 National Policy	9
5.1 Urban Growth Agenda 2017	10
5.2 National Policy Statement - Urban Development 2020	10
5.3 National Planning Standards 2019	12
5.4 Resource Management (Enabling Housing Supply and Other Matters) Amendment Act 2021	12
5.5 Government Policy Statement on Housing and Urban Development 2021	14
5.6 Public Housing Plan 2021-2024	16
5.7 Resource Management Reform	17
6.0 Regional Policy	18
6.1 Heretaunga Plains Urban Development Strategy	18
6.2 Regional Policy Statement	19
6.3 Future Development Strategy	20
6.4 Public Transport	20
7.0 District Policy	21
7.1 Operative District Plan	21
7.2 Short Term Plan Changes to Optimise Current Residential Intensification Approach	25

7.3	Medium Term Plan Changes to Increase Residential Intensification	25
7.4	Design Guidance	27
7.5	Long Term Plan 2021-2031(LTP)	28
7.6	Infrastructure	28
7.7	Development Contributions	29
7.8	Hastings Medium and Long Term Housing Strategy 2021	30
<b>8.0</b>	<b>Medium Density Housing Strategy Implementation Programme Stocktake</b>	<b>34</b>
8.1	Scope	34
8.2	Evaluation	34
8.3	Spatial Outcomes	37
<b>9.0</b>	<b>Experience in other Provincial Centres</b>	<b>37</b>
9.1	Rotorua	37
9.2	New Plymouth	38
9.3	Palmerston North	40
9.4	Nelson/Tasman District	41
9.5	Tauranga	42
9.6	Conclusion	43
<b>10.0</b>	<b>Developer Perspectives on Obstacles to Achievement of Medium Density Housing Delivery</b>	<b>44</b>
10.1	Scope	44
10.2	Method	44
10.3	Feedback	45
10.4	Conclusion	47
<b>11.0</b>	<b>Findings</b>	<b>47</b>
11.1	Context	47
11.2	Strategy Stocktake	49
11.3	Developer Perspectives	50
11.4	Practice Elsewhere	51
11.5	Actions	51
<b>12.0</b>	<b>Recommendations</b>	<b>52</b>
12.1	Medium Density Housing Strategy and Implementation Programme	52

12.2	Future Development Strategy	53
12.3	Local Area Plans	54
12.4	Long Term Plan/Annual Plan	54
12.5	District Plan	54
12.6	Consenting	55
12.7	Design Guidance	55
12.8	Infrastructure	55
12.9	Development Contributions	55
12.10	Pilot Project	56

## Appendices

Appendix 1: Consultant Brief

Appendix 2: Medium Density Housing Strategy Implementation Programme

Appendix 3: Implementation Programme Stocktake

Appendix 4: Implementation Programme – Spatial Outcomes

Appendix 5: Housing Strategy Workstream Sample



# Summary

The implementation programme of the recommendations from the Medium Density Housing Strategy was adopted by Hastings District Council in 2017 in order to promote housing intensification that is appropriate in size, scale and character for Hastings. It is timely to review the Medium Density Housing Strategy. It was a key action outcome of the Heretaunga Plains Urban Development Strategy 2010 (HPUDS2010) and a significant commitment in the 2012 Long Term Plan (LTP).

The review confirms that the outcomes of the Medium Density Housing Strategy have substantially increased in relevance and importance since being prepared in 2014.

Detached houses still dominate housing activity in Hastings, and higher density housing still forms only a small portion of the overall delivery. Over time, higher density housing through redevelopment and infill are expected to become more viable. An ongoing shift to attached dwellings is anticipated for Hastings.

The Medium Density Housing Strategy outcomes are well aligned with the current national urban policy direction. Access to good housing underpins all other wellbeing outcomes including health, education, and employment. Focus areas include affordability, and meeting needs and changing life circumstances of diverse families and households. Increasing urban density is seen as *critical* to addressing the housing shortage in New Zealand. The need to achieve a reduction in greenhouse gas emissions has added further to the priority of achieving increased urban density.

The Government expects all government organisations, including local government, to help shift and align their policy and investment to support housing delivery.

The *Future Development Strategy* (FDS) will replace the HPUDS by 2024. The FDS will need to address the gap in delivery of intensification, as well as integrate land use with a transport strategy that promotes a shift away from single occupancy vehicles to public transport and active modes within a well-functioning urban environment. Public transport and active transport modes will require increased attention as part of the MDHS and local and regional transport strategies from the perspective of accessibility and reduction of greenhouse gas emissions.

The *Hastings Operative District Plan* seeks to enable intensification while also maintaining the levels of amenity currently enjoyed by the community. This policy weighting must inevitably constrain the delivery of intensification through increasing development risk and uncertainty. Some short term Plan Changes are proposed to address this issue in the Residential Zones. This is an issue that will need to be reconciled more fundamentally, likely through the FDS and plan changes that will follow with a shift in community expectations required.

The *Hastings Medium and Long Term Housing Strategy* was adopted in 2021. The Housing Strategy, while initially focussing on critical affordable and social housing issues, now encompasses outcomes relevant to all types of housing. A strategy that improves outcomes for those least able in the community will almost certainly provide the same, if not greater, benefits to the community at large.

Several of the Housing Strategy outcomes are directly applicable to addressing obstacles to the delivery of Medium Density Housing that are common across all types of housing:

- Working together and building local capacity – partnership and engagement with providers across the housing sector

- Affordability and suitability – housing needs in the local area are understood, and supply is targeted to demand
- Land and regulatory settings – responsive regulation and consenting processes, monitoring, development of tools to support delivery across all forms of housing
- Community well-being - place based approach

A stocktake of the Medium Density Housing Strategy Implementation Programme shows that substantive actions have now been completed according to the programme. Key actions have included a Plan Change in 2015 to bring forward preferred areas for medium density development through the City Living Zone and Comprehensive Residential Development, development of design guidelines for medium density housing, resourcing of pre-application developer engagement with experienced senior staff, and planning work towards resolving infrastructure constraints.

There are several significant actions programmed from 2021, including the preparation of Local Area Amenity and Infrastructure Plans (LAPs) to integrate above and below ground infrastructure and recommendations from the Openspace and Amenity Work Stream action is scheduled from 2021-2026. The LAP action is critical to delivery of an effective place based delivery of medium density housing. The five-year programme needs to be compressed to ensure that it provides a timely, evidence-based input to Essential Service Development Plans and the FDS. The LAP action is also an important opportunity to engage with the communities in areas that may face change.

Liaison with medium density housing providers identified several key obstacles to the delivery of MDH in Hastings and highlighted the constrained land supply, infrastructure, and the District Plan as the main areas requiring attention.

Other comparable Councils are making significant moves towards enabling greater urban intensification, following national policy direction. There are good examples of place based approaches that can inform responses for Hastings.

The scope of key actions set out in the recommendations seek to extend and amplify MDHS outcomes, consistent with national policy direction:

- Identify and define a network of expanded MDR Development Areas for Hastings with locational attributes that will support a well-functioning urban environment, focussing on centres, open space and public transport as an input to the FDS;
- Develop *Local Area Plans* for MDR Development Areas, addressing land use and infrastructure in collaboration with the community, likely over sectors of the urban area rather than as individual centres;
- Implement Plan Changes in the short term to address existing rule inefficiencies in enabled areas;
- Implement Plan Changes to zone MDR Development Areas *High and Medium Density Residential Zone* aligned with the FDS;
- Plan and fund infrastructure investment to support the delivery of development within MDR Residential Development Areas;
- Amend the Development Contributions Policy to provide for single and two bedroom dwellings units as a prorated HUE, and further changes to recognise and support intensification in conjunction with Local Areas Plan development;



- Continue with initiatives to partner with the development sector on housing projects that clearly demonstrate alignment with housing strategy principles, as a means of addressing immediate land supply constraints, encouraging increases in density and diversity of housing, promoting quality design and amenity, affordability, and reinforcing the place based strategy targeting well suited locations.

It would be efficient and effective to integrate the *Medium Density Housing Strategy* into the Council's *Medium and Long Term Housing Strategy*, rather than continue with a standalone policy. The *Housing Strategy* brings together relevant key sector interests and provides an established framework for engagement, information gathering and dissemination, and structured monitoring and review.

The Housing Strategy governance group and its supporting management and operational linkages/network provides an excellent foundation for partnership on the long term delivery of housing outcomes. This could be optimised by private sector developer and development infrastructure provider representation as anticipated by the NPS UD to support an integrated, outcomes based approach.

# 1.0 Introduction

The implementation programme of the recommendations from the Medium Density Housing Strategy was adopted by Hastings District Council in 2017 in order to promote housing intensification that is appropriate in size, scale and character for Hastings.

Given the district's worsening housing crisis and high growth rates, significant growth work coming up with the subregional HPUDS review (FDS) and the Regional Spatial Plan as well as Council's strong focus on place-based housing opportunities, it is timely to review the Medium Density Housing Strategy.

At the Strategy and Policy Committee on 2nd November 2021 the committee resolved to:

- a) Build on and translate the key findings and outcomes from the Housing Capacity Assessment and the outcomes of recommendations (3) (4) and (5) in the preparation of a Regional Spatial Plan, or review/replacement of the Heretaunga Plains Urban Development Strategy including:
- b) Directing the Chief Executive to commission an updated intensification strategy which considers regulatory and non-regulatory levers and incentives that Council can apply to incentivise Housing Intensification Objectives. This strategy will be brought back to Council for consideration and adoption before 30 June 2022.

An implementation plan for the strategy is tracking a number of completed and in-progress actions, however given the fast-changing nature of the housing situation in Hastings, a strategy review is timely.

This review updates the strategy in light of that changed context and implementation progress since the strategy was adopted and outlines the scope of further actions to be taken. Of particular focus is:

- infrastructure capacity to accommodate growth in medium density development
- urban intensification development commercial viability, including the aggregation of sites for development,
- issues relating to market appeal,
- effective consenting pathways,
- opportunities to collaborate with developers to increase delivery.

## 2.0 Background

### 2.1 Hastings Urban Issues and Urban Design Framework 2010

The foundations of the MDHS were established by the at a high level by HPUDS2010 and at more granular form through Hastings Urban Issues project, both initiated in August 2009. The resulting *Hastings Urban Issues and Urban Design Framework* (UDF) outlines an urban design framework for Hastings and recommended a number of projects be undertaken by HDC, in particular:

- Reduce expansion into versatile soils;
- Enable residential intensification of the CBD, and large parts of Heretaunga St East and Mahora;

- Provide for intensification in pockets of Raureka and Parkvale (around Windsor Park);
- Support medium density residential in parts of Flaxmere and Havelock North;
- Assess development economics of and market conditions for residential intensification.

The Urban Design Framework’s Recommended Intensification Areas are shown below. The areas that are identified were subsequently taken forward into the MDHS and the first phase of implementation through a District Plan change was put in place in 2015.

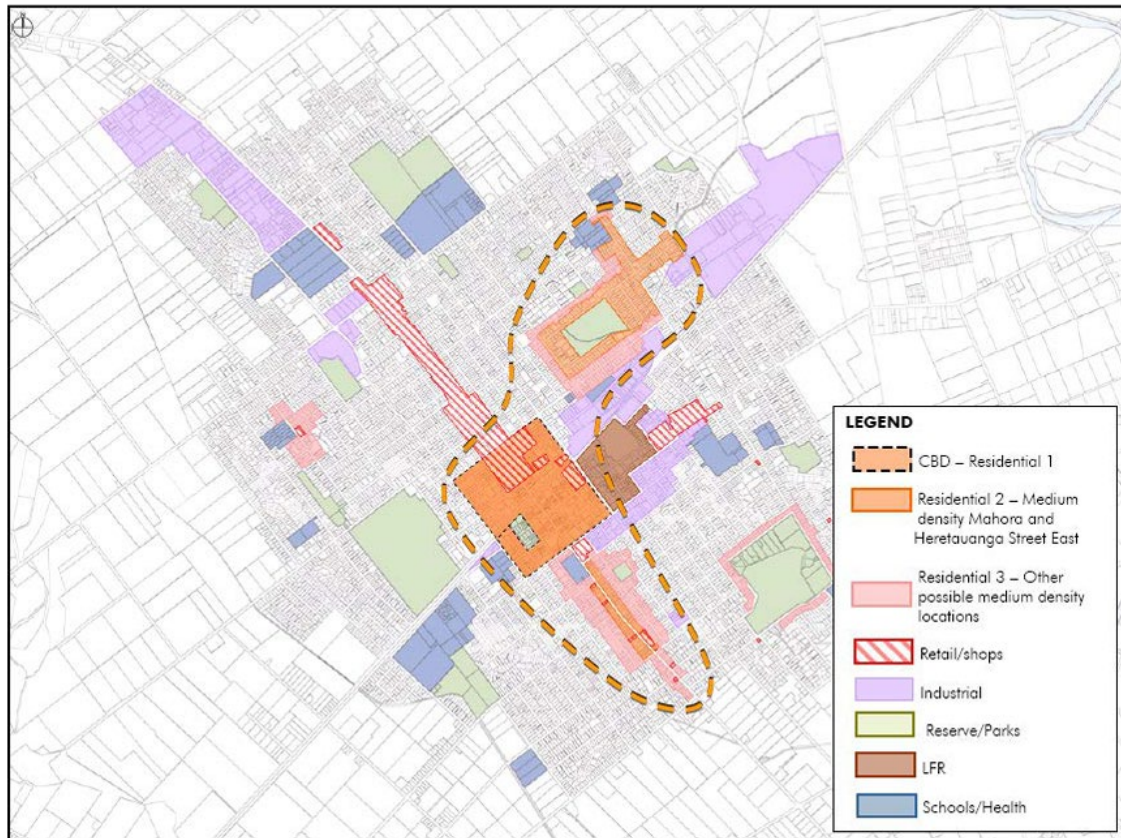


Figure 1 Urban Design Framework Recommended Intensification Areas

## 2.2 Hastings Medium Density Housing Strategy (MDHS)

The purpose of the MDHS is to achieve the intensification targets established for Hastings by HPUDS.

### 2.2.1 Hastings Medium Density Housing Strategy Stage 1

The Hastings Medium Density Housing Strategy Stage 1 (MDHS Stage 1) validated the capacity of Hastings urban area to meet the HPUDS residential intensification targets and found that the intensification targets set out by HPUDS for Hastings can be met via a mixture of infill and comprehensive site redevelopment.

MDHS Stage 1 also found that market conditions did not facilitate the development of medium density housing. The housing market was seen to be constrained by differential land values that favoured greenfield locations that were perceived to exhibit higher amenity, create greater efficiencies, and to have a higher degree of desirability.

Intervention in the market was recommended to restrict greenfield land supply in the short to medium term to *improve the relative value of developing and living in identified urban locations thereby forcing the market to use existing residential land in a more efficient way.*

MDHS Stage 1 also recommended providing a better planning consent pathway (activity status, standards and assessment criteria).

## 2.2.2 Hastings Medium Density Housing Strategy Stage 2

The Hastings Medium Density Housing Strategy Stage 2 2014 (MDHS Stage 2) built on the Stage 1 findings, providing the basis for an “implementation toolkit” to enable practical achievement of the HPUDS intensification targets.

The MDHS Stage 2 implementation toolkit includes eight work streams:

1. **Changing perception and capability** – exploring perceptions of medium density housing and providing recommendations of how to manage negative perceptions and build capability and confidence within the development community.
2. **Promoting quality design and amenity** – assessing the character values of the host neighbourhoods and developing design guides which recognise and respond to existing character and promote quality outcomes in general.
3. **Responsive and effective regulation** – reviewing and modifying the district plan to better provide for medium density housing, while ensuring quality development.
4. **Building local amenity and open space** – reviewing public open space provision servicing the host neighbourhoods and considering whether it is suitable to provide for anticipated intensification.
5. **Medium density ready services** – explores infrastructure capacity within host neighbourhoods to ensure there is capacity to support intensification.
6. **Cost competitive development** – exploring the potential levels of demand for medium density housing and looking at what interventions are available to Council to make medium density housing more competitive within the general housing market.
7. **Managing greenfield land supply** – exploring the relationship between greenfield residential development and intensification. In particular, the effects on housing affordability caused by restricting greenfield development.
8. **Socially integrated development** – explores the social and demographic structures of likely medium density housing developments and provides recommendations on what facilities are required to support them and help assimilate them into the host neighbourhoods.

## 2.2.3 Medium Density Housing Strategy Implementation Programme (Implementation Programme)

The MDHS is implemented through an *Implementation Programme* formulated in 2017.

The Implementation Programme is set out in Appendix 2.

The Implementation Programme is framed under the eight MDHS workstreams and specifies *actions, lead group, budget, and scheduled date for completion*.

An additional workstream and actions was included on Removing Barriers and Building Capacity.

Implementation Programme Actions are classified under four timescales:

- Completed
- Ongoing
- 2018-2021
- 2021+

Progress against the Implementation Programme is monitored, and actions are updated. The last update formally occurred in September 2020.

A stocktake of the Implementation Programme, informed by a context assessment is included in Appendix 3 and key issues are highlighted in Section 8.0 below.

## 3.0 Context Assessment

The context for medium density housing development has changed significantly since the MDHS was formulated in 2013 in relation to the rapid growth being experienced in the district and the other growth related work being undertaken or planned.

The following sections assess the context in terms of housing supply and demand, and policy direction at national, regional and district levels, and how this affects the MDHS.

## 4.0 Housing Demand and Supply

The Housing Capacity Assessment 2021 (HCA) was prepared for the Napier and Hastings areas to comply with the National Policy Statement for Urban Development 2020 (NPSUD).

The HCA report assesses housing demand and development capacity (supply) over the short, medium, and long term<sup>1</sup>.

### 4.1 Housing Demand

After a period of high immigration driven growth over the last five years the growth scenarios see a dropping back from 2021-2023, and steadying after that, but at a higher level than previously forecast in HPUDS.

The long-term 2050 growth outlook for Hastings is for a population of between 104,600 and 119,800 people and 42,300 households (an additional 10,970 households requiring housing).

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<sup>1</sup> NPSUD 1.4 Interpretation short term= 0-3 years, medium term = 3 - 10 years, long term = 10 - 30 years

A margin for competitiveness is required above this outlook, with a further 1,200 additional households in the long term.

The household estimates do not include an allowance for a housing backlog. This is estimated at 1,300-1,600 dwellings. Increasing emergency housing numbers are continuing to rise which suggests that the backlog is increasing.

The HBA analysis of consent data reveals evidence of recent shifts in housing typologies through:

- A shift towards higher density typologies, with intermittent increases in retirement dwellings; and
- A shift toward smaller houses, influenced by higher density developments in response to price-affordability pressures, retirement village growth and recent increases in social housing construction.

Detached houses still dominate housing activity, and higher density housing still forms only a small portion of the overall delivery. However, changing land values are expected to interact with development costs to change construction economics. Over time, higher density housing through redevelopment and infill are expected to become more viable. An ongoing shift to *attached dwellings* is anticipated for Hastings

## 4.2 Housing Supply

Housing supply estimates are for *plan enabled, commercially feasible and reasonably expected to be realised* capacity following the NPS UD criteria.

	Short (3 years)	Medium (10 years)	Long (30 years)
Plan-enabled capacity	11,290	11,290	11,290
Feasible and infrastructure ready capacity (greenfield)	1,152	1,680	2,667
Feasible capacity (Redevelopment)	5,550	5,980	8,395
Feasible and infrastructure ready capacity (Redevelopment)	3,495	3,735	3,815
Feasible and infrastructure ready TOTAL	4,647	5,415	6,482
Unconfirmed infrastructure capacity over the long term (30 year): +3,065			

Table 1 Plan enabled, commercially feasible and reasonably expected to be realised capacity

Over the medium and long term, the proportion of plan enabled capacity that becomes commercially feasible increases. However, for Hastings, there are currently significant uncertainties over long term infrastructure capacity.

## 4.3 Reconciling Supply and Demand

The main findings of the HCA for Hastings are:

- There is sufficient capacity for the short to medium term, but the medium-term margin is small and sensitive to the assumptions made;
- There is a deficiency for long term housing capacity, even when capacity that has unconfirmed infrastructure is included.

In analysing the HBA findings, the council has identified a concern that the rapid transition from greenfield to intensification assumed in the report to accommodate the higher projected growth rate could create significant risk to housing supply and affordability if the market did not respond quickly enough.

Further, the 25% projected increase of intensification in commercial areas presented greater challenges including larger scale investment and a more uncertain demand than in residential areas.

A rebalanced mix of greenfield and intensification-based development over the short to medium term was considered appropriate to address these risks.

The council has also identified the need to more actively promote intensification to achieve the higher overall uptake rates that would be needed to maintain the rebalanced share, including through District Plan changes to provide further feasible intensification capacity in the short to medium term to facilitate this shift.

Key decisions that followed the HCA included:

- Undertaking a detailed review of the operative planning provisions to ensure the urban provisions are enabling growth, aligning with the National Policy Statement on Urban Development 2020 requirements and not unnecessarily constraining development potential and opportunities.
- Reviewing the infrastructure strategies based on the new growth projections, including confirming or otherwise the capacity of existing infrastructure.
- Directing the Chief Executive to commission an updated intensification strategy which considers regulatory and non-regulatory levers and incentives that Council can apply to incentivise Housing Intensification Objectives. This strategy will be brought back to Council for consideration and adoption before 30 June 2022.

Housing Bottom Lines established through the HCA have now been included in the RPS<sup>2</sup>.

## 5.0 National Policy

Key central government policies that provide context to the MDRS review are summarised below. Significant policy changes have been made since the MDRS was adopted.

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<sup>2</sup> In effect from 18th Dec 2021 Section 3.1AA

## 5.1 Urban Growth Agenda 2017

The Urban Growth Agenda (UGA) is a key Central Government policy initiative to improve urban outcomes in response to the challenges facing urban areas.

The work programme crosses multiple portfolios and includes the Ministers of Housing, Infrastructure, Transport, Local Government, and the Ministers for Building and Construction and the Environment

The objectives of the UGA are:

### **Affordable housing**

*Giving people more and better options for housing locations and types, to improve housing affordability in urban areas.*

### **Emissions reductions**

*Encouraging, enabling, and incentivising lower emission urban form and construction.*

### **Liveable and resilient cities**

*Making urban areas more accessible and inclusive, and increasing resilience to natural hazards and climate change impacts.*

The UGA programme is built on five *pillars*:

**Infrastructure Funding, Financing, and Delivery** — *to enable a more responsive supply of infrastructure and appropriate cost allocation, while supporting stable and certain funding systems.*

**Urban Planning** — *to allow for cities to make room for growth, support quality-built environments and enable strategic integrated planning.*

**Urban Growth Partnership** — *to build a stronger partnership with iwi and Māori, and between local and central government as a means of developing integrated spatial planning.*

**Levering and Integrating Transport** — *to ensure low-carbon, well-connected public and active transport through transport investment and land use across the pillars.*

**System Coherence** — *to ensure that regulatory, institutional and funding settings are integrated and mutually reinforcing, and that urban development perspective is included across government reforms.*

The programme aims to remove barriers to the supply of land and infrastructure and make room for cities to *grow up and out*.

The UGA signals that “business as usual” cannot prevail and this has been given effect through several policy levers, with key ones discussed below.

## 5.2 National Policy Statement - Urban Development 2020

The National Policy Statement on Urban Development (NPS-UD) aims to ensure that New Zealand’s towns and cities are well-functioning urban environments that meet the changing and diverse needs of communities.



The NPS-UD directs councils to remove overly restrictive planning rules that make it more difficult to build homes. It requires councils to respond to changes in demand by enabling denser housing in walkable distances to areas such as around city centres and rapid transit stops.

Major policies in the NPS-UD include:

***Intensification***

*Council plans need to enable (but not require) greater height and density, particularly in areas of high demand and access.*

***Car parking***

*Councils are no longer be able to require developers to provide car parking through their district and city plans. Developers can still provide car parking if they wish. Mobility parking is not affected by this direction.*

***Responsiveness***

*Councils must consider private plan changes where they would add significantly to development capacity, good outcomes and are well connected by transport corridors.*

***Wider outcomes***

*Councils are directed to give greater consideration to ensuring that cities work for all people and communities. Particular focus is given to access, climate change, and housing affordability.*

***Strategic planning***

*Councils are required to work together to produce 'Future Development Strategies', which set out the long-term strategic vision for accommodating urban growth.*

***Evidence and engagement***

*Councils must use a strong evidence base for their decision making and ensure they engage with Māori, developers and infrastructure providers.*

When making planning decisions that affect urban environments, decision-makers must have particular regard to the planned urban built form anticipated by RMA planning documents that give effect to NPS. The planned urban built form involves significant changes to an area, and the NPS recognises that these changes may detract from amenity values appreciated by some people but improve amenity values appreciated by other people, communities, and future generations, including by providing increased and varied housing densities and types; and are not, of themselves, an adverse effect.

There are some NPS-UD policies that Council must comply with within specified timeframes.

Policy 5 (Intensification) must be complied with *not later than 2 years after commencement date* (i.e., by July 2022):

*Policy 5: Regional policy statements and district plans applying to tier 2, and 3 urban environments enable heights and density of urban form commensurate with the greater of:*

- a) the level of accessibility by existing or planned active or public transport to a range of commercial activities and community services; or*
- b) relative demand for housing and business use in that location.*

While the UDF 2010 and MDHS predated the NPS-UD, the underlying principles of assessing accessibility and demand are consistent with Policy 5.

Policy 2 must be complied with *in time to inform the 2024 long-term plan*:

*Policy 2: Tier 1, 2, and 3 local authorities, at all times, provide at least sufficient development capacity to meet expected demand for housing and for business land over the short term, medium term, and long term.*

This requires preparation of the *Future Development Strategy* (FDS) to be programmed so that it informs the 2024 LTP. Every FDS must spatially identify:

- the broad locations in which development capacity will be provided over the long term (30 years) in both existing and future urban areas;
- the infrastructure required to support that development capacity; and;
- any constraints on development.

An FDS programme is in place to achieve this outcome. The FDS will replace the HPUDS.

Quarterly Monitoring required by the NPS-UD includes a range of housing market and price efficiency indicators on a quarterly basis. This monitoring ensures the Council and other local authorities have timely information about demand, urban development activity, and market function, including how market changes may affect sufficient capacity for housing land in the district.

The Hastings Medium and Long Term Housing Strategy 2021 has identified that as part of a Council review of its regulatory, planning and consenting processes and practices to support new housing developments, consideration be given to the opportunities provided by the National Policy Statement on Urban Development.

### 5.3 National Planning Standards 2019

The purpose of the National Planning Standards is to improve the efficiency and effectiveness of the planning system by providing nationally consistent structure, format and definitions for plans.

Some Councils have already undertaken restructuring of District Plans in accordance with the NPS without going through a normal RMA plan change process (e.g., notification, submissions and hearings). However, most councils have chosen to implement the standards as part of their next plan review process.

The NPS includes District Plan Structure, Zone Framework, Spatial Layer, and Definition Standards that will strongly influence the form and content of any future plan changes and reviews.

### 5.4 Resource Management (Enabling Housing Supply and Other Matters) Amendment Act 2021

The Resource Management (Enabling Housing Supply and Other Matters) Amendment Act 2021 (Enabling Act) requires councils in New Zealand's largest urban areas to adopt medium density residential standards to boost housing supply and enable more types of housing.

The rationale of the Enabling Act is<sup>3</sup>:

*Increasing urban density is critical to addressing the housing shortage in New Zealand because it enables more houses to be built in areas that have access to jobs, public transport, amenities, and other community facilities.*

*When more people live in an area, there is more investment in the parts that enhance a community such as parks and open spaces, streets, schools, health services, and businesses. It also supports more even growth across cities. This is critical to creating thriving communities where everyone has a place to call home.*

*By removing restrictive planning rules, New Zealanders can expect to see more medium density homes being built across more of our major cities.*

The Medium Density Residential Standards enable people to build up to three units and three storeys on most sites in Auckland, and greater Hamilton, Tauranga, Wellington, and Christchurch without the need for a land use resource consent, provided all other rules and standards in the district plan have been complied with. Exceptions to individual sites and areas apply based on *qualifying matters* set out in the NPS-UD.

The provisions for permitted residential development must allow up to 3 units per site, with buildings up to 11m in height, and 4m + 60° recession plane. More than 4 units per site are a non-notified restricted discretionary activity. Tier 1 Councils must also give effect to greater density and height around *functional centres* allowing 4 level buildings within 400m of local centres and 6 level buildings within 800m of town centres.

A cost benefit analysis was prepared<sup>4</sup> to show costs and benefits of the MDRS to help inform decision-making. The assessment estimates that the MDRS will increase dwellings across New Zealand's fastest growing cities, with significant benefits including a decline in house prices that generates a transfer of wealth between existing homeowners and would be homebuyers:

*"...the proposed amendment to the RMA appears likely to lead to more affordable and equitable urban living than what would happen in its absence. The difference will be small at first, noticeable within a decade, and enormous for the next generation." (Executive Summary p15)*

Councils must publicly notify changes to their district plans to introduce the provisions by the end of August 2022. The permitted activity provisions will have immediate effect.

The standards apply to all residential zones in the Tier 1 urban environments, with some specified exceptions.

The Minister for the Environment, in consultation with the Minister of Housing and Minister of Crown Māori Relations, can require Tier 2 councils to adopt the medium density standards if there is an *acute housing need*. Napier-Hastings (Hawke's Bay Regional Council, Napier City Council and Hastings District Council) is a tier 2 Urban Environment. Hastings arguably has an acute housing need, as does Napier.

This indicates the need for Council to fully consider the adoption of the MDRS across its residential zones as a practicable future option. This is addressed further in Section 7.3 District Plan.

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<sup>3</sup> <https://www.hud.govt.nz/urban-development/enabling-housing-density/>

<sup>4</sup> Cost-Benefit Analysis of proposed Medium Density Residential Standards PWC and Sense Partners; December 2021

## 5.5 Government Policy Statement on Housing and Urban Development 2021

The Government Policy Statement on Housing and Urban Development September 2021 (GPS-HUD) provides a shared vision and direction for housing and urban development. Access to good housing is seen as underpinning all other wellbeing outcomes including health, education, and employment.

The GPS-HUD has a multi-decade outlook with outcomes for people, communities, the economy, and the built and natural environments towards the following vision:

*“Everyone in Aotearoa New Zealand lives in a home and within a community that meets their needs and aspirations.*

*Homes should be:*

- *stable and affordable*
- *healthy and of a high quality*
- *accessible*
- *environmentally sustainable and energy efficient.*

*There will be homes of different sizes, layouts, and tenure types, reflecting the diversity in household sizes and structures. They should meet people’s needs over their lifetime and support their overall wellbeing.*

*Places should be:*

- *accessible*
- *connected*
- *well designed and resilient.*

*The places we live should reflect our culture and our heritage, enable and encourage people to come together as a community, and have a low environmental impact.*

*The location and design of homes will support us to mitigate and adapt to the effects of climate change.”*

The Outcomes are

### ***Thriving and resilient communities***

*Everyone is living in communities that meet their needs. The places where people live are accessible and connected to employment, education, social and cultural opportunities. They grow and change well within environmental limits, support our culture and heritage, are resilient to natural hazards, and help us reduce emissions and adapt to the impacts of a changing climate.*

### ***Wellbeing through housing***

*Everyone lives in a home, whether rented or owned, that is stable and affordable. The quality, accessibility, size, and features of our homes support people and families to live healthy, successful lives.*

### ***Māori housing through partnership***

*Māori and the Crown are working together in partnership to ensure all whānau have safe, healthy affordable homes with secure tenure. Māori housing solutions are led by Māori and are delivered locally. Māori are able to use their own assets and whenua Māori to invest in and support housing solutions.*

***An adaptive and responsive system***

*The system is integrated, self-adjusting and delivers in response to emerging challenges and opportunities. Land, infrastructure, and housing supply is responsive to demand, well-planned and well-regulated*

Six focus areas are identified as essential to achieving these outcomes:

***Ensure more affordable homes are built*** – to enable urban development, deliver infrastructure and drive action to build enough homes to support everybody’s wellbeing and make homes more affordable.

***Ensure houses meet needs*** – to ensure that our houses are warm, dry, accessible and affordable to run, and meet the needs and changing life circumstances of families and households.

***Enable people into stable, affordable homes*** – to ensure every New Zealander can live in a stable, affordable home from which they can thrive. Ensure that homelessness is prevented where possible.

***Support whānau to have safe, healthy affordable homes with secure tenure*** – the right to self-determine better housing and urban development solutions for iwi and Māori should be realised.

***Re-establish housing’s primary role as a home rather than a financial asset*** – to reduce speculative investment in existing housing stock, making home ownership more accessible for first-home buyers.

***Plan and invest in our places*** – to ensure our neighbourhoods and places meet the needs of our communities today and are well equipped to meet long- term climate, social, cultural, environmental and economic challenges and opportunities.

The GPS-HUD aims to align the whole housing system in both government agencies and the private sector, supporting the housing and urban development system to work toward realising an enduring set of outcomes.

The Government expects all government organisations, including local government, to help implement the GPS-HUD, and to consider how they can shift and align their policy and investment to support it, while also delivering on their core roles. Kāinga Ora, as the Crown’s public housing provider and urban development agency, must give effect to the GPS-HUD.

For non-government organisations, the GPS-HUD informs how they can shift their own operations to respond to the direction independently, or in partnership with government and each other.

*A place based approach is to be taken:*

*‘This is because every place is unique, with different characteristics – including challenges or problems – arising from local history, culture and heritage, geography, economy, and resources. Climate change will have an impact on us all, but it will affect each place and community differently. Some communities are more vulnerable to sea-level rise and coastal inundation than others, and some places have more scope to rapidly reduce their transport emissions than others.’*

Local government is recognised as a *key enabler and delivery agent* for housing and urban development, particularly through their planning and infrastructure investment roles. Local authorities are a key enabler and delivery agent for central government direction on housing and urban growth and play a key role in ensuring there is sufficient development capacity for housing and business land.

The private sector is recognised as playing the largest role in funding, financing, designing, constructing, delivering, and maintaining the built environment.

The GPS HUD 2021 has significant long term implications for housing provision as whole, including links to major policy changes through the reform of the Resource Management Act, infrastructure funding tools, addressing legislative barriers and three waters reform.

However, there is also policy direction that has more immediate implications for the delivery of MDH in Hastings, and this review, including:

- Better enabling housing supply and urban development within environmental limits, including reducing underutilisation of land with residential potential within existing urban and built areas.
- Ensuring adequate and sustainable supply and management of drinking, wastewater and storm water services.
- Removing barriers or disincentives to live in and build medium density and high density houses.
- Developing place based strategies that recognise every place is unique, with different characteristics – including challenges or problems – arising from local history, culture and heritage, geography, economy, and resources.
- Seeking new opportunities to increase the pace and scale of new housing supply and urban development and increase the number of homes that are affordable for low to moderate-income households.
- Aligning government investment in transport, education, health and other services to complement housing and urban development objectives.
- Increasing the proportion of new-build homes that are accessible and universally-designed.
- Developing a range of pathways into home ownership rental and entirely new types of tenure that support people into stable and affordable homes, for low to middle income families and first home buyers.

The GPS HUD 2021 is a significant change in government policy from the time the MDHS strategy was formulated in 2014.

It is noted that many of these issues have been identified and actions developed within the Hastings Medium and Long Term Housing Strategy 2021, discussed further below.

## 5.6 Public Housing Plan 2021-2024

Public housing is one of many housing initiatives the Government is progressing to address housing need.

Outcomes sought by the public housing plan are:

- *Greater collaborative partnerships between the Ministry, Kāinga Ora, iwi and Māori, Community Housing Providers, local government and the construction industry*

- *More new public housing in regional centres and towns where housing demand is growing the fastest, alongside delivery in main centres*
- *More place-based and MAIHI<sup>5</sup> approaches, and bespoke responses to different housing needs, especially for Māori*
- *An increase in the number of new build public housing and a progressive decrease in the proportion of private market homes leased for public housing*

Hastings is within the East Coast Local Area. Gisborne, Napier and Hastings are priority areas with housing deprivation. Supply is targeted towards these areas. The region has a high proportion of Māori in housing need. Work is underway to bring on further supply across the region.

340-590 new public housing units and 120 Transitional Housing units are *intended* and will vary on what is delivered due to capacity to bring on supply. Around 300 of these housing units are projected to be placed in Hastings by 2024. This is a reasonably significant share (about 20%) of new housing starts for this period, and about double the current level of public housing activity. However, this does not fully address the current need indicated by the of housing register of around 800 households.

Kāinga Ora (KO) will be a very significant participant in residential development. Engagement occurred with KO was part of the review and this is summarised in Section 10.3 Feedback.

## 5.7 Resource Management Reform

The Resource Management Act 1991 (RMA) will be replaced by three pieces of legislation.

The proposed Natural and Built Environment Act (NBEA) will replace the RMA and provide the legal framework for statutory planning instruments and consents. The exposure draft of the Bill indicates that there will be a natural and built environments plan (a plan) for each region.

The proposed Strategic Planning Act will introduce a requirement for regional spatial strategies to guide high-level strategic planning on a regional basis. This will require integrated land use and infrastructure strategies for the entire Hawkes Bay Region, aligning and reconciling urban development strategies for all districts in the Region, including Central Hawkes Bay and Wairoa Districts. The natural and built environments plan will need to give effect to the regional spatial strategy.

A proposed Climate Change Adaptation Act will address issues relating to managed retreat and funding and financing adaptation. The national direction to address climate change mitigation and to reduce greenhouse gas emissions is effectively in place already through the NPS-UD and GPS-UD as outlined above.

Timelines for the reform are not readily available. However, with any change in legislation the transition provisions will extend over several years with the likelihood that medium term actions on MDHS implementation will fall on HDC. The development of a regional spatial strategy is already being planned for the region in anticipation of the new legislation.

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<sup>5</sup> Māori and Iwi Housing Innovation Framework for Action (MAIHI) <https://www.beehive.govt.nz/release/new-partnership-central-delivering-more-māori-housing>

## 6.0 Regional Policy

### 6.1 Heretaunga Plains Urban Development Strategy

The Heretaunga Plains Urban Development Strategy (HPUDS), adopted in August 2010, brought together the separate urban development strategies that Hastings and Napier had in place from the 1990's through to 2015.

HPUDS was updated in 2017 to include new growth projects, updated demographic projections, and changed market drivers for housing and business land needs projected over the next 30 years. Updated projections showed a significant population increase over the 30-year period and an associated 30% increase in dwelling growth, largely as a result of adopting a medium to high projection scenario.

HPUDS is based on a preferred settlement pattern of 'compact design' for the Heretaunga Plains, recognising the community preference to maintain the versatile land of the Heretaunga Plains for production purposes.

The direction for growth through to 2045 relies on Napier and Hastings having defined growth areas and urban limits, with a need to balance increased intensification and higher densities close to commercial nodes and higher amenity areas against the provision of housing choice.

A shift in the type of development from greenfield and rural residential towards intensification of the existing urban area, and increased density is needed to be achieve the compact design settlement pattern.

The type of residential development is forecast to change from the 2015 allocation through a staged transition over 30 years as indicated in the following table:

Type of Development	Current (2015) Development [%]	Proposed Additional Households [No.]			
		2015-2025	2025-2035	2035-2045	2015-2045
<b>Intensification</b>	[35]	40% [2140]	51% [1705]	60% [1150]	<b>47% [4995]</b>
<b>Greenfields</b>	[40]	50% [2670]	42% [1405]	35% [670]	<b>45% [4745]</b>
<b>Rural Residential</b>	[25]	10% [535]	7% [235]	5% [100]	<b>8% [870]</b>
<b>Total</b>	<b>[100]</b>	<b>5345</b>	<b>3345</b>	<b>1920</b>	<b>10610</b>

Table 2: Additional Households for the Heretaunga Plains 2015 – 2045 from HPUDS 2017

The 2017 update increased the supply of greenfield residential and this was reflected in a slower transition to intensification in the earlier parts of strategy implementation<sup>6</sup>.

Compact design requires "average yield" (density) to increase for both greenfield and intensification areas:

- 15 dwellings per hectare in greenfield growth areas
- 20 dwellings per hectare in intensification development areas.

<sup>6</sup> HPUDS<sup>2017</sup>4.3.3 2016 HPUDS Review Conclusions



HPUDS was developed on the basis of achieving a *relatively balanced supply across Napier and Hastings*<sup>7</sup>.

Although not prescribed in HPUDS, approximately 2500 household units are allocated to the Hastings urban area as residential intensification over the period 2015/2045. This allocation represented a 30% increase above the proportion that had occurred in Hastings in the previous 10 years. The allocation assumed, amongst other things, that greenfield development occurred in proportion to the availability of greenfield land in each of Napier and Hastings<sup>8</sup>.

HPUDS provides only general direction on the location of residential intensification areas. HPUDS recognises that intensification *should occur close to commercial centres/nodes and higher amenity areas*<sup>9</sup> and that *infrastructure upgrading would be unaffordable for Councils unless targeted to specific locations*<sup>10</sup>.

## 6.2 Regional Policy Statement

Urban Development and Strategic Integration of Infrastructure are addressed in the Managing the Built Environment chapter of the RPS.

The RPS gives effect to the general tenets and growth management direction of the Heretaunga Plains Urban Development Strategy for the affected subregion.

The core regional issue is the adverse effects from urban development encroaching on versatile land, particularly in the Heretaunga Plains sub-region where the land supports regionally and nationally significant intensive economic activity<sup>11</sup>.

Establishing a compact, and strongly connected urban form throughout the Region is intended to achieve a range of objectives including the protection of versatile land, reduction of natural hazard risks, and quality built environment<sup>12</sup>.

Objectives include providing for residential growth in the Heretaunga Plains sub-region through higher density development in suitable locations

This objective is achieved through policies that:

- Require progressive transition towards higher levels of residential intensification<sup>13</sup>
- Impose minimum average yield requirements in greenfield growth areas (15 lots/ha) and intensification development areas (20 lots/ha)<sup>14</sup>
- Require infrastructure planning and sequencing, but only expressly for greenfield growth areas<sup>15</sup>

'Housing bottom lines' for Napier -Hastings Urban Environment are provided in the RPS, in accordance with the NPS UD<sup>16</sup>.

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<sup>7</sup> HPUDS<sup>2017</sup>: 2.1.2 Development Allocation

<sup>8</sup> HPUDS Target Splits between Hastings and Napier, Memorandum to HUUDS TAG 1 December 2016.

<sup>9</sup> HPUDS<sup>2017</sup> Key Aspects of the Strategy and 2.1.4 Key Assumptions

<sup>10</sup> HUDS<sup>2017</sup> 2.2 Growth Areas

<sup>11</sup> ISS UD2

<sup>12</sup> OBJ UD1 Urban Form

<sup>13</sup> POL UD7 Intensification in Existing Residential Areas

<sup>14</sup> POL UD8 Density of Residential Development Areas

<sup>15</sup> POL UD9.1, POL UD9.2, POL UD10.1 Achieving Strategic Integration of Infrastructure with Land Use

<sup>16</sup> OBJ 3.1AA.1: Housing bottom lines for Napier -Hastings Urban Environment [1]

The housing bottom lines for short-medium term and long term capacity are for total dwellings and make no separate allocations to greenfield or brown field development.

### 6.3 Future Development Strategy

The National Policy Statement on Urban Development 2020 (NPS-UD) requires councils in tier 1 and 2 urban environments to work together to prepare and adopt a Future Development Strategy FDS for that environment to provide at least sufficient development capacity in its region or district to meet expected demand for housing in the short, medium and long term.

The NPS-UD sets out requirements for the FDS: these include the Strategy being a collective undertaking of the Hawke's Bay Regional, Napier City and Hastings District Councils. The initial FDS is required to be completed by 30 June 2024.

The FDS will need to incorporate significant engagement with/involvement from mana whenua, and with infrastructure providers and developers, as well as wider community engagement.

The FDS will consider and address predicted growth, hazards, constraints and opportunities, and infrastructure (including social infrastructure) servicing considerations to provide a plan as to where development capacity can be accommodated.

The Strategy is likely to provide development capacity via a mix of intensification in existing urban areas and new growth areas, with intensification becoming increasingly important. It will address both residential and business development capacity as well as servicing needs.

The current density targets for residential intensification in HPUDS and the RPS are well below the targets now being adopted by other growth Councils. Greenfield density targets of 30 dwellings per hectare are expected for new greenfield areas, achieved through detailed master planning of land use and infrastructure.

The FDS will need to address this gap, as well as integrate land use with a transport strategy that promotes a shift away from single occupancy vehicles to public transport and active modes within a well-functioning urban environment.

### 6.4 Public Transport

The MDHS has specific action to advocate for the planning for and prioritisation of public transport services provided by the Hawke's Bay Regional Council that support medium density intensification areas. It is not evident that this has occurred.

The Regional Public Transport Plan refers to bus services contracted to service Hastings (Camberley, Mahora, Parkvale and Akina), Flaxmere and Havelock North.

The RPTP plan refers to dispersed geography and low density housing as challenges and signals likely future needs for better integration of public transport into the transport system but does not refer to urban growth strategies or the MDHS.

## 7.0 District Policy

### 7.1 Operative District Plan

#### 7.1.1 Strategic Direction

The Operative District Plan (ODP) Introduction (Strategic Direction) identifies the important role that Medium Density plays in achieving a sustainable urban environment for Hastings, including the reduction of development pressure on the versatile soils of the Heretaunga Plains.

The **Plan Philosophy** identifies the long term strategies that contribute to Sustainable Urban Environment<sup>17</sup> including reduced levels of greenfield development based on intensification. The Plan Philosophy also notes that while increased intensification is the goal, the challenge is to *maintain the levels of amenity currently enjoyed by the community*.

The **Urban Strategy** identifies the principal outcomes of HPUDS and RPS, including urban containment, intensification of urban activity, and strategic integration with infrastructure<sup>18</sup>.

The **Medium Density Housing Strategy** picks up on the HPUDS principles and goes into depth identifying the areas suitable for medium density development that were recommended in the UDF 2010 and several large brownfield sites suitable for future medium density development.

The operative provisions include changes made in 2015 to better provide for medium density housing.

Issues are identified broadly as ensuring quality design at both site level (layout and buildings) and neighbourhood level (development well connected with amenities, community facilities, work and open space).

It is anticipated that the following Outcomes will be achieved:

*MDSAO1 Medium density development that provides high levels of environmental amenity.*

*MDSAO2 Diverse range of housing typologies are available in providing residential choice.*

*MDSAO3 Medium density development that is integrated into existing neighbourhoods.*

The relevant objectives and policies are:

#### **OBJECTIVE MDO1**

*Promote residential intensification in the form of comprehensive residential development in suitable locations of Hastings and Havelock North.*

#### **POLICY MDP1**

*Ensure that residential intensification occurs in close proximity to high amenity open spaces, urban centres and public transport routes, to contribute to a high quality living environment for residents and the wider community.*

#### **POLICY MDP2**

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<sup>17</sup> 2.3 PLAN PHILOSOPHY AND INTEGRATED RESOURCE MANAGEMENT

<sup>18</sup> 2.4 URBAN STRATEGY

*Provide for comprehensive residential development in areas with infrastructure capacity for higher housing yields by zoning the premium locations for such development 'City Living' and identifying in the Plan other urban areas that are also suitable for comprehensive residential development.*

**OBJECTIVE MDO2**

*Ensure that residential intensification provides high levels of environmental amenity.*

**POLICY MDP3**

*Promote residential intensification in the form of comprehensive residential development to ensure that high yield residential development is designed in a highly integrated manner that will provide high levels of amenity and liveability avoiding the potential for adverse effects that can be created by compact building configurations.*

**POLICY MDP4**

*Ensure that comprehensive residential developments have a strong interface with adjacent public spaces to create safe and interesting streets and parks which encourage people to walk, cycle and enjoy.*

**POLICY MDP5**

*Encourage comprehensive residential development to offer a diverse range of housing typologies and sizes to provide for the housing needs of the Hastings community.*

**POLICY MDP6**

*Ensure that infill subdivision and development is undertaken in a manner that provides a good level of amenity for future residents, neighbouring residents and the streetscape.*

Implementation methods are:

- Residential Environment (Zone) provisions
- Transport and parking provisions
- Subdivision
- Subdivision and Infrastructure Development in Hastings: Best Practice Design Guide (BPDG)
- Infrastructure provision through the LGA process (LTP, Infrastructure Strategy, Annual Plan)
- Development Contributions that reflect lower costs for servicing infill

### 7.1.2 Area Specific Matters

The zone framework for urban Hastings is complex being divided into separate *Strategic Management Areas* for Hastings, Havelock North and Flaxmere, with area specific zones and general zones in each.

The **Hastings Residential Environment** is comprised of four Zones.

- Hastings General Residential zone – areas with a low-rise, low to medium density suburban environment
- City Living zone - areas identified specifically for medium density residential development
- Hastings Residential Character zone - areas with presence of recognisable architectural and streetscape features

- Hastings Deferred Residential zone

Intensification in the form of Comprehensive Residential Development where multiple residential units is planned in an integrated way is promoted in an endeavour to reduce emphasis on traditional infill development. Areas selected for higher density housing take advantage of convenience factors i.e., proximity to services or high amenity parks.

The Strategic Direction to *maintain the levels of amenity currently enjoyed by the community* is clearly reflected in the zone introduction and objectives and policies that apply to all zone: E.g.:

*OBJECTIVE RO1*

*To enable a diverse range of housing that meets the needs of the community while offering protection to the amenity of neighbouring properties and the local environment.*

*POLICY RP1*

*To provide for diversity by Zoning areas of the Hastings residential environment to recognise different characters and to appropriately manage different types of residential development.*

Permitted density limits are generally one dwelling unit per 350m<sup>2</sup>, but this increases to 600m<sup>2</sup>-1,000m<sup>2</sup> in Character Residential Zones.

The **Havelock North Residential Environment** is comprised of two Zones.

- Havelock North General Residential zone – provides for a more compact form whilst ensuring that higher density housing is of quality design and is located in appropriate areas.
- Havelock North Character Residential - specific special character areas are identified.

The Introduction notes that Havelock North residents have a strong connection with the area in which they live and are committed to protecting its character. Controls over design and location of certain activities are therefore incorporated into the District Plan. Character protection is reflected in objectives and policies: E.g.:

*OBJECTIVE HNRO6 Relates to Outcome HNRAO1*

*To ensure that intensification of housing in Havelock North is sympathetic to the existing environment in its design and location.*

*POLICY HNRP9*

*Manage the scale and intensity of consolidation and infill development to avoid adverse effects on local neighbourhood amenity.*

Permitted density limits are generally one dwelling unit per 350m<sup>2</sup>, but this increases to 700m<sup>2</sup>-1,000m<sup>2</sup> in Character Residential Zones.

The **Flaxmere Residential Environment** is comprised of a single Zone, the Flaxmere Residential zone reflective of the with relatively uniform housing style.

Objectives and policies have less emphasis on amenity protection, and more focus on diversity of housing needs. E.g.:

*OBJECTIVE FRO1*

*Ensure that growth within the residential environment of Flaxmere is managed in a manner that enables efficient land use management and development where appropriate and suitable for the community.*

*POLICY FRP1*

*Provide for the Flaxmere residential suburb as one comprehensive residential environment by enabling the existing mix of activities to continue and be enhanced while ensuring that any adverse effects on the environment of residential land use, development and subdivision are avoided, remedied or mitigated.*

Permitted density limits are generally one dwelling unit per 500m<sup>2</sup>. This larger minimum site size is intended to better suit the family preferences of residents which in Flaxmere tends to be a greater number of people per household than in other areas.

The **Commercial Environment** provides for residential development in association with commercial development, with guidance to ensure that a combined residential and commercial environment does not impact on the viability of the Zone and that residents enjoy a high standard of urban amenity. The strategic direction is to encourage more inner city living with an emphasis on high urban amenity for occupants. Areas within the central commercial area have been identified as being suitable for inner city living and mixed use development.

Three zones enable residential mixed use:

- Central Commercial Zone
- Central Residential Commercial Zone
- Suburban Commercial Zone

Plan provisions are generally enabling, and guidance and encouragement is provided to support conversion.

The HBA identifies the Commercial Environment as contributing around 25% of future housing units. For this to be achieved a very significant shift will be needed in the development sector. Feedback on current obstacles is included in Section 10.3.

If the shift is not achieved, capacity will need to be made up in other medium density areas or greenfields.

### 7.1.3 Conclusion

The ODP makes comprehensive provision for medium density housing clearly tied to the strategic priorities of the HPUDS.

There is tension in the plan provisions which seek to enable intensification while also maintaining the levels of amenity currently enjoyed by the community. This policy weighting must inevitably constrain the delivery of intensification through increasing development risk and uncertainty, including the extent of affected parties who can justifiably call on Council protection when change is threatened in their neighbourhood.

The NPS UD does not support this approach, placing greater weight on improved amenity values appreciated by other people, communities, and future generations by providing increased and varied housing densities and types. This is an issue that will need to be reconciled, likely through the FDS. Council will need to work closely with Kāinga Ora and other large scale housing developers to ensure that varied housing densities and typologies are realised in the way that the NPS-UD has directed.

Relatedly, the ODP provisions are in practice mainly concerned with managing effects on sites and surrounds with less emphasis on neighbourhood scale outcomes. The City Living Zone and CRD provisions largely stand alone as a delivery tool and are not clearly supported by broader spatial planning of the neighbourhood in terms of infrastructure and connectivity. Development of Local Area Plans are envisaged in the MDHS from 2021, and this needs to occur to address this gap and to optimise community outcomes and create quality medium density neighbourhoods.

## 7.2 Short Term Plan Changes to Optimise Current Residential Intensification Approach

Council's Environmental Policy Team has been preparing a change to the District Plan to facilitate residential intensification within the City Living Zones and other areas identified for Comprehensive Residential Development (CRD). It is recognised that there is room for improvement in the ODP provisions in order to achieve greater intensification and provide sufficient certainty for developers.

As a first step toward increasing certainty, a residential intensification design guide has been released<sup>19</sup>.

The second step is to create a District Plan framework that aligns with the aspirations of the residential intensification design guide and strategic direction to increase the number of houses being built within these areas

The main objectives of the draft plan change are:

- To provide a less onerous consenting pathway for comprehensive residential development in these zones while maintaining quality residential outcomes.;
- Providing certainty that within the City Living Zone, residential intensification (in the form of CRD) is desirable;
- Lowering the activity status of CRD to permitted activity, subject to a set of simplified performance standards; and
- To increase the area of land zoned City Living Zone in line with the MDHS 2025.

Urgency should be given to these changes in the short term.

## 7.3 Medium Term Plan Changes to Increase Residential Intensification

Further Changes to the District Plan to achieve significantly higher levels of intensification will be required in the medium term, informed by the FDS that is due for completion by June 2024. However, the urgency for increasing housing supply may support the formulation of plan changes occurring in

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<sup>19</sup> <https://www.hastingsdc.govt.nz/services/district-plan/hastings-residential-intensification-design-guide/>

parallel with FDS development so that the 1st Schedule plan change process can be initiated as early as possible.

The identification of expanded provision for residential intensification will be subject to an analysis that follows the NSP UD to enable heights and density of urban form commensurate with the greater of:

- The level of accessibility by existing or planned active or public transport to a range of commercial activities and community services; or
- Relative demand for housing and business use in that location.

Practicable options to achieve these objectives need to be developed for evaluation. Consideration should include placed-based medium and high density areas and more widespread or 'blanket' zoning for medium and high density housing.

#### **Option: Blanket Medium Density Residential Zone**

Implementation of the MDRS across all residential zones in accordance with the Resource Management (Enabling Housing Supply and Other Matters Amendment Act) 2021 will need to be considered, however it is not a mandatory requirement for Tier 2 Councils, like Hastings.

This option would see all Residential Zones (including greenfields) in Hastings, Havelock North and Flaxmere being changed to *Medium Density Residential Zone*, with consideration of *High Density Residential Zone* around the CBD and local centres.

The advantage of this option is that it would follow national direction. Council will be in a position to observe the implementation of the approach in Tier 1 urban environments over the next 12 months and apply best practice derived from this.

The concern with this option is that it would create additional plan enabled capacity for residential development in areas that do not have the qualities of a *well-functioning urban environment* and/or in areas lacking infrastructure capacity. While additional housing supply may eventuate, this blanket approach could put at risk the impetus for providing medium density development at preferred locations under the MDHS, and where infrastructure has been planned and/or provided.

#### **Option: Placed-Based Medium Density Residential Zone**

The alternative of a *place based medium density housing strategy* targeted to areas that will support a well-functioning urban environment is also open to the council. This approach would be an extension and amplification of the current MDHS approach.

Specific medium density development areas in Hastings, Havelock North and Flaxmere would need to be assessed, including location specific opportunities for brownfields redevelopment. The appropriateness of a high density residential zone would be considered in accessible areas, such as Stortford Lodge commercial area, through to and surrounding the Hastings CBD, in order to facilitate the best and most efficient use of land in such a highly accessible area.

Staging may need to be considered to align land use change with infrastructure delivery.

Optimising suburban commercial centres including consideration of sufficiency of scale to meet future demand for intensification, and for mixed use development will require consideration. This information



would inform development of Local Area Plans as these local centres may well need additional zoning for business, and/or amenity or streetscape improvements to support more intensive redevelopment.

Potential Plan Changes that could be considered as part of the package are:

- Removing density controls and minimum subdivision site sizes within the City Living Zone and areas identified as appropriate for CRD;
- Amending the activity status of CRD from Controlled to Permitted, subject to standards.
- Remove 3rd party involvement where standards are not met (use the Design Guide key design elements to evaluate these proposals through a Restricted Discretionary (Non-Notified) activity status);
- Change the definitions of Infill Development and CRD to distinguish between these two development types (infill – one unit, CRD – 2 or more units); and
- Maintain the position on non-complying single lot / unit infill development within the City Living Zone – to ensure that the land within this zone is used as efficiently as possible.

Although outside the current scope of the MDHS, a change in approach in greenfield areas will also need to be considered to achieve higher levels of residential intensity.

Master planning to achieve appropriate density and accessibility will be needed to optimise yield from scarce greenfield land. As already noted, the current yield target of 15 dwellings per hectare is low by comparison to centres such as Hamilton and Tauranga where 30 lots per hectare is being targeted.

Options include a requirement for CRD superlots to be identified in greenfield subdivision as part of the structure planning process. This would ensure that when greenfield land is subdivided, developments are carried out in an efficient manner, respecting any loss of productive land by it being developed in the most efficient manner and also to provide for more affordable low maintenance housing in a range of locations. Current example of this approach can be seen within the Iona Structure Plan - Bull Hill Neighbourhood and Frimley Lifestyle Village. The CRD superlots would be required to be used for medium density housing typologies with specific minimum yields to be achieved. In this way greenfield subdivision will create choice in the housing market and meet the demand for 1 and 2 bedroom unit accommodation.

Increases in greenfield density will require consideration of infrastructure capacity. Increased density will alter demand and impacts. Increased stormwater runoff will require mitigation of increased flood risk both within the development area itself and potentially in downstream catchments.

## 7.4 Design Guidance

Design Guidance is provided for Residential Intensification<sup>20</sup> and Inner City Housing conversions<sup>21</sup>.

Design guidance is intended to promote good design outcomes and to increase development certainty through the consenting process.

Users report that the guidance is a positive contribution, although there are issues with the level of subjectivity and some misalignment with the current Operative District Plan.

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<sup>20</sup> <https://www.hastingsdc.govt.nz/services/district-plan/hastings-residential-intensification-design-guide>

<sup>21</sup> <https://www.hastingsdc.govt.nz/services/planning-and-resource-consents/residential-conversion-guide/>

The inclusion of design guidance as a regulatory tool is being debated in other growth centres. Central government policy direction is that this should be non-regulatory to provide greater flexibility and reduce compliance costs. Non-regulatory guidance can also be updated without the need for a first schedule plan change process to be followed.

## 7.5 Long Term Plan 2021-2031 (LTP)

“Homes for our people” is identified as a *Strategic Priority Area* in the Long Term Plan 2021-2031 (LTP). The LTP recognises that the type of housing available should match the diversity in needs while also managing urban sprawl onto the Heretaunga Plains, and that this will require a more compact community connected by a range of effective transport choices.

Key focus areas are (in summary):

- Protecting good soils;
- More compact housing choices using available land;
- Working with government and other partners on housing projects;
- Rethinking and looking at future opportunities for council housing.

The LTP notes that the HPUDS informs the sequencing and location of growth development. The LTP identifies that the Council’s growth nodes (greenfield) are well defined along with the infrastructural investments required to service those new development areas. There is no explicit reference to Medium Density Housing Strategy in the LTP although there is reference to the pending FDS and that this will reshape priorities.

There is no reference in the LTP to the intended preparation of *Local Area Amenity and Infrastructure Plans* for medium density areas from 2021 under the MDHS.

The 2021-2031 includes provision for Major Capital Works for Medium Density Housing of \$2.5m comprising:

- Stormwater: Havelock North (\$670K), Hastings (\$316K), Mahora (\$323K) and Parkvale (\$300K).
- Roads and footpaths: Mahora (\$562K).

This makes up 6.5% of the Residential Growth Capital Expenditure to 2031. This is a low level of expenditure relative to the 50% approximate share of future growth that Medium Density housing is projected to make up by 2031. However, capital expenditure is likely to be understated. It is noted that the LTP includes other significant capital items that provide capacity for infill/intensification. For example, the Wastewater Eastern Interceptor Upgrade is specifically noted as supporting urban infill, but is not listed in the Major Capital Works for Medium Density Housing

In overview, there is currently a degree of mismatch in the LTP between the stated Strategic Priority Area and explicit provision for its implementation as envisaged under the MDRS.

## 7.6 Infrastructure

Given the rapid growth Hastings has experienced over the last 5 years and the rapid consumption of infrastructure capacity, the Council has modified its approach to providing infrastructure capacity for

medium density development. The Council has almost completed the development of an Infrastructure Constraints Report which identifies constraints on growth due to shortages in infrastructure capacity. This identifies areas where further investment in infrastructure capacity will be required to enable medium density intensification. A lack of wastewater capacity is the most significant constraint to growth, for both intensification and greenfield.

In light of this, the Council has developed a business case to demonstrate the need for investment in wastewater network capacity. The Council will be signalling in the 2022/23 Annual Plan, the need to invest in growth infrastructure across all of its infrastructure service areas and has included within the 2022/23 budget funding for design works for two major wastewater interceptor mains to provide for additional wastewater network capacity for Hastings and Flaxmere.

As part of its growth planning programme, the Council is preparing Essential Services Development Plans (ESDPs) in conjunction with the FDS for the Napier-Hastings Urban Environment. These ESDPs will set out how to what extent various development areas, including areas designated as appropriate for medium density and intensification, will be serviced. These will be essential for the development of LAPs.

## 7.7 Development Contributions

The Development Contributions Policy 2022/23 (DC Policy) was subject to a review in 2015 where MDHS issues were considered including

- Ensuring costs of greenfields development (both local and external) are fairly distributed.
- Reducing the contribution required for medium density housing; and/or
- Enabling the delay of payment until such time as the developer has acquired financial return for investment in medium density housing

The outcomes from this review are reflected in the DC policy.

Residential infill is subject to DCs of approximately \$16,000 per unit. Residential units in a medium density area are subject to DCs of approximately \$18,000 per unit.

Additional residential units on a site are subject to DCs are subject to scaled DCs based on floor area and are typically around \$12,000 per unit at 0.75 of a household unit equivalent (HUE). Retirement village units are assessed as 0.33 of an HUE.

By comparison, greenfield household units are subject to DCs of approximately \$27,000 per unit. In the Howard Street greenfield area, DCs are approximately \$51,000.

There is no explicit policy enabling the delay of payment until such time as the developer has acquired financial return for investment in medium density housing. However, this could be achieved through a private development agreement under policy 8.5.

It is noted that Hastings' DCs are relatively low when compared to DC policies in other growth centres. Tauranga and Hamilton have well developed policies which aggressively capture all growth costs, including costs of capital.

In Tauranga, typical infill is subject to DCs of \$35,000 per unit. Greenfield DCs typically range between \$40,000-\$70,000 per unit<sup>22</sup>. Tauranga policy provides for area based DCs rather than unit based DCs in

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<sup>22</sup> <https://www.tauranga.govt.nz/council/council-documents/development-contributions/draft-2022-23-development-contributions-policy>

greenfield areas developed since 2005. The aim of this is to encourage intensification by lowering the average unit cost.

The Tauranga DC policy also provides pro-rated DCs for small dwellings, based on number of bedrooms.

In Hamilton, typical infill is subject to DCs of \$20,000 per unit. Greenfield DCs typically range between \$25,000-\$30,000 per unit<sup>23</sup>, with one outlier at \$75,000.

The variability in greenfield DC charges in these two growth centres reflects a strongly catchment based policy framework.

The DC policy will need to be reviewed following the FDS completion where fundamental decisions on spatial planning for intensification will need to be made. In the interim, consideration should be given to reducing DCs for small dwellings, based on their lower demand on infrastructure. This would provide a tangible signal to the market that the Council recognises the benefits of intensification and supports diversity in housing typology.

A key attribute of any DC policy from a developer perspective is predictability. Significant unanticipated increases create difficulties in passing costs on to purchasers.

## 7.8 Hastings Medium and Long Term Housing Strategy 2021

An initial cross agency strategy<sup>24</sup> to address to housing and urban development challenges in Hastings District was prepared in December 2019 as an urgent response to the rapid increase in the numbers of households on the Public Housing Register, and growing concerns over poor housing affordability and availability for households on lower incomes, and associated impacts on wellbeing including growing homelessness.

The factors contributing to this trend were identified in the assessment as:

- Strong economic growth increasing competition for housing, leading to increasing prices and rents;
- Construction of new housing focused on larger homes at the top end of the market;
- A shift towards alternative uses of private rental housing (including for Airbnb and seasonal workers), reducing availability for long-term rental;
- Removal of public housing;
- Limited capacity of community housing providers;
- Ageing population meaning fewer households moving on from public housing to other housing.

The initial plan was reviewed and updated in 2021 as the *Hastings Medium and Long Term Housing Strategy* (Housing Strategy 2021).

The Housing Strategy 2021 builds on the initial plan, with the aim of delivering sustainable, positive change through a programme of work encompassing all types of housing: affordable housing, social housing, market housing, Māori housing, senior housing, and RSE accommodation, alongside skills training and employment creation.

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<sup>23</sup><https://maps.hamilton.govt.nz/developmentcharges/>

<sup>24</sup> Place Based Assessment Report and Strategy 2019

The Housing Strategy *Vision is:*

*Every whānau and every household has access to a safe, stable, healthy, affordable home in a thriving resilient community with access to education, employment and amenities.*

Outcomes are:

- *Working together and building local capacity (all sectors)*
- *Affordability and suitability*
- *Māori Housing*
- *Land and regulatory settings*
- *Community well-being*
- *Reduced external pressures*

The Housing Strategy 2021 comprises six workstreams, and several aspects have a direct relationship to the Medium Density Housing Strategy

<b>Workstream</b>	<b>Scope (Aim)</b>	<b>Actions Related to MDH Strategy</b>
Workstream 1: Social And Affordable Housing – Home Ownership and Rental	A sustainable supply of affordable and social housing to meet household growth.	Enable typologies of new builds consistent with the housing needs of whānau.  Identification of Kainga Ora social and affordable housing programme.  Identification of specific areas for redevelopment based on community master planning
Workstream 2: Market Affordable Housing	There is a sustainable supply of market and affordable homes through greenfield developments and urban and inner city intensification to meet market and social demand.	A more responsive regulatory and consenting process with a more expansive range of tools to support and incentivise development.  The quantum of housing within the existing urban boundary is increased to meet HPUDS targets by Council accelerating its housing intensification programme in the Hastings urban area and CBD through proactive engagement with developers and responsive policies and regulatory processes.

Workstream	Scope (Aim)	Actions Related to MDH Strategy
		<p>Introducing economic incentives to developers to incentivise the development of intensive housing in the inner city.</p> <p>Collate a comprehensive overview for all housing streams, public and private, across the district to understand the anticipated delivery of housing; including typology, affordability, quantum, location, timeframe and developer.</p> <p>Council to investigate the viability of undertaking an intensive housing project with the purpose of incentivising further private sector developments.</p> <p>Council reviews its regulatory, planning and consenting processes and practices so that they are supportive of new housing developments with the potential for mixed ownership and affordability.</p> <p>Consideration be given to the opportunities provided by the National Policy Statement on Urban development.</p> <p>To monitor that the type of housing being built is consistent with demand and projections, the Council expand the information collected through building consents and other sources and maintain a comprehensive database. This information will assist to inform future strategic planning.</p>
Workstream 3: Māori Housing	Across whānau, hapū and iwi, Māori are planning and	No specific actions.

Workstream	Scope (Aim)	Actions Related to MDH Strategy
	implementing successful housing solutions.	
Workstream 4: Senior Housing	Elderly residents have access to safe, healthy and affordable housing.	There is sufficient supply of social housing for the elderly to meet any future demand due to an ageing population.
Workstream 5: Recognised Seasonal Employer Scheme (RSE)	Housing is provided for RSE workers without impacting on the district's housing supply for permanent residents.	No specific actions.
Workstream 6: Procurement, Skills Training and Employment Creation	Procurement, employment and training opportunities arising from housing developments are fully realised for the benefit of local residents.	Organise a meeting between delivery partners on the Hastings Place Based programme to co-ordinate contractor engagements to provide consistency in housing supply markets.

It may be efficient and effective to integrate the Medium Density Housing Strategy into the Medium and Long Term Housing Strategy, rather than continue with a standalone policy approach. The Housing Strategy brings together key sector interests and provides an established framework for engagement, information gathering and dissemination, and structured monitoring and review.

Several of the Housing Strategy outcomes are also directly applicable to addressing obstacles to the delivery of Medium Density Housing that are common across all types of housing:

- Working together and building local capacity – partnership and engagement with providers across the housing sector;
- Affordability and suitability – housing needs in the local area are understood, and supply is targeted to demand;
- Land and regulatory settings – responsive regulation and consenting processes, monitoring, development of tools to support delivery across all forms of housing;
- Community well-being - place based approach.

Integration could be achieved by formulating an additional workstream for Medium Density Housing.

## 8.0 Medium Density Housing Strategy Implementation Programme Stocktake

### 8.1 Scope

The Medium Density Housing Strategy workstreams are compiled into an Implementation Programme with identified actions, lead group (Council activity area), budget and scheduled date. The status of programmed action has been regularly reported, with the last formal report to the council in September 2020.

### 8.2 Evaluation

A schedule setting out the workstream and actions, current status and an evaluation of outcomes is included in Appendix 3.

Outcomes from the evaluation are set out in the summary below.

Workstream	Key Outcomes
Changing Perceptions of Medium Density Housing	<p>An education strategy was undertaken alongside the Intensive Residential Design Guide which included local examples.</p> <p>The intention is to engage with real estate industry through pending FDS project. Engagement needs to extend beyond the real estate industry to include all key stakeholders particularly infrastructure providers and developers.</p> <p>A business case for the development of a demonstration model has progressed through the Flaxmere project. Other demonstration projects are being considered. This action is closely related to the role of Council as landowner and acquirer to de-risk the development of medium density housing.</p>
Promoting Quality Design and Amenity	<p>Guidelines were implemented in February 2021 but as an education approach, which is non-statutory.</p> <p>Consideration is being given to incorporating design criteria into the District Plan alongside other changes to provide greater certainty. Demonstrations and examples of good practice within a local context has not yet been actively implemented although there has been reporting on this to Council on the outcomes from the design guide implementation. This action is closely related to the role of Council as landowner and acquirer to de-risk the development of medium density housing.</p>



Workstream	Key Outcomes
Responsive and Effective Regulation	<p>Plan Changes in 2015 introduced City Living Zone and Comprehensive Residential Development overlay. Further plan changes are being considered to improve the efficiency of the new provisions.</p> <p>The need for more far reaching changes to increase residential intensification is recognised, with programming aligned with the FDS.</p> <p>Actions around consent process improvements have been incorporated into the wider Housing Strategy.</p> <p>Fast tracking of MDH applications has not been pursued and needs to be retained and explored as an action.</p>
Building Local Amenity and Open Space	<p>This action is linked with Medium Density Ready Service workstream: Local Area Amenity and Infrastructure Plans (LAPs) scheduled from 2021.</p>
Medium Density Ready Services	<p>Council is amending its Capital Investment Programme in line with this work, and additional capital investments required to cater for growth (including medium density and intensification) will be captured in amendments to the LTP and Infrastructure Strategy in 2023/24 Annual Plan and the 2024/25 LTP.</p> <p>The Regional Public Transport Plan refers to dispersed geography and low density housing as challenges and signals likely future needs for better integration of public transport into the transport system but does not refer to urban growth strategies or the MDRS.</p> <p>This preparation of Local Area Amenity and Infrastructure Plans (LAPs) to integrate above and below ground infrastructure and recommendations from the Openspace and Amenity Work Stream action is scheduled from 2021. The strategy is that \$20,000 p.a. for 5 years would be applied from 2021 onwards. This funding does not appear to be included in the LTP.</p> <p>The funding allowance is likely to be inadequate and timing does not align with the FDS.</p> <p>This action is critical to delivery of an effective place based delivery of medium density housing.</p>
Cost Competitive Development	<p>A review of the DC policy was completed in 2015. Infill DCs are differentiated from greenfields DCs and are 40% less.</p>

Workstream	Key Outcomes
	<p>A further review of the DC policy is to occur for the 2024-2034 LTP.</p> <p>Consideration should be given to area based DCs for intensification areas, including measures to encourage delivery of 1 and 2 bedroom units in MDR development areas.</p> <p>Pro-rated DCs for small dwelling based on the relative demand is a logical amendment that could be considered in the short term across all residential areas.</p>
Managing Greenfield Land Supply	<p>A review the current approach to the management of greenfield land to ensure it aligns with HPUDS development targets and develop methods to constrain the supply of greenfield development land to increase the relative competitiveness of urban intensification will be undertaken as part of the FDS.</p> <p>The issue of transition is also highlighted in the reporting on the HBA and the effect on housing supply that will result from constraining greenfield development without greater enablement of infill/medium density.</p> <p>HPUDS development targets for greenfield density are outdated and too conservative.</p> <p>Quarterly Reporting of uptake of greenfield land and aggregate reporting on infill/MDH is in place. Quarterly Reporting of place specific uptake of infill/MDH should also be undertaken.</p>
Socially Integrated Development	<p>The Hastings Medium and Long Term Housing Strategy includes affordable housing strategy outcomes and workstreams that address core actions under this workstream.</p> <p>Rezoning of land to suburban commercial to support residential intensification should be linked to Local Area Amenity and Infrastructure Plans (LAPs) with a potentially broadened scope.</p> <p>Consultation with the Ministry of Education and relevant private school providers regarding the potential implications of intensifying neighbourhoods should occur as part of the wider consideration under the FDS and subsequent plan changes to deliver MDH.</p>
Removing Barriers and Building Capacity	<p>Direct financial intervention might be appropriate for affordable housing where commercial viability is marginal. The affordable housing elements of the MDHS</p>

Workstream	Key Outcomes
	<p>are now addressed in the Hastings Medium and Long Term Housing Strategy.</p> <p>With a significant supply gap, and no short term ability to address land use planning and infrastructure constraints, there is a good case for the Council to consider involvement in assembling land packages and partnering with developers to deliver housing projects aligned to the Housing Strategy and MDHS outcomes. This should include consideration of Council owned land.</p>

### 8.3 Spatial Outcomes

The stocktake evaluates inputs to medium density housing delivery through the MDHS.

Maps showing the extent to which development has occurred within the identified Medium Density Development Areas are included in Appendix 4. These maps show the location of ‘recently created properties’ as an indicator of where intensification has occurred.

It is evident that a limited share of intensification has so far located within the identified Medium Density Development Areas.

## 9.0 Experience in other Provincial Centres

### 9.1 Rotorua

#### 9.1.1 Situation

Rotorua Lakes Councils prepared its HBA in February 2022.

The HBA identifies a significant capacity shortfall in the short, medium and long term for attached housing, and particular for affordable housing.

The current (2020) resident population of Rotorua District is estimated at 76,190, making up 29,000 resident households. Approximately 31% of the current population is of Māori ethnicity. The district has slightly lower than average household incomes.

Over the next 30 years, the district is projected to have 14,400 more people or 7,800 more households. With an ageing population, couple and single person households are anticipated to account for over three quarters of housing growth over the long term with increased demand for smaller more affordable dwelling types and sizes. With many Te Arawa people returning home to Rotorua the need for housing and in particular Papakāinga and Kōeke (“elder”) housing is also increasing.

There is a current housing shortfall of around 1,500-1,750 houses in the district. The escalation of the housing shortage began after the GFC when housing starts fell significantly. While housing starts have

since increased the shortage has continued due to strong household growth since 2015, resulting in a housing crisis. Many residents (at least 500 households) are being housed temporarily in motels and there is a long waiting list for households needing transitional and public housing.

Current planning is constraining the development of diverse housing types including attached housing. The District Plan enables substantial capacity for housing growth across the urban environment, particularly for standalone dwellings due to the prevalence of the Residential 1 – low density housing zone. While technically the Plan enables duplex housing in the Residential 1 Zone as a restricted discretionary activity, this often requires a notified consent which has been a significant deterrent. The District Plan makes substantial provision for apartments in the central city, but none of this is realised.

Greenfield development capacity is constrained by the leasehold nature of large areas of zoned residential land (whenua Māori) which does not achieve the required profit margin under a typical commercial development model due to lower sales prices.

There are significant three waters infrastructure constraints, principally at localised level.

### 9.1.2 Response

In response to the housing crisis, Rotorua Lakes Council made a request to government to join the Tier 1 urban centres covered by the medium-density residential standards (MDRS). This request was accepted in March 2022.

Rotorua Lakes Council joins other Tier 1 councils in updating its district plan to align with the MDRS and National Policy Statement on Urban Development. Work is now underway on the required plan changes which include:

- All current “low density” zones being changed to “medium density residential zones”
- All current “medium density” zones being changed to “high density residential zones”

Changes also include streamlined rules to enable the conversion of tourist accommodation to residential units. The urban area has an oversupply of outdated motel stock that is well located for repurposing as residential units.

Council has also begun the development of “*Community Wellness Plans*” which are a form of local area spatial plan, prepared in collaboration with local communities that provide a clear statement of local social, economic, cultural and environmental outcomes.

Council has been successful in securing \$100M of IAF funding to undertake stormwater upgrades in central and western areas of the urban area to enable housing intensification.

For social and affordable housing, the Council has a partnership with government iwi and service providers to jointly coordinate work to alleviate the city’s housing shortage. Kāinga Ora are underway with their housing strategy to increase the supply of dwelling units with a focus on more 1-2 bedroom dwellings.

The council is endeavouring to manage the social effects and community concern over the current large scale emergency housing in motels through collaboration with housing providers. This is likely to remain a significant component of the housing landscape over the next 5 years.

## 9.2 New Plymouth

New Plymouth District updated its HBA (*Housing Development Capacity Assessment*) in 2021.

Overall, the HBA indicates that the New Plymouth District has sufficient housing development capacity for the short, medium and long term.

The current (2021) resident population of New Plymouth District estimated at 86,700 making up 35,400 resident households. Approximately 18% of the current population is of Māori ethnicity. The district has slightly lower than average household incomes.

The New Plymouth district is forecast to grow by 7,200 people (or 8.3 per cent) over the next 10 years to around 93,000 and to 104,900 over the next 30 years (by the end of 2051).

A changing and ageing population will require more single-person and couple-only households with the greatest increase occurring in the 65 and over age group. This creates significantly increased demand for small and multi-unit dwellings, as well as rest homes and retirement villages.

The feasibility outputs for residential greenfield development are much higher than for infill development which is why it is currently more desirable. The proportion of infill development is relatively low.

The district has sufficient existing and planned infrastructure capacity to support planned, enabled capacity.

### 9.2.1 Response

The introduction of the Medium Density Residential zone along with the Structure Plan Development (SPD) areas and further residential land in the proposed District Plan is intended to increase capacity to meet the medium-term housing capacity demand in the district.

The purpose of the Medium Density Residential Zone is to provide areas for medium density residential development with a mixture of detached, semi-detached and terraced housing and low-rise apartments. The zone applies in areas located in close proximity to centres and it is intended that by enabling increased densities in these areas, the zone will play a key role in minimising urban sprawl and increasing housing supply and housing options in the district.

The Zone is generally characterised by a mix of uses, including existing suburban scale residential housing (stand-alone houses) and townhouses. However, it is anticipated that the character and scale of buildings in this zone will transition over time as the number of medium density residential developments increases (i.e., multi-unit, semi-detached and terraced houses).

While strongly place based and generous in extent, the MDR zone provisions are conservative and require resource consent for all multi-unit developments. Mandatory design guidelines apply. Compatibility of new development with the local character is identified as *an important prerequisite for a successful outcome*.

This MDR issue is being debated through the Plan Review submissions with Kāinga Ora and others seeking to orient the planning approach away from protecting the status quo:

*“...if New Zealand’s housing crisis is to be solved, and if we are to develop well-designed, liveable, efficient and well-functioning urban areas, many existing urban areas must change. The new urban form will be different from the old urban form, and for some people that will be seen as confronting and unwelcome. References in objectives to developments “recognising the local context and character of an area” have on numerous occasions throughout New Zealand been the basis of objections to new developments.”<sup>25</sup>*

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<sup>25</sup> Legal Submissions: Kainga Ora

## 9.3 Palmerston North

### 9.3.1 Situation

Palmerston North City Council prepared its HBA (*Housing Capacity Assessment*) in June 2021.

Overall, the HCA indicates that Palmerston North has sufficient supply to meet demand over the next three years (short-term). However, more land will be required to be rezoned to accommodate greenfield development for the medium and long-terms. Infill housing development has increased over recent years and is now the main housing typology for new houses built in the City (55%).

The current (2021) resident population of Palmerston North is estimated at 90,400 making up 34,800 resident households. Approximately 19% of the current population is of Māori ethnicity. The city has close to average household incomes.

The city is forecast to grow by 8,400 people (or 8.9 per cent) over the next 10 years to around 100,000 and to 121,000 over the next 30 years (by the end of 2051).

A changing and ageing population will create significantly increased demand for small and multi-unit dwellings, as well as rest homes and retirement villages.

### 9.3.2 Response

Infill housing development has increased over recent years and is now the main housing typology for new houses built in the City (57%).

The HBA concludes that this is as a result of increases in land value throughout the city, making it more attractive for landowners to realise the value of their property through subdivision, and a lack of greenfield alternatives. An opportunity is also seen in the aging building stock with removal of existing houses becoming more common. Over 60% of the existing residential zone could be redeveloped to increase supply and return a positive economic return.

The majority (69%) of new builds are three- or four-bedroom houses. However, there is a growing demand for one- or two-bedroom homes driven by decline in household size.

A residential zone review is in its initial research and investigation stage. This plan change will seek to give effect to the intensification requirements of the NPSUD. Removing the minimum lot size in the residential zone is being considered.

Other initiatives to promote urban intensification include:

- Promoting community awareness of multi-unit development and minor dwellings opportunities.
- Partnering with the development community to encourage intensification.
- Enabling intensification in more locations and investigate requiring higher density outcomes for redevelopment in certain locations, through future changes to the District Plan.
- Master planning of new greenfield areas to deliver a range of housing typologies and increasing yield.
- Designing an *ultimate urban edge* into new urban greenfield developments to start to signal housing development will not continue to sprawl into adjacent rural areas.

- Council-led housing developments that provide an opportunity to encourage private housing developers to shift towards a more sustainable form of housing, through intensification and to move away from the traditional large stand-alone housing development model.
- Significant repurposing of Council owned land for housing, such as further development of underused reserves and partial relocation of sports fields to the urban edge.
- Creating an urban design guide to support housing intensification.
- Upskilling developers in urban design requirements through facilitated workshops.

## 9.4 Nelson/Tasman District

### 9.4.1 Situation

Nelson/Tasman prepared a combined HBA (*Urban Environment Housing and Business Assessment*) in July 2021 for its urban subregion (Nelson, Richmond, Wakefield, Mapua and Motueka)

Overall, the HBA indicates that Nelson/Tasman has sufficient supply to meet demand over the next three years (short-term). However, more supply will be required for the medium and long-terms, primarily in the Nelson area.

The subregion has significantly lower than average household incomes (by 13%), likely to be strongly influenced by an older population. This contributes to the subregion being one of least affordable in Aotearoa. There are 5,500 seasonal workers in Tasman. Growers face seasonal accommodation challenges with lack of motor camps and motels.

Housing preferences research found that the demand for stand-alone dwellings remains significant. However, demand for attached dwelling, such as apartments, terraces and duplexes, grows significantly. There is a growing appetite for attached dwellings and these types of dwellings will become more accepted over time

### 9.4.2 Response

Nelson has an ***Intensification Action Plan*** prepared in 2020 with workstreams that include:

- **Housing preference:** relationship building and design guidance, exemplar projects,
- **Regulation:** provide for intensive housing in greenfield areas, and brownfield areas identified for intensification, reduce notification requirements for infill housing, guidance and support
- **Infrastructure:** *Neighbourhood Asset Upgrade Plans* for each FDS intensification area infrastructure policies provide for future intensification.
- **Cost:** Budgeting of Infrastructure investment to service *plan enabled growth*, *City Centre Residential Conversion Fund* to subsidise the regulatory cost of conversion of upstairs commercial to residential in existing city centre buildings

Since the 2021 HBA identified the extent of the housing supply gap, there has been further focus on updating Council's RMA planning documents to increase sufficiency of capacity. This includes draft provisions for a wider range of higher-density housing and small homes:

- Smaller minimum lot size;
- Higher maximum site coverage;
- Removal or refinement of courtyard and outdoor living rules;
- Changes to maximum building heights.

The Nelson Long Term Plan supports intensification of the City Centre, affordable and social housing collaborations with Kāinga Ora, and includes a \$496 million investment in infrastructure, to increase housing capacity.

A joint **Tasman/Nelson FDS** is currently underway to address long term land supply insufficiency. From feedback there is a community preference for intensification over expansion, particularly as it relates to the protection of highly productive land and accessibility. The importance of proximity to public transport, jobs and amenities in growth areas is also identified, as are concerns over how affordability is addressed, social housing is provided as well as how the FDS will implement the Carbon Zero Act and contribute to reduced greenhouse gas emissions.

## 9.5 Tauranga

### 9.5.1 Situation

While a Tier 1 Council, Tauranga is a provincial centre that has implemented significant policy changes in recent times to support intensification through integrated land use and infrastructure planning to address serious capacity shortfalls.

An HBA (Housing Development Capacity Assessment for Tauranga and the Western Bay of Plenty) was completed in July 2021. In overview, a significant housing insufficiency has been determined for the sub-region even in the short-term (next 3 years), which reflects the delay in being able to bring to market crucial new development areas due to infrastructure and national policy hurdles, and the greater uptake on current greenfield urban growth areas reducing available capacity

The total population of the subregion is around 211,150 people as of 30 June 2021. It is projected to reach around 281,960 by 2050 (the timeframe relevant to the SmartGrowth HBA 2021). Over this 30-year period around 32,880 new dwellings will be required.

Household numbers are expected to increase with a shift towards smaller households as the population ageing takes place. Over half of household growth will be in +75 year age cohorts. Households with children will still be a key part of the demand landscape over the medium to long term. This segment will continue to grow in absolute terms but will be less important in percentage terms.

Affordability is major issue. As of July 2021, the median house price in Tauranga City is \$1,000,000. Most of the projected growth is in lower income households. Smaller households tend to earn less (and are retired) meaning that there will be implications for affordability. This will be especially acute for households that do not own their accommodation.

Tauranga also faces a significant challenge in balancing growth in greenfield areas with intensification of the existing urban area. Both Urban Form and Transport Initiative (UFTI) and the SmartGrowth Housing Action Plan set a strategic direction that seeks to significantly increase the proportion of growth that is accommodated within the existing urban area.



## 9.5.2 Response

The **Urban Form and Transport Initiative** (UFTI) is a collaborative project led by SmartGrowth and Waka Kotahi (NZ Transport Agency). The UFTI report sets out an integrated land use and transport programme called *Connected Centres* with two core concepts. The first is increasing the number of dwellings by intensifying existing urban and new growth areas. This is to maximise the land available for development and support a well-functioning multimodal transport system. The second is being able to access local social and economic opportunities within a 15-minute journey time, and sub-regional social and economic opportunities within 30–45 minutes. These concepts encourage strong local centres and connected neighbourhoods.

**Plan Change 26 Housing Choice** was initiated in 2020 to support implementation of higher densities across all residential zones following significant pressure from developers and housing providers to remove obstacles from a district plan that leans heavily towards maintaining the status quo low density residential character.

Plan Change 26 was de-railed by the recent RMA Amendment to implement the MDRS with changes that go much further than Council intended. **Plan Change 33 MDRS** will implement the new standards, and address intensification around centres.

The **Te Papa Spatial Plan** was developed for central Tauranga isthmus, giving effect to the NPS UD, with regulatory components implemented in parallel with Plan Change 26 (and now Plan Change 33). The planning process included a Business Case to support aligned funding by central government of transport corridor upgrading. Council is currently working on funding tools for infrastructure upgrading including area based development contributions. Signals provided by the spatial plan have already triggered significant apartment development to begin along the corridor.

The **Otumoetai Spatial Plan** has been initiated following the same principles of defining long term outcomes, including intensification around several local centres.

Greenfield intensification is core component of the intensification strategy. All greenfield areas that have been zoned since 2005 are master planned to provide walkable neighbourhoods. Minimum density targets apply, and development contributions are based on land area rather than HUE to promote intensification. Minimum density targets of 15 lots/ha in the RPS have been significantly exceeded. Planned greenfield areas will have target densities of at least 30 lots /ha.

## 9.6 Conclusion

The comparative Councils that were evaluated are all in the process of making step changes in urban policy to enable greater urban intensification in order to meet changing demand and need, address supply insufficiency due to environmental constraints, improve affordability, promote better urban outcomes such as accessibility and public transport, and to reduce greenhouse gas emissions.

Responses indicate a range of practices, but in common are:

- Recognition that protecting the status quo low density residential environment is a significant impediment to higher density development;
- Plan changes to enable greater development density with certainty;
- Spatial planning that focusses on enabling intensification at identifiable centres and master planning to support greenfield intensification.

- Infrastructure planning and funding to support plan enabled intensification areas;
- Promotion of good quality intensification through design assistance, guidance and leadership.

The Hastings MDHS approach is generally well aligned to practice elsewhere, although the current policy direction that protects the status quo low density residential environment is not aligned and will be increasingly difficult to sustain.

There are current initiatives that should be monitored as Council looks towards substantive policy changes in the medium term.

## 10.0 Developer Perspectives on Obstacles to Achievement of Medium Density Housing Delivery

### 10.1 Scope

Liaison has occurred with developers, property and development advisors (including Kāinga Ora and council officers) to identify obstacles facing council and developers in achieving medium density housing outcomes at scale.

### 10.2 Method

Invitations to offer feedback on the Medium Density Housing Strategy for Hastings were sent to a range of entities known to be actively engaged in the planning and development of medium density housing in Hastings. These entities included both public housing providers, developers and their expert advisors.

Eight interviews were conducted with the development sector informants who accepted the invitation. These included public housing providers, developers, and expert advisors. Council staff also provided a range of perspectives on MDH issues, and context for interview feedback.

The interviews were informal but generally addressed:

- The interests of the organisation (scale, scope, objectives, etc) in medium density housing;
- Current and future plans for development of medium density housing;
- The obstacles to delivery of medium density housing;
- Things Council could do to better support medium density housing delivery in.

All comments were summarised and referred back to the informant for confirmation. It was agreed with informants that comments would not be attributed to individuals.

The responses are from experienced practitioners and very well considered, but do not have any statistical validity. They do serve to indicate areas of concern.

## 10.3 Feedback

Key themes raised in the feedback are summarised in the following sections.

### 10.3.1 Land Acquisition

Availability of land is typically the most significant constraint to MDH delivery.

There is high demand, including from public housing providers, for what limited supply there is.

Enabled medium density development areas are too small and few sites come to market, and those that do have a price premium.

Land purchase for development is not a core Council role but is strongly influenced by Council.

### 10.3.2 Commercial Viability

Conventional development of high quality is not commercially feasible with standard build costs of \$5000/m<sup>2</sup>.

Methods to reduce build costs will become increasingly important. Some developers are looking towards “prebuilt” buildings.

Kāinga Ora is likely to be a significant provider of MDH under government’s capital programme at least to 2024. KO option is attractive to developers given guaranteed return.

Commercial returns in the CBD are typically far higher than residential, so office conversions in CBD are generally not on the immediate horizon.

### 10.3.3 Infrastructure

Greater intensity could be delivered in green fields and brownfields if infrastructure limits were addressed.

Access to information on infrastructure capacity would assist investment decisions.

More visibility on structure plans – short to medium term infrastructure - will help determine best areas for long term investment in land.

### 10.3.4 District Plan

District Plan framework is good at producing conventional housing types. However, these are now unaffordable to purchase and rent. Example of optimisation of 350m<sup>2</sup> lot with 45% site coverage = 350m<sup>2</sup> two level house with build cost in excess of \$1m.

Change to system needed to increase diversity of supply – supply increase and diversification leads to affordability.

Smaller more compact typologies, at greater intensity are needed to meet needs, as well as family housing. New houses are better at meeting objectives for accessible, sustainable housing

Public notification and/or written approval in the consent process is a significant deterrent to investment in Medium Density Housing. Lending is made more difficult for developers with consenting risks

City Living Zone was not well documented when introduced – missed the beat – there should be workshops with developers to make clear what Council was trying to achieve.

Council should consider bringing in some of the RMA Housing Enabling Act standards

### 10.3.5 Resource Consent Application Processes

Pre application meetings are generally positive and encouraging of innovation.

Once processing occurs, there can be inconsistencies, with significant obstacles and delays cited. Senior staff could provide more leadership and encourage a solution focus throughout the consenting process.

‘Style guide’ (Design Guidelines) were viewed positively as giving a good indication of what Council expects. Example given of variability in design an issue with prebuilt home, but colour variances were agreed as an outcome. Some felt the guidelines were more relevant to developers new to MDH.

Information requests can sometimes be inconsistent and reflect individual interpretation. Planners sometimes provide insufficient critical analysis of inputs from other technical specialists. Draft conditions are a good approach, but feedback is sometimes not provided on why changes are not accepted.

Consent conditions are inconsistent and specific to the planner. A condition manual is needed with standard conditions – there is too much customisation. Contracting out processing introduces further risk of inconsistency.

A 4 month processing timeframe is typical even where relatively straightforward issues.

### 10.3.6 Engineering Approval Process

Engineering detail design is increasingly sought at resource consent stage and can be highly frustrating. If detail is provided up front, this should be recognised by simplified consent conditions.

No timeframes are set out formally for development works approvals. 5-6 weeks is typical. A target timeframe should be committed.

Consent conditions – as built, RAM data, Wasabi Checks on 223/224. There are no standards forms or templates – these need to be more specific to avoid confusion/rework/delay. List all templates required to be completed.

2-3 weeks can be lost in administration - all lots are sold, delay in income from completion of sales.

### 10.3.7 Building Consent Processes

Pre-built options are attractive due to speed of delivery, no weather delays or scaffolding, and fixed price, and avoiding local building consent other than for foundations/service connections.

### 10.3.8 Development Contributions

The 2022 increase for greenfield DCs was seen as “extremely high” although this may be more a comment on the scale of increase than the absolute cost.

Affordable DCs with options that scale fees according site area/size of building.

### 10.3.9 CBD Development

Schemes have been developed for residential conversions of existing commercial building stock in the CBD. None executed due to regulatory hurdles (principally the Building Code).

CBD retail will decline due to market process (on-line, large format retail, etc) and CBD is overscale. There is significant capacity to provide housing options for some market segments especially young professionals.

The CBD block East Quarter (Russell/Queen/Hastings/Eastbourne) has strong features to support housing including building stock above ground floor, character buildings, low speed traffic environment commercial use mix with hospitality, entertainment, recreation and proximity to open space, public transport, etc.

Council effort should be focused on a defined precinct with the CBD to create visibility and critical mass and avoid dilution of impact over too wide an area.

Refitting/reuse of existing buildings should be prioritised as conservation/sustainability/GHG mitigation benefits are significant. Effort should be made to remove regulatory barriers on refits. Financial viability and affordability will require compromise on standards.

### 10.3.10 Communication and Collaboration

The Developer Forum is strongly supported. This should be developed further as two way exchange of ideas.

## 10.4 Conclusion

The feedback on obstacles to the delivery of MDH broadly align with the direction of the MDH and also the Housing Strategy but indicate that greater levels of commitment to increasing the supply of land, upgrading infrastructure, and providing more enabling planning policy are needed if a significant increase in levels of MDH are to be achieved.

Opportunities to improve engagement with the development sector should be explored. All informants were very interested in the outcomes of the review and to remain involved and assist where they can.

# 11.0 Findings

This review confirms that the outcomes of the Medium Density Housing Strategy have substantially increased in relevance and importance since being prepared in 2014.

## 11.1 Context

The HCA for Hastings identifies that detached houses still dominate housing activity in Hastings, and higher density housing still forms only a small portion of the overall delivery. Over time, higher density

housing through redevelopment and infill are expected to become more viable. An ongoing shift to attached dwellings is anticipated for Hastings.

The Medium Density Housing Strategy outcomes are strongly aligned with the current national urban policy direction.

The *Urban Growth Agenda* aims to remove barriers to the supply of land and infrastructure and make room for cities to *grow up and out*.

The *National Policy Statement on Urban Development* strongly supports greater height and density, particularly in areas of high demand and access. The policy recognises that residential intensification may cause significant changes to an area that may detract from amenity values appreciated by some people. However, these changes improve amenity values appreciated by other people, communities, and future generations, including by providing increased and varied housing densities and types and are not, of themselves, an adverse effect.

The recent *Enabling Housing Supply* amendment to the RMA has forced a step change on Tier 1 Councils, who are required to remove restrictive planning rules and replace them with a nationally consistent rule framework that enables intensification across virtually all residential zone environments by mid-2022. The amendment also requires consideration of enabling additional capacity around centres.

The *Government Policy Statement on Housing and Urban Development* identifies access to good housing as underpinning all other wellbeing outcomes including health, education, and employment. Focus areas include affordability, and meeting needs and changing life circumstances of diverse families and households. Increasing urban density is seen as *critical* to addressing the housing shortage in New Zealand. Reduction in greenhouse gas emissions has added further to the priority of achieving increased urban density.

The Government expects all government organisations, including local government, to help implement the *GPS-HUD*, and to consider how they can shift and align their policy and investment to support it, while also delivering on their core roles.

The *Public Housing Plan* indicates that Kainga Ora will be a very significant participant in residential development in Hastings in at least the medium term.

The *Future Development Strategy* will replace the HPUDS by 2024. The FDS will need to address the gap in delivery of intensification, as well as integrate land use with a transport strategy that promotes a shift away from single occupancy vehicles to public transport and active modes within a well-functioning urban environment. Public transport and active transport modes will require increased attention as part of the MDHS from the perspective of accessibility and reduction of greenhouse gas emissions.

The *Hastings Operative District Plan* makes comprehensive provision for medium density housing clearly tied to the strategic priorities of the HPUDS.

There is tension in the plan provisions which seek to enable intensification while also maintaining the levels of amenity currently enjoyed by the community. This policy weighting must inevitably constrain the delivery of intensification through increasing development risk and uncertainty. Some short term Plan Changes are proposed to address this issue in the Residential Zones. This is an issue that will need to be reconciled more fundamentally with the community, likely through the FDS.

Relatedly, the ODP provisions are mainly concerned with managing effects on sites and surrounds with less emphasis on neighbourhood scale outcomes. The City Living Zone and CRD provisions largely stand alone as a delivery tool and are not clearly supported by broader spatial planning of the neighbourhood in terms of location, infrastructure and connectivity. Development of Local Area Plans are envisaged in

the MDHS from 2021, and this needs to occur to optimise community outcomes and to create quality medium density neighbourhoods.

Although outside the current scope of the MDHS, a change in approach in greenfield areas would also need to be considered to achieve higher levels of residential intensity.

A critical part of creating a denser neighbourhood is ensuring that the infrastructure that underpins it is available. As part of its growth planning programme, the Council is preparing *Essential Services Development Plans* (ESDPs) in conjunction with the Future Development Strategy for the Napier-Hastings Urban Environment. These ESDPs will set out how and to what extent various development areas, including areas designated as appropriate for medium density and intensification, will be serviced.

The *Development Contributions Policy* will need to be reviewed following the FDS completion where fundamental decisions on intensification will need to be made. In the interim, consideration should be given to reducing DCs for small dwellings, based on their lower demand on infrastructure. This would provide a tangible signal to the market that the Council recognises the benefits of intensification and supports diversity in housing.

The *Hastings Medium and Long Term Housing Strategy* was adopted in 2021. The Housing Strategy, while initially focussing on critical affordable and social housing issues, now encompasses outcomes relevant to all types of housing. A strategy that improves outcomes for those least able in the community will almost certainly provide the same, if not greater, benefits to the community at large.

Several of the Housing Strategy outcomes are directly applicable to addressing obstacles to the delivery of Medium Density Housing that are common across all types of housing:

- Working together and building local capacity – partnership and engagement with providers across the housing sector
- Affordability and suitability – housing needs in the local area are understood, and supply is targeted to demand
- Land and regulatory settings – responsive regulation and consenting processes, monitoring, development of tools to support delivery across all forms of housing
- Community well-being - place based approach

## 11.2 Strategy Stocktake

A stocktake of the Medium Density Housing Strategy Implementation Programme shows that most of the substantive actions have now been completed according to the programme. Key actions have included a Plan Change in 2015 to bring forward preferred areas for medium density development through the City Living Zone, Comprehensive Residential Development, and City Centre commercial space conversions and planning work towards resolving infrastructure constraints.

There are several significant actions programmed from 2021, including the preparation of Local Area Amenity and Infrastructure Plans (LAPs) to integrate above and below ground infrastructure, and recommendations from the Openspace and Amenity Work Stream action is scheduled from 2021-2026.

The strategy is that \$20,000 p.a. would be applied for 5 years from 2021 onwards. This funding does not appear to be included in the LTP and the funding allowance needs to be reassessed as it appears to be too low. Development indicators show that the placed-based elements of the MDH strategy have not yet

gained significant traction on the ground. Infill development pattern show a wide, ad hoc distribution and limited concentration on the preferred areas for intensification.

The LAP action is critical to delivery of an effective place based delivery of medium density housing. The five-year programme needs to be compressed to 12-18 months and resourced to ensure that it provides a timely, evidence-based input to Essential Service Development Plans and the FDS.

The LAP action is also an important opportunity to engage with communities in areas that may face change. Intensification strategies typically gain strong community support at region/city scale but can be less supported at local or neighbourhood scale. A programme of engagement needs to be developed that recognises the importance of building community awareness and understanding and gaining local insights on key issues, ahead of any formal policy changes.

With a significant supply gap, and no short term ability to address land use planning and infrastructure constraints, there is a good case for the Council to consider involvement in assembling land packages and partnering with developers to deliver housing projects, aligned to the Housing Strategy and MDHS outcomes. This could focus on Council owned land.

This action is already broadly identified in the MDHS. It could have significant collateral benefits to other strategy actions including promoting quality design and amenity, building awareness, and reinforcing the place based strategy targeting well suited locations.

### 11.3 Developer Perspectives

Liaison with medium density housing providers identified several key obstacles to the delivery of MDH in Hastings. The key obstacles identified included:

- Constrained land supply is the key obstacle. Enabled medium density development areas are too small and few sites come to market, and those that do are in high demand and have a price premium. A more expansive approach is needed to increase supply, identifying more areas accessible to centres and open space.
- Land purchase for development is not a core Council role but is strongly influenced by Council. Council can support investment decisions by providing good information on land attributes including infrastructure capacity.
- Infrastructure remains a significant obstacle. Upgrades need to be progressed. It is also difficult to get information on infrastructure capacity on which to base decisions on land acquisition for longer term future development. There is support to improve the provision of information on infrastructure capacity to support investment decisions.
- The District Plan is good at producing conventional housing types which are now unaffordable to purchase and rent but does not sufficiently enable other typologies. There is increasing demand for 1 and 2 bedroom dwelling typologies that need to be better accommodated in the overall development planning system.
- The District Plan focus on maintaining residential character creates a significant consent obstacle. Character changed by intensification is currently considered an adverse effect. This leads to involvement of neighbours in consent processes with inherent delays, cost and uncertainty.
- The broader place-based outcomes sought by the MDH Strategy were not clearly communicated to the development community when it was launched. The current Council focus is on site level



planning and guidance. A shift in focus of planning from site to urban and neighbourhood scale will be needed to deliver the quality outcomes sought.

## 11.4 Practice Elsewhere

Other comparable Councils are also making significant moves towards enabling greater urban intensification, following national policy direction.

In common are:

- Recognition that protecting the status quo low density residential environment is a significant impediment to higher density development;
- Plan changes to enable greater development density with certainty;
- Spatial planning that focusses on enabling intensification at identifiable centres and master planning to support greenfield intensification.
- Infrastructure planning and funding to support plan enabled intensification areas;
- Promotion of good quality intensification through design assistance, guidance and leadership.

There are good examples of place based approaches that can inform responses for Hastings.

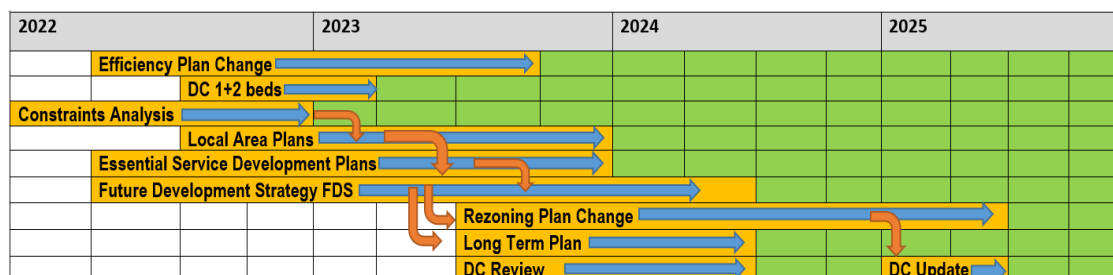
## 11.5 Actions

The scope of key actions set out in the recommendations are:

- Identify and define a network of expanded MDR Development Areas for Hastings with locational attributes that will support a well-functioning urban environment, focussing on centres, open space and public transport as an input to the FDS;
- Develop *Local Area Plans* for MDR Development Areas, addressing land use and infrastructure in collaboration with the community, likely over sectors of the urban area rather than as individual centres;
- Implement Plan Changes to address existing rule inefficiencies in enabled areas
- Implement Plan Changes to zone MDR Development Areas *High and Medium Density Residential Zone* to follow the FDS;
- Plan and fund infrastructure investment to support the delivery of development within MDR Residential Development Areas;
- Amend the Development Contributions Policy to provide for single and two bedroom dwellings units as a prorated HUE;
- Review the Development Contributions Policy to take into account LAP outcomes;
- Continue with initiatives to partner with the development sector on housing projects that clearly demonstrate alignment with housing strategy principles.

Some initial work has been undertaken to identify how to integrate MDHS actions into the wider growth management programme, particularly the FDS which must be completed by mid-2024.

Current thinking is shown in the figure below, but will require detailed planning and refinement:



**Figure: Indicative Timeline**

It would also be efficient and effective to integrate the *Medium Density Housing Strategy* into the Council’s *Medium and Long Term Housing Strategy*, rather than continue with a standalone policy approach. The *Housing Strategy* brings together key sector interests and provides an established framework for engagement, information gathering and dissemination, and structured monitoring and review.

The Housing Strategy governance group and its supporting management and operational linkages/network provides an excellent foundation for partnership on the long term delivery of housing outcomes. This could be optimised by private sector developer and development infrastructure provider representation (E.g., Waka Kotahi) as anticipated by the NPS UD to support an integrated, outcomes based approach. This approach can be modelled and scaled up for the FDS process.

Integration can be achieved by formulating an additional workstream for Medium Density Housing and a sample is included in Appendix 5.

## 12.0 Recommendations

In the context of these recommendations:

- ‘Short Term’ means within 12-18 months;
- ‘Medium Term’ means within 18 months-3 years.

### 12.1 Medium Density Housing Strategy and Implementation Programme

#### 12.1.1 Short Term

Include the Medium Density Housing Strategy and Implementation Programme as part of *Kāinga Paneke, Kāinga Pānuku: Hastings Medium and Long Term Housing Strategy*.

Incorporate an additional *Workstream for Medium Density Residential Development* in *Kāinga Paneke, Kāinga Pānuku Hastings Medium and Long Term Housing Strategy* to replace the current *Medium Density Housing Strategy Implementation Programme*.

Incorporate *outcomes* for Medium Density Housing in *Kāinga Paneke, Kāinga Pānuku Hastings Medium and Long Term Housing Strategy*, including:

- Additional capacity for medium density housing is targeted to areas with locational attributes that will support a *well-functioning urban environment*.
- Medium density housing areas have high quality design and amenity.
- Recognise that medium density housing may involve significant changes to an area that may detract from amenity values appreciated by some people but improve amenity values appreciated by other people, communities, and future generations, including by providing increased and varied housing densities and types and are not, of themselves, an adverse effect.
- The regulatory framework enables medium density housing at preferred locations that avoid unwarranted transaction costs and development uncertainty.
- The transition to higher levels of housing intensity does not cause unintended constraints on the supply of accessible and affordable housing.

The *Developer Forum* be recognised as a primary means of local engagement with the providers of development infrastructure to *achieve integrated land use and infrastructure planning* and the development sector to *identify significant opportunities for urban development*.

Include development and infrastructure sector representatives on the governance body of *Kāinga Paneke, Kāinga Pānuku: Hastings Medium and Long Term Housing Strategy*.

## 12.2 Future Development Strategy

### 12.2.1 Short Term

Quarterly Reporting of place specific uptake of infill/MDH.

Identify and define a network of *Medium and High Density Residential Development Areas* for Hastings with locational attributes that will support a *well-functioning urban environment* as defined under the NPS – UD as an input to the development of the FDS.

The criteria for identification of *Medium and High Density Residential Development Areas* are:

- the area is in or near a centre zone or other area with many existing or planned employment opportunities;
- the area is well-serviced by existing or planned public transport;
- there is high current or foreseeable demand for housing in the area, relative to other areas within the urban environment
- the area is near high amenity open spaces.

Review feasibility of HCA assumed capacity of city centre and other commercial mixed use areas as an input to FDS.

## 12.3 Local Area Plans

### 12.3.1 Short Term

Develop *Local Area Plans* for identified *Medium Density Residential Development Areas* through engagement with the community to define short, medium and long term scenarios for land use (residential, health, social, cultural, education, business), infrastructure (transport, three waters, streetscape, active and passive open spaces) and natural spaces.

Community engagement on Local Area Plan development to build awareness and understanding ahead of any formal policy changes and follow best practice consistent with IAP2 standards.

## 12.4 Long Term Plan/Annual Plan

### 12.4.1 Short Term

Ensure that MDHS implementation actions for land use and infrastructure changes are clearly identified, programmed and funded.

Identify the full extent of investment in capital and other actions to support residential intensification in the LTP as a priority action.

Review funding provision for LAP development alongside ESDPs (in terms of infrastructure) and make sure there is no duplication.

## 12.5 District Plan

### 12.5.1 Short Term:

Implement a Plan Change to the Medium Density Area provisions to facilitate development and provide greater certainty for the development community.

### 12.5.2 Medium Term

Implement Plan Changes to give effect to *Local Area Plans* aligned with the FDS that includes:

- *Mixed use, High Density and Medium Density Residential Zone* with provisions that are consistent with best practice:
  - Land uses that are consistent with Local Area Plans are permitted activities;
  - Third party engagement is minimised
- A *Development Area* uses a spatial layer identifies any distinctive values, risks or other factors which require management in a different manner from underlying *Medium Density Residential Zone* provisions, including significant special character values within the Development Area and the interface with the General Residential or other Zones.

## 12.6 Consenting

### 12.6.1 Short Term

Increase process overview by experienced senior staff for larger scale medium density housing projects.

Consider scope for fast tracking medium density housing projects.

## 12.7 Design Guidance

### 12.7.1 Short term

Maintain experienced planning and design personnel as a point of contact for new developments and to provide continuity through regulatory processes.

Maintain Medium Density Design Guidance as a non-regulatory guidance.

### 12.7.2 Medium Term

Review guidance needs as part of Local Area Plans, including consideration of national guidance, alongside plan changes.

## 12.8 Infrastructure

Plan and fund infrastructure investment to support the delivery of development within *MDR Residential Development Areas*.

Use Local Area Plans as a framework for infrastructure planning and provision, including the level of service, timing and funding of infrastructure provision/upgrading.

Create a portal for infrastructure information that supports MDR development investment decisions, including:

- Areas that are infrastructure-ready;
- Areas that will be infrastructure-ready in the foreseeable future, with indicative timing;
- Areas that are unlikely to be infrastructure ready in the foreseeable future.

## 12.9 Development Contributions

### 12.9.1 Short Term

Amend the Development Contributions Policy to provide for single and two bedroom dwellings units as a pro-rated HUE:

- Single bedroom – 0.5 HUE

- Two bedroom – 0.65 HUE
- 3+ bedrooms – 1 HUE

### 12.9.2 Medium Term

Establish Development Contributions for each *MDR Residential Development Area* in the Development Contributions Review.

Investigate an area-based Development Contributions Policy framework within *MDR Residential Development Areas*

## 12.10 Pilot Project

Identify and evaluate options for a *Council enabled* attractive medium density housing pilot development of scale within a MDR development area that demonstrates the aims and outcomes of the housing strategy. Including: promoting quality design and amenity, affordability, and reinforcing the place based strategy targeting well suited locations.

# Appendix 1: Consultant Brief

## Medium Density Housing Strategy Review

### Project Brief

10 February 2022

This brief has been prepared for the review of the Medium Density Housing Strategy. Hastings District Council intends to engage Craig Batchelar from Cogito Consulting Ltd to conduct this review.

#### SUMMARY

The review of the Hastings District Council's Medium Density Housing Strategy and Implementation Action Plan has been requested by the elected Council, and is required to be reported to Council prior to 30 June 2022. It is a vital component of the Council's strategy for managing growth, and will feed into the development of the Future Development Strategy and a future Regional Spatial Plan.

The current strategy was completed in 2014 prior to the significant increase in growth and development uptake. Accordingly, the context for medium density housing development has changed significantly. This review will update the strategy in light of that changed context, and will identify implementation progress since the strategy was adopted and further actions required to be taken. Of particular focus will be:

- infrastructure capacity to accommodate growth in medium density development
- urban intensification development commercial viability, including the aggregation of sites for development,
- issues relating to market appeal and
- effective consenting pathways.

The impact of Council's development contributions policy on medium density housing development will also be examined.

#### INTRODUCTION

The implementation programme of the recommendations from the Medium Density Housing Strategy was adopted by Hastings District Council in 2017 in order to promote housing intensification that is appropriate in size, scale and character for Hastings. Given the district's worsening housing crisis and high growth rates, significant growth work coming up with the subregional HPUDS review (FDS) and the Regional Spatial Plan as well as Council's strong focus on place-based housing opportunities it is timely to review the Medium Density Housing Strategy.

The strategy validated the HPUDS' intensification targets for Hastings (circa 2,000 homes ) and set out how these targets can be achieved in practice, focusing around eight work streams –

- Changing perception and capability
- Promoting quality design and amenity
- Responsive and effective regulation
- Building local amenity and open space



- Medium density ready services
- Cost competitive development
- Managing greenfields land supply
- Socially integrated development

At the Strategy and Policy Committee on 2nd November 2021 the committee resolved to:

Build on and translate the key findings and outcomes from the Housing Capacity Assessment and the outcomes of recommendations (3) (4) and (5) in the preparation of a Regional Spatial Plan, or review/replacement of the Heretaunga Plains Urban Development Strategy including:

- (b) Directing the Chief Executive to commission an updated intensification strategy which considers regulatory and non-regulatory levers and incentives that Council can apply to incentivise Housing Intensification Objectives. This strategy will be brought back to Council for consideration and adoption before 30 June 2022.

An implementation plan for the strategy is tracking a number of completed actions, however given the fast changing nature of the housing situation in Hastings, a strategy review is timely.

## SCOPE OF WORKS

The scope of works included in this direct engagement request are:

- a) A stocktake of the MDH Strategy in the context of the rapid growth being experienced in the District and the other growth related work being undertaken or planned. This context will include the housing bottom lines recently established as a requirement of the NPS-UD and the impacts of other regional growth centres such as Napier, Central Hawkes Bay on the aspiration for more MDH.

The stocktake will examine the actions in the **Medium Density Housing Strategy Implementation Programme** including:

- What actions have been completed and the effectiveness of the completed actions to date
- What actions have not been completed, and identification of the impediments to completion
- Are the remaining un-actioned tasks still relevant / or more relevant in the current context
- Whether the prioritisation of actions still remains appropriate and if not reassess
- Whether the assignment of actions still remains appropriate and if not reassess
- What are similar provincial centres and tier 2 growth areas doing to enable the successful uptake of intensification, and what approaches should HDC consider within the Hastings District Urban context

b) Liaise with developers, property and development advisors (including Kainga Ora and council officers to identify obstacles facing council and developers in achieving medium density housing outcomes at scale including, but not limited to:

- Finding land parcels of scale or agglomerating land parcels
- Infrastructure capability and capacity assessment
- Cost factors/development economics/market and lending changes/tightening
- Effective consenting pathways and policy positions
- Market appeal and lending

Scope and methods of liaison, including support by Council staff, will be agreed prior to commencing.

c) Refresh the assessment of urban areas in the strategy to identify areas that are suitable for medium density housing, practicable actions to overcome identified obstacles , and a suitable area or areas for a possible medium density housing showcase development in the short (now), medium and long-term.

d) Summarise the outcomes on the stocktake, liaison, and assessment in an addendum to the Hastings Medium Density Housing Strategy April 2014.

e) Review and update the Medium Density Housing Strategy Implementation Programme setting out the actions that need to be taken by Hastings District Council Medium Density Housing and urban intensification in the Hastings, Havelock North and Flaxmere urban area over short, medium and longer-term time horizons.

This Programme should help HDC achieve the following outcomes in a prioritized manner:

- Infrastructure has capacity for sufficient medium density housing in identified areas
- Medium density has greater market acceptance and with analysis that supports it being commercially viable for developers and purchasers
- The consenting pathway for medium density housing is efficient and effective
- A Council enabled attractive medium density housing pilot development of scale in the District.

f) The consultant will prepare and deliver a short presentation to Council on the strategy review to assist with councillors digesting the information and to help answer any questions they may have.

## **PROGRAMME**

The timeframe is of particular importance. The work required needs to be reported to Council prior to 30 June 2022. If required, there are a number of council meetings which the consultant can use for reporting back on the review. These are:

- District Development Subcommittee 21 April 2022
- Strategy and Policy Committee 17<sup>th</sup> May 2022
- Council Meeting 30<sup>th</sup> June 2022

The consultant will need to be mindful that the Medium Density Housing Strategy review report will have to be provided one week before any of the above council meeting dates. That is to ensure sufficient time to include the paper in the meeting agenda.

An indicative programme for the review will be provided by the consultant following the completion of 'Task a' Stocktake.

### **PROJECT TEAM STRUCTURE AND REPORTING**

Project Leader - Rowan Wallis  
Project Manager – Annette Hilton  
Project Adviser – Mark Clews



# Appendix 2: Medium Density Housing Strategy Implementation Programme

## MEDIUM DENSITY HOUSING STRATEGY IMPLEMENTATION PROGRAMME

Chapter	Action	Lead Group	Budget	Scheduled Date
<b>Definition</b>	1) Adopt a definition of medium density housing of 250m <sup>2</sup> - 350m <sup>2</sup> gross area of land per unit.	All	Nil	Completed
<b>Changing Perceptions of Medium Density Housing</b>	2) Avoid the use of terms such as medium density housing and use terms such as comprehensive housing development and compact housing.	All	Nil	Ongoing
<b>Responsive and Effective Regulation</b>	3) Promote positive (in terms of policy framework) and appropriate (in terms of methods) district plan provisions for medium density housing as described above.	Planning and Regulation	Nil	Completed 2015
<b>Medium Density Ready Services</b>	4) Ensure provision is made for medium density housing in the intensification areas when undertaking works between now and 2015.	Infrastructure	Nil	Completed 2015 and
	5) Undertake the further investigations identified in this report to better inform the 2015-2025 Long Term Plan and to optimise the investment required.	Infrastructure	Existing Budgets	Ongoing
<b>Managing Greenfield Land Supply</b>	6) Continue with structure planning and enabling District plan provisions to allow the supply of greenfields land to aligned with fluctuating overall housing demand	Planning and Regulation	Existing Budgets	Ongoing

KEY-

Completed

Ongoing

2018-2021

2021+

<b>Changing Perceptions of Medium Density Housing</b>	7)	Early engagement of real estate agents to assist in determining likely markets and suitable levels of affordability.	EGOI	Nil	2018-2021
	8)	Develop an education strategy targeted at the community and development community to address negative perceptions of medium density housing. This strategy should include:	Planning and Regulation	Nil	2018-2021
		a. Identification and responses to common misconceptions.			
		b. Demonstrations and examples of good practice. Preferably within a local context (i.e. Hastings / Hawkes Bay) or if not available, national context.	Finance		
	9)	Undertake a business case for the development (e.g. through a joint venture partnership) of a demonstration model to provide evidence to stakeholders that medium density housing can be successful.		Existing Budgets	2018-2021
	10)	Review resource consent requirements for medium density housing to ensure they are as efficient and relatively risk free (e.g. potential of non-notification clauses, enabling activity status in appropriate locations) as possible. Consideration should also be given to:	Planning and Regulation	Nil	See below
		a. Opportunities for reducing consent requirements for medium density housing;			a. Completed 2015
		b. Other methods of enabling the development of medium density housing (e.g. case officers, use of design panels etc.			b. 2018-2021
	11)	Ensure that the development community and other stakeholders are well aware of any design guidance through good education programmes and consultation. For example, consider providing “how to” guides and development checklists.	Planning and Regulation	Nil	2018-2021

<b>Removing Barriers and Building Capacity</b>	12)	Investigate and adopt potential fast track consent processes for medium density housing proposals based on a pre-approved Council accredited applicant process.	Planning and Regulation	Nil	2018-2021
	13)	Explore and adopt other ways of reducing the risk and increasing the certainty of consent processes associated with medium density housing development.	Planning and Regulation	Nil	2021-2024
	14)	Facilitate the early input (e.g. pre-lodgement of resource consents) from senior planners in consent processes.	Planning and Regulation	Nil	2018-2021
	15)	Investigate development finance options to understand whether further financial assistance can be given to developers	Finance	Nil	2018-2021
	16)	Review the role of Council as landowner and acquirer to de-risk the development of medium density housing	Finance	Nil	2018-2021
<b>Promoting Quality Design and Amenity</b>	17)	Develop and adopt design guidelines for medium density housing and ensure that compliance with them is a statutory requirement of the development process to ensure that appropriate amenity values are achieved.	Planning and Regulation	\$30,000	2018-2021
	18)	Ensure the Hastings design panel are informed of the adopted medium density guidelines and are able to give pre-application advice and to assist in fast-tracking the processing of medium density housing proposals.	Planning and Regulation	Nil	2018-2021
<b>Medium Density Ready Services</b>	19)	Prioritise and make provision for the works identified in this report in the 2018-2028 Long Term Plan.	Infrastructure	In LTP	Completed Draft
	20)	Advocate for the planning for and prioritisation of public transport services provided by the Hawke's Bay Regional Council that support medium density intensification areas.	Infrastructure	Nil	Ongoing
	21)	Make appropriate allowance for the recovery of the marginal costs for the works through the Development Contributions Policy	Infrastructure	Nil	Ongoing



<b>Cost Competitive Development</b>	22)	Undertake a review of the current development contributions policy in accordance with the analysis and recommendations of this strategy and amend development contributions policy to ensure the distributions of costs of greenfields development (both local and external) are fairly distributed.	Finance	Existing Budgets	Completed 2015
	23)	Revise the current approach to development contributions to identify other options for potentially: <ul style="list-style-type: none"> <li>a. Reducing the contribution required for medium density housing; and/or</li> <li>b. Enabling the delay of payment until such time as the developer has acquired financial return for investment in medium density housing</li> </ul>	Finance	Existing Budgets	Completed 2015
<b>Managing Greenfield Land Supply</b>	24)	Develop monitoring programmes for the uptake of greenfield land and other housing indicators	EGOI	Existing Budgets	Completed 2013/2018
<b>Socially Integrated Development</b>	25)	Develop an affordable housing strategy that determines whether greater level of Council intervention (e.g. affordable housing policy) is required in the housing market to ensure housing affordability, recognising the role of medium density housing in affordable housing and consider the costs and benefits of the approaches to avoiding social housing clusters.	CFP	Existing Budgets	2018-2021
	26)	Investigate options for freeing up under-utilised housing stock.	CFP	Nil	2021+
	27)	Promote housing supply that reflects the demographic and socio-economic profiles of likely future residents within the Hastings context.	CFP	Nil	2021+

<b>Removing Barriers and Building Capacity</b>	28)	Investigate development finance options (e.g. cash grants, tax incentives and other financial assistance) to understand whether further financial assistance can be provided to developers of medium density housing.	Finance	Nil	2018-2021
	29)	Review the potential role of Council as a landowner and acquirer to de-risk the development of medium density housing	Finance/HDPL	Existing Budgets	2018-2021
<b>Building Local Amenity and Open Space</b>	28)-35)	Various parks access and playground improvements and reserve on south side of Heretaunga Street East as uptake dictates	Infrastructure	In LTP	Completed Ongoing
	36)	part II of the Greening Streets Strategy should give priority to amenity upgrades in the intensification areas, in conjunction with roading and infrastructure upgrades	Infrastructure	Nil	2018-2021
<b>Medium Density Ready Services</b>	37)	At each LTP and AP survey the development community on it their forward intentions for medium density to optimise the timing of infrastructure works.	Infrastructure	Nil	2021+
	38)	Prepare Local Area Amenity and Infrastructure Plans (LAPs) to integrate above and below ground infrastructure and recommendations from the Openspace and Amenity Work Stream.	Infrastructure	\$20,000 p.a. for 5 years	2021+
	39)	LAPs should be published in a user friendly manner so that host communities can see some of the benefit of hosting medium density development.	Infrastructure	Nil	2021+
<b>Managing Greenfield Land Supply</b>	40)	Review the current approach to the management of greenfield land to ensure it aligns with HPUDS development targets and develop methods to constrain the supply of greenfield development land to increase the relative competitiveness of urban intensification	EGOI	Nil	2021+
	41)	Be cautious of releasing more greenfields land than is dictated by overall housing demand.	EGOI	Nil	2012+

<b>Socially Integrated Development</b>	42)	Identify sites within a 5 minute walk of the northern portion of the Parkvale host neighbourhood that could be rezoned to suburban commercial in the future to better provide for the future needs of the intensification area as it develops.	Planning and Regulation	Nil	2021+
	43)	Identify sites within a 5 minute walk of the southern portion of the Mahora host neighbourhood that could be rezoned to suburban commercial in the future to better provide for the future needs of the intensification area as it develops.	Planning and Regulation	Nil	2021+
	44)	Consult with the Ministry of Education and relevant private school providers regarding the potential implications of intensifying the host neighbourhoods, particularly so for the northern portion of the Heretaunga Street East intensification area.	EGOI	Nil	2021+

## Appendix 3: Implementation Programme Stocktake

Workstream	Action	Status	Evaluation
Changing Perceptions of Medium Density Housing	Adopt a definition of medium density housing of 250m <sup>2</sup> - 350m <sup>2</sup> gross area of land per unit.	Completed.	
	Avoid the use of terms such as medium density housing and using terms such as comprehensive housing development and compact housing.	Not initiated.	The accepted terminology used across national policy and guidance is <i>Medium Density Residential Development</i> or variations of this. The concern about negative connotations is overstated.
	Early engagement of real estate agents to assist in determining likely markets and suitable levels of affordability.	Not initiated.	The intention is to engage with real estate industry through pending FDS project. Engagement needs to extend beyond the real estate industry to include all key stakeholders particularly infrastructure providers and developers.
	Develop an education strategy targeted at the community and development community to address negative perceptions of medium density housing. This strategy should include: <ul style="list-style-type: none"> <li>• Identification and responses to common misconceptions.</li> <li>• Demonstrations and examples of good practice. Preferably within a local context (i.e. Hastings / Hawkes Bay) or if not available, national context.</li> </ul>	Completed.	An education strategy has been undertaken alongside the Intensive Residential Design Guide which included local examples. Demonstrations and examples of good practice within a local context has not yet been actively implemented although there has been reporting on this to Council on the outcomes from the design guide implementation.
	Undertake a business case for the development (e.g. through a joint venture partnership) of a demonstration model to provide evidence to stakeholders that medium density housing can be successful.	On-going.	A business case for the development of a demonstration model has progressed through the Flaxmere project. Other demonstration projects are being considered. This action is closely related to the role of Council as landowner and acquirer to de-risk the development of medium density housing.
Promoting Quality Design and Amenity	Develop and adopt design guidelines for medium density housing and ensure that compliance with them is a statutory requirement of the development process	On-going.	Guidelines were implemented in February 2021 but as an education approach, which is non-statutory.

Workstream	Action	Status	Evaluation
	to ensure that appropriate amenity values are achieved.		Consideration is being given to incorporating design criteria into the District Plan alongside other changes to provide greater certainty.
	Ensure the Hastings design panel are informed of the adopted medium density guidelines and are able to give pre-application advice and to assist in fast-tracking the processing of medium density housing proposals.	Not initiated.	The Hastings design panel has been disbanded.
Responsive and Effective Regulation	Promote positive (in terms of policy framework) and appropriate (in terms of methods) district plan provisions for medium density housing as described above.	On-going.	Plan Changes in 2015 introduced City Living Zone and Comprehensive Residential Development overlay. Further plan changes are being considered to improve the efficiency of the new provisions.
	Investigate and adopt potential fast track consent processes for medium density housing proposals based on a pre-approved Council accredited applicant process.	Not initiated.	Action was scheduled for 2018-2021. Fast tracking of MDH applications has not been pursued but should be considered alongside other actions.
	Explore and adopt other ways of reducing the risk and increasing the certainty of consent processes associated with medium density housing development.	On-going.	Part of the Plan Change Initiated encourage pre lodgement and guidance provided against Guide. This action has been included in the Housing Strategy Action Plan.
	Facilitate the early input (e.g. pre-lodgement of resource consents) from senior planners in consent processes.	Completed	Pre lodgement meetings and guidance provided against Guide are actively provided as services.
Building Local Amenity and Open Space	Various parks access and playground improvements and reserve on south side of Heretaunga Street East as uptake dictates	Completed.	
	Part II of the Greening Streets Strategy should give priority to amenity upgrades in the intensification areas, in conjunction with roading and infrastructure upgrades	Not initiated.	This action is linked with Medium Density Ready Service workstream: Local Area Amenity and Infrastructure Plans (LAPs) scheduled from 2021.

Workstream	Action	Status	Evaluation
Medium Density Ready Services	Ensure provision is made for medium density housing in the intensification areas when undertaking works between now and 2015.	Completed.	
	Undertake the further investigations identified in this report to better inform the 2015-2025 Long Term Plan and to optimise the investment required.	Completed.	
	Prioritise and make provision for the works identified in this report in the 2018-2028 Long Term Plan.	Completed.	
	Advocate for the planning for and prioritisation of public transport services provided by the Hawke's Bay Regional Council that support medium density intensification areas.	Ongoing	The Regional Public Transport Plan refers to bus services contracted to service Hastings (Camberly, Mahora, Parkvale and Akina), Flaxmere and Havelock North. The RPTP plan refers to dispersed geography and low density housing as challenges and signals likely future needs for better integration of public transport into the transport system, but does not refer to urban growth strategies or the MDRS.
	Make appropriate allowance for the recovery of the marginal costs for the works through the Development Contributions Policy	Ongoing.	Assumed to have been addressed in DC Policy referred to elsewhere.
	At each LTP and AP survey the development community on it their forward intentions for medium density to optimise the timing of infrastructure works.	Not initiated.	The Developer Forum provides a forum for this type of engagement.
	Prepare Local Area Amenity and Infrastructure Plans (LAPs) to integrate above and below ground infrastructure and recommendations from the Openspace and Amenity Work Stream.	Not initiated.	This action was scheduled from 2021. The strategy is that \$20,000 p.a. for 5 years would be applied from 2021 onwards. This funding does not appear to be included in the LTP.
	LAPs should be published in a user friendly manner so that host communities can see some of the benefit of hosting medium density development.	Not initiated.	This action was scheduled from 2021. The strategy is that \$20,000 p.a. for 5 years would be applied from 2021 onwards. This funding does not appear to be included in the LTP.

Workstream	Action	Status	Evaluation
Cost Competitive Development	Undertake a review of the current development contributions policy in accordance with the analysis and recommendations of this strategy and amend development contributions policy to ensure the distributions of costs of greenfields development (both local and external) are fairly distributed.	Completed.	A review of the current development contributions policy was completed in 2015.
	Revise the current approach to development contributions to identify other options for potentially: <ul style="list-style-type: none"> <li>Reducing the contribution required for medium density housing; and/or</li> <li>Enabling the delay of payment until such time as the developer has acquired financial return for investment in medium density housing</li> </ul>	Completed.	A review of the DC policy was completed in 2015. The contribution required for medium density housing was not reduced. A further review of the DC policy is to occur for the 2024-2034 LTP. Consideration should be given to area based DCs for intensification areas, including measures to encourage delivery of 1 and 2 bedroom units in MDR development areas. Pro-rated DCs for small dwelling based on the relative demand is a logical amendment that could be considered in the short term across all residential areas.
Managing Greenfield Land Supply	Continue with structure planning and enabling District plan provisions to allow the supply of greenfields land to aligned with fluctuating overall housing demand	Ongoing	Structure Planning is currently underway for 3 greenfield development areas.
	Develop monitoring programmes for the uptake of greenfield land and other housing indicators	Completed	Quarterly Reporting of uptake of greenfield land and aggregate reporting on infill/MDH is in place. Quarterly Reporting of place specific uptake of infill/MDH should also be undertaken.
	Review the current approach to the management of greenfield land to ensure it aligns with HPUDS development targets and develop methods to constrain the supply of greenfield development land to increase the relative competitiveness of urban intensification	Not initiated.	This action was scheduled from 2021. A review the current approach to the management of greenfield land to ensure it aligns with HPUDS development targets and develop methods to constrain the supply of greenfield development land



Workstream	Action	Status	Evaluation
			to increase the relative competitiveness of urban intensification will be undertaken as part of the FDS. The issue of transition is also highlighted in the reporting on the HCA and the effect on housing supply that will result from constraining greenfield development without greater enablement of infill/medium density. HPUDS development targets for greenfield density are outdated and too conservative.
	Be cautious of releasing more greenfields land than is dictated by overall housing demand.	Not initiated.	This action was scheduled from 2021. This action will be undertaken as part of the FDS.
Socially Integrated Development	Develop an affordable housing strategy that determines whether greater level of Council intervention (e.g. affordable housing policy) is required in the housing market to ensure housing affordability, recognising the role of medium density housing in affordable housing and consider the costs and benefits of the approaches to avoiding social housing clusters.	Completed	The Hastings Medium and Long Term Housing Strategy includes affordable housing strategy outcomes and workstreams that address core actions under this workstream.
	Investigate options for freeing up under-utilised housing stock.	Completed	The Hastings Medium and Long Term Housing Strategy addresses all types of housing, including retirement housing that releases larger family homes to the market.
	Promote housing supply that reflects the demographic and socio-economic profiles of likely future residents within the Hastings context.	Completed	The Hastings Medium and Long Term Housing Strategy includes workstreams to promote housing supply that reflects the demographic and socio-economic profiles of likely future residents.
	Identify sites within a 5 minute walk of the northern portion of the Parkvale host neighbourhood that could be rezoned to suburban commercial in the future to better provide for the future needs of the intensification area as it develops.	Not initiated.	This action was scheduled from 2021. Action is linked to Local Area Amenity and Infrastructure Plans (LAPs) with a potentially broadened scope.

Workstream	Action	Status	Evaluation
	Identify sites within a 5 minute walk of the southern portion of the Mahora host neighbourhood that could be rezoned to suburban commercial in the future to better provide for the future needs of the intensification area as it develops.	Not initiated.	This action was scheduled from 2021. Action is linked to Local Area Amenity and Infrastructure Plans (LAPs) with a potentially broadened scope.
	Consult with the Ministry of Education and relevant private school providers regarding the potential implications of intensifying the host neighbourhoods, particularly so for the northern portion of the Heretaunga Street East intensification area.	Not initiated.	This action was scheduled from 2021. Action is linked to Local Area Amenity and Infrastructure Plans (LAPs) with a potentially broadened scope.
Removing Barriers and Building Capacity	Investigate development finance options to understand whether further financial assistance can be given to developers	Ongoing	Financial intervention might be appropriate for affordable housing where commercial viability is ore marginal. The affordable housing element of the MDHS are now addressed in the Hastings Medium and Long Term Housing Strategy
	Review the role of Council as landowner and acquirer to de-risk the development of medium density housing	Ongoing	With a significant supply gap, and no short term ability to address land use planning and infrastructure constraints, there is a good case for the Council to consider involvement in assembling land packages and partnering with developers to deliver housing projects aligned to the Housing Strategy and MDHS outcomes. This should include consideration of Council owned land.

# Appendix 4: Implementation Programme – Spatial Outcomes

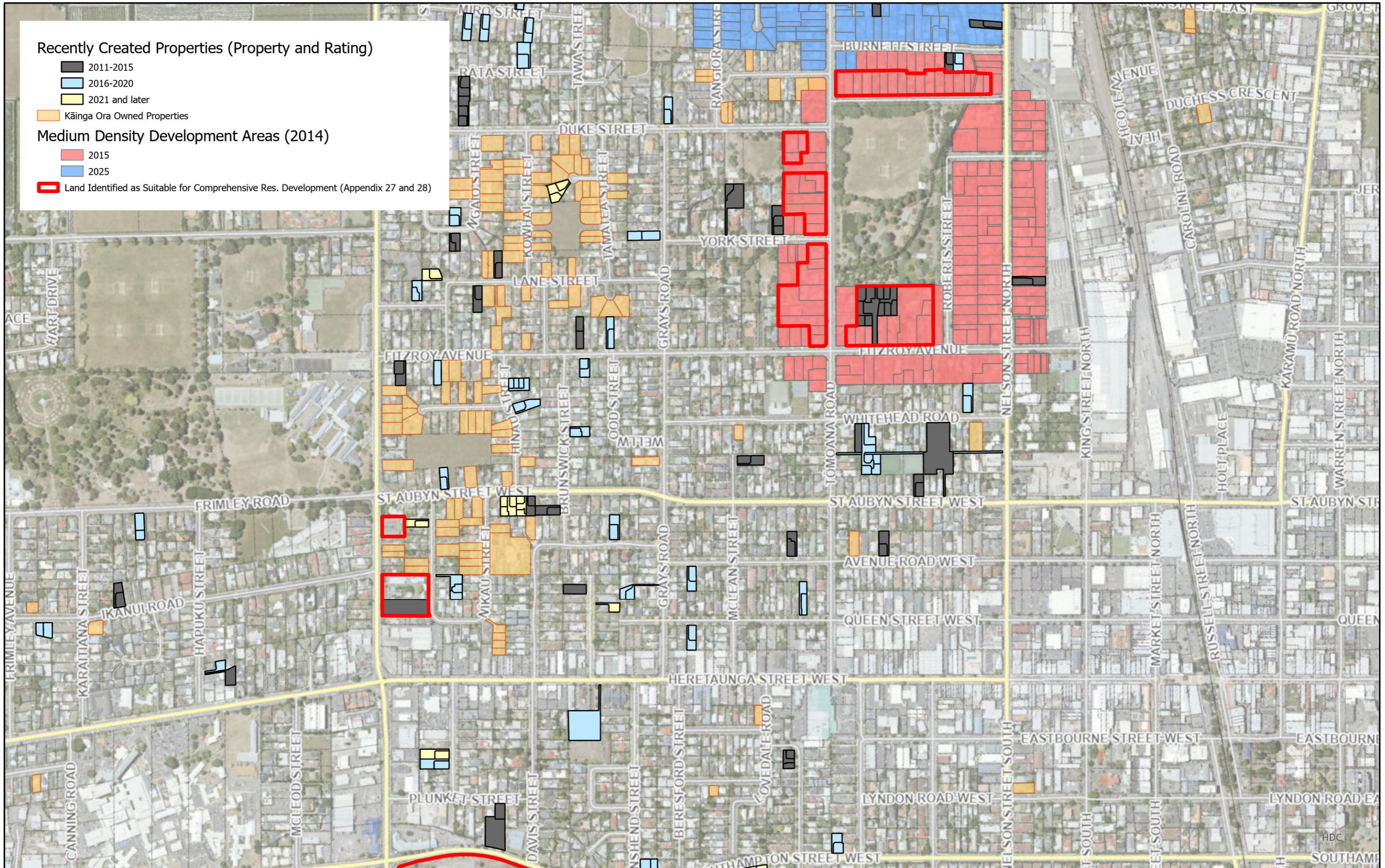


**Recently Created Properties (Property and Rating)**

- 2011-2015
- 2016-2020
- 2021 and later
- Kāinga Ora Owned Properties

**Medium Density Development Areas (2014)**

- 2015
- 2025
- Land Identified as Suitable for Comprehensive Res. Development (Appendix 27 and 28)



Map Produced using ArcGIS Pro

michaelw

# Heretaunga Street West - Medium Density Development Area

Projection: NZTM  
Datum: D\_NZGD\_2000



Original Size: A3  
Date: Monday, 13 June 2022

DATA SOURCE: Cadastral information derived from the Land Information New Zealand's Core Record System (CRS). CROWN COPYRIGHT RESERVED

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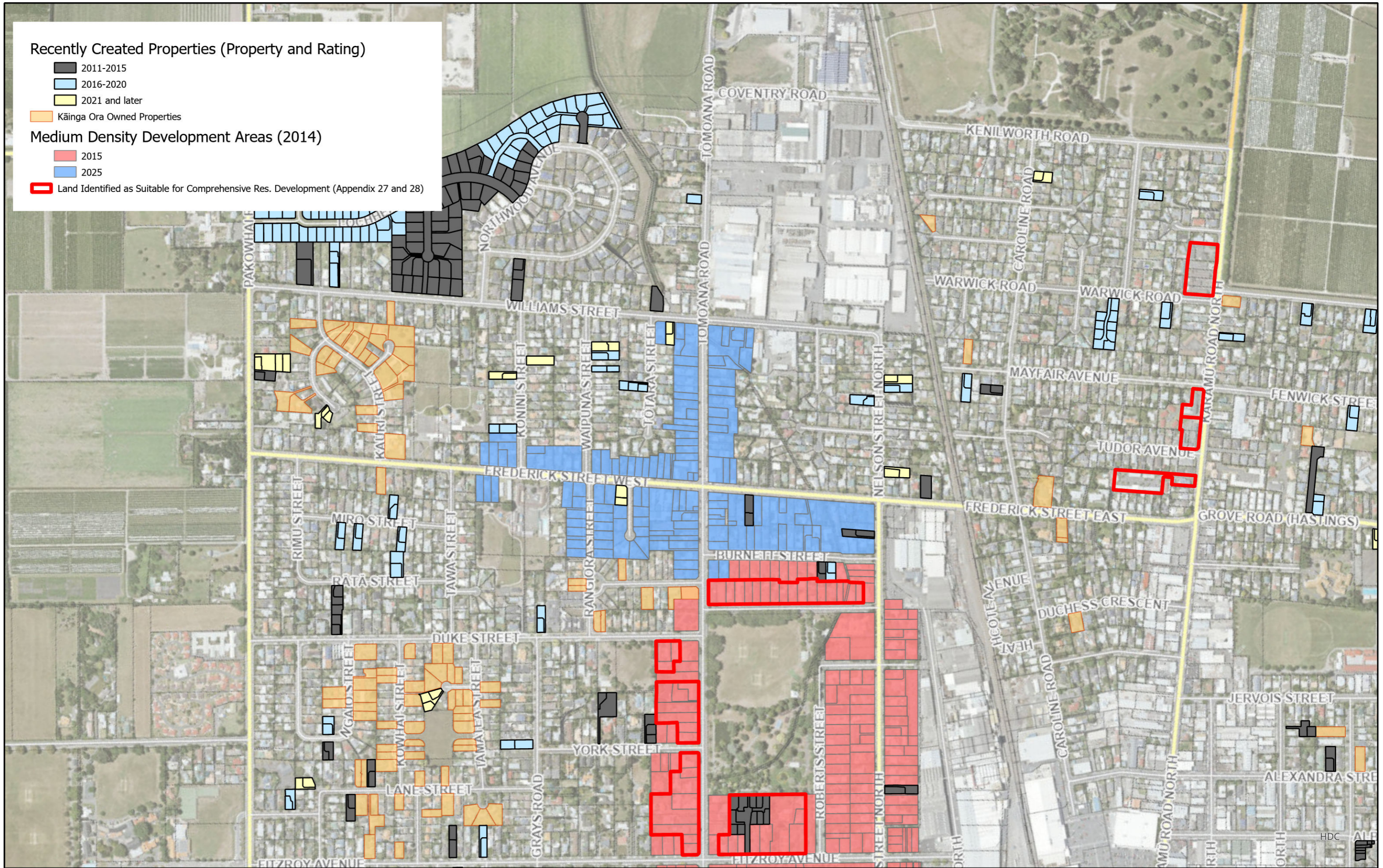
MediumDensityHousing

Recently Created Properties (Property and Rating)

- 2011-2015
- 2016-2020
- 2021 and later
- Kāinga Ora Owned Properties

Medium Density Development Areas (2014)

- 2015
- 2025
- Land Identified as Suitable for Comprehensive Res. Development (Appendix 27 and 28)



Map Produced using ArcGIS Pro

Projection: NZTM  
Datum: D\_NZGD\_2000

# Mahora - Medium Density Development Area



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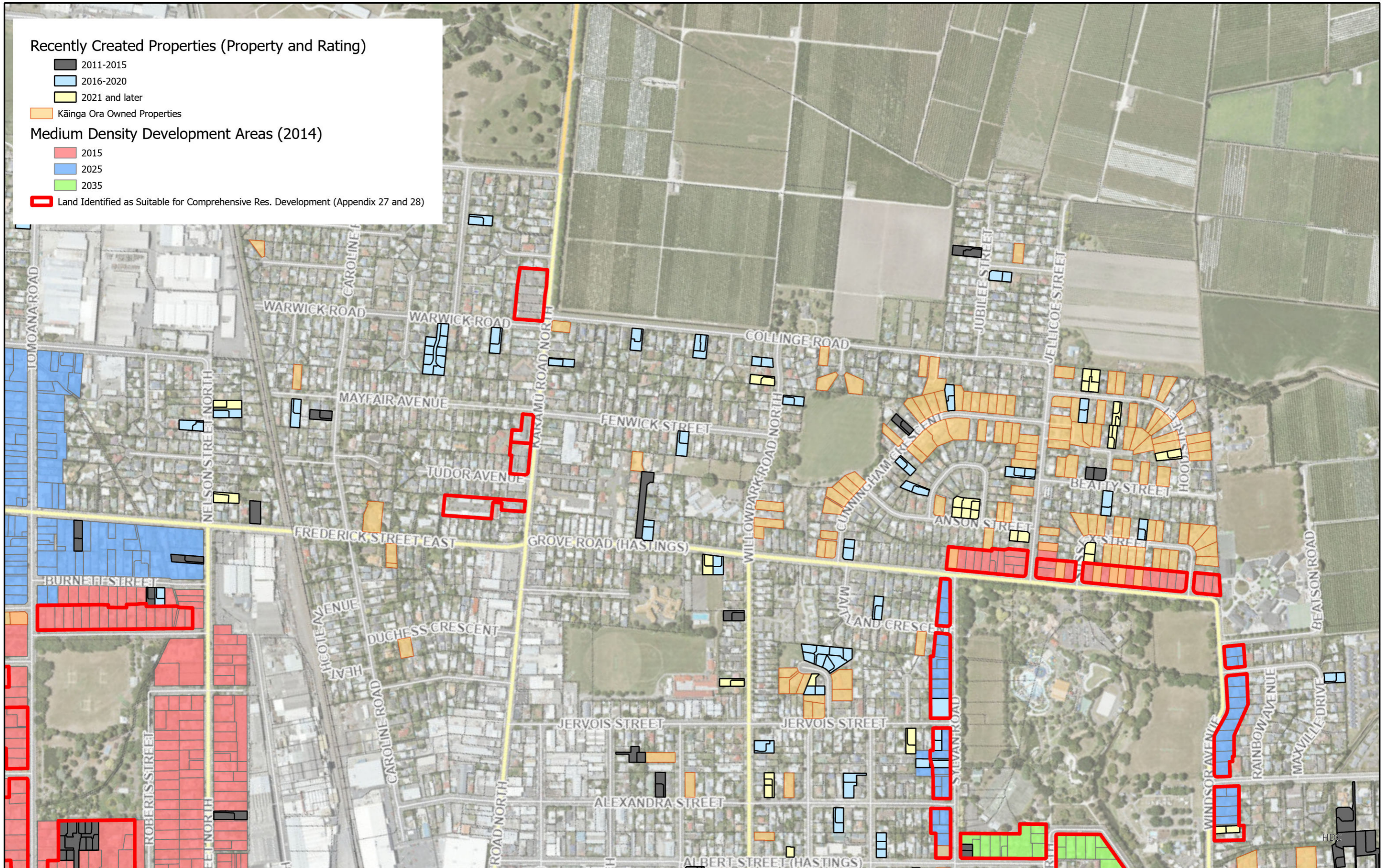
DISCLAIMER: The Hastings District Council cannot guarantee that the data shown on this map is 100% accurate.

Recently Created Properties (Property and Rating)

- 2011-2015
- 2016-2020
- 2021 and later
- Kāinga Ora Owned Properties

Medium Density Development Areas (2014)

- 2015
- 2025
- 2035
- Land Identified as Suitable for Comprehensive Res. Development (Appendix 27 and 28)



Map Produced using ArcGIS Pro

Projection: NZTM  
Datum: D\_NZGD\_2000

## Mayfair - Medium Density Development Area



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Original Size: A3  
Date: Monday, 13 June 2022

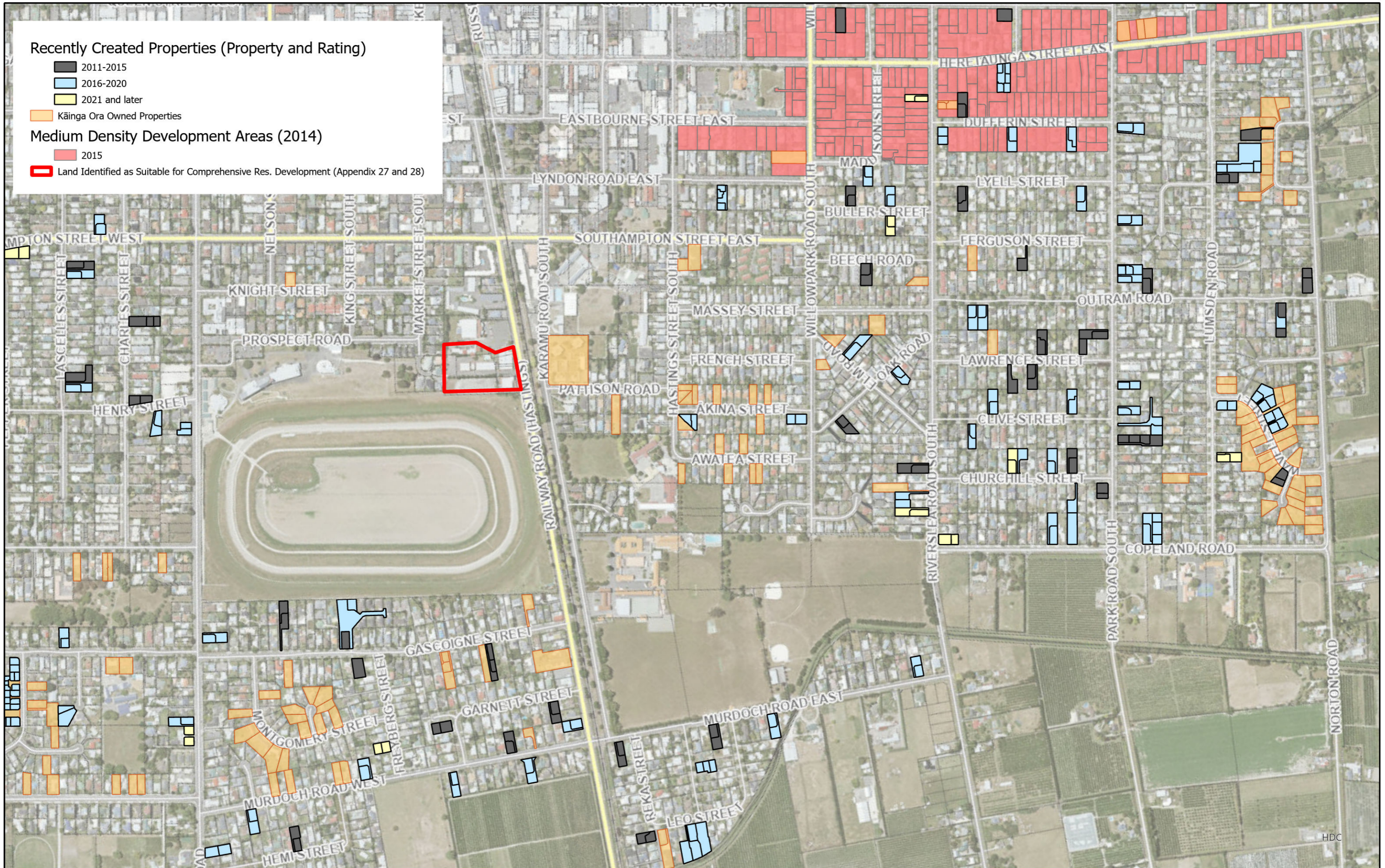
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Recently Created Properties (Property and Rating)

- 2011-2015
- 2016-2020
- 2021 and later
- Kāinga Ora Owned Properties

Medium Density Development Areas (2014)

- 2015
- Land Identified as Suitable for Comprehensive Res. Development (Appendix 27 and 28)



## Racecourse / Ākina - Medium Density Development Area



Map Produced using ArcGIS Pro

Projection: NZTM  
Datum: D\_NZGD\_2000



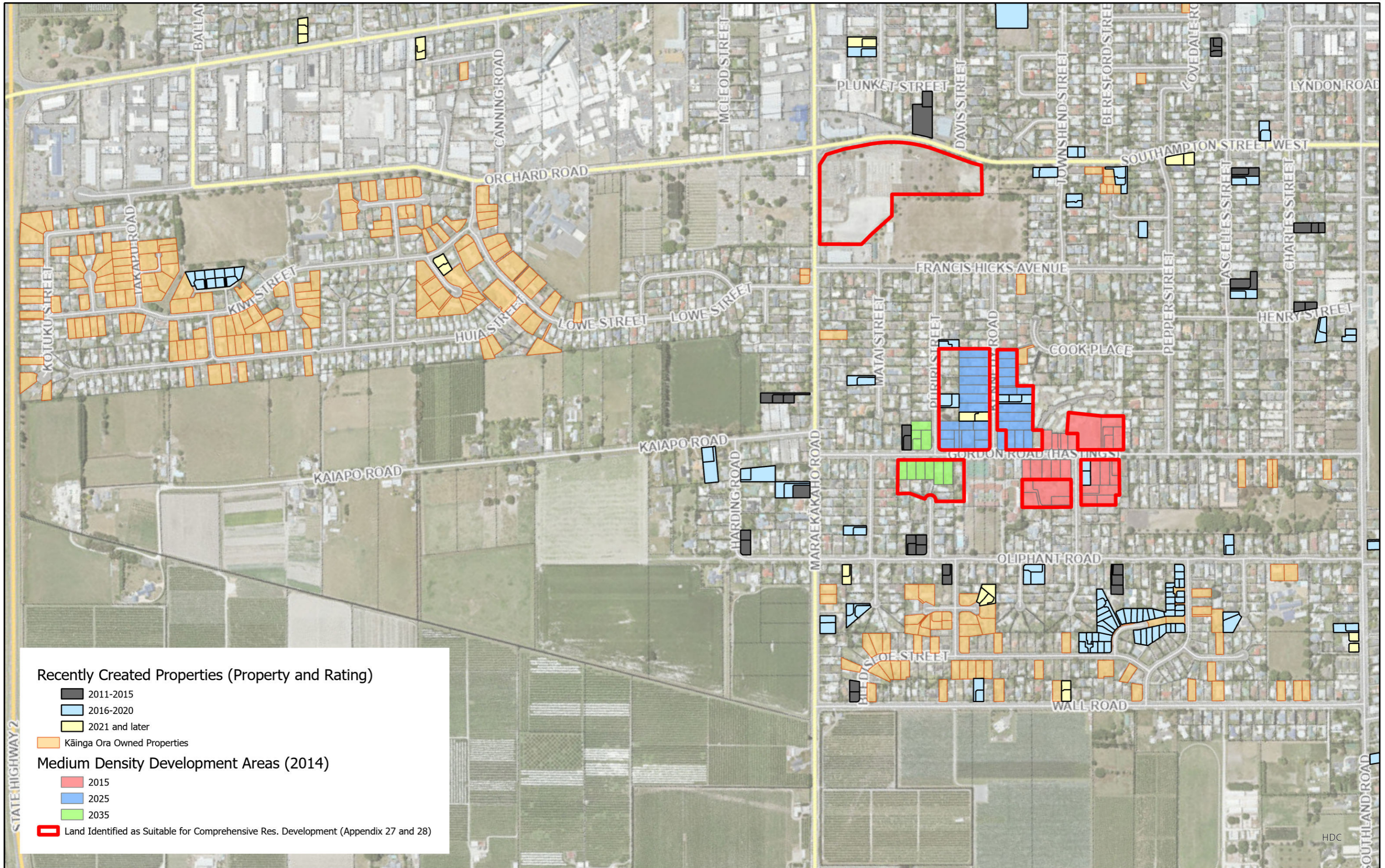
Original Size: A3  
Date: Monday, 13 June 2022

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**Recently Created Properties (Property and Rating)**

- 2011-2015
- 2016-2020
- 2021 and later
- Kāinga Ora Owned Properties

**Medium Density Development Areas (2014)**

- 2015
- 2025
- 2035
- Land Identified as Suitable for Comprehensive Res. Development (Appendix 27 and 28)

STATE HIGHWAY 2

HDC

## Raureka / Camberley - Medium Density Development Area

## Appendix 5: Housing Strategy Workstream Sample

## WORKSTREAM 7: MEDIUM DENSITY HOUSING

AIM: Compact and well-functioning urban environment

OUTCOMES		
<ul style="list-style-type: none"> <li>Additional capacity for medium density housing is targeted to areas with attributes that will support a well-functioning urban environment.</li> <li>Medium density housing areas have high quality design and amenity.</li> </ul>	<ul style="list-style-type: none"> <li>Recognise that medium density housing may involve significant changes to an area that may detract from amenity values appreciated by some people but improve amenity values appreciated by other people, communities, and future generations, including by providing increased and varied housing densities and types and are not, of themselves, an adverse effect.</li> </ul>	<ul style="list-style-type: none"> <li>The regulatory framework enables medium density housing at preferred locations that void unwarranted transaction costs and development uncertainty.</li> <li>The transition to higher levels of housing intensity does not cause unintended constraints on the supply of accessible and affordable housing.</li> </ul>

ACTION	LEAD/PARTNERS	TIMEFRAME
7.1 Identify and define a network of Medium Density Residential Development Areas and Sites for Hastings with locational attributes that will support a well-functioning urban environment as defined under the NPS – UD as an input to the development of the FDS/ Regional Spatial Plan.	LEAD: HDC  PARTNERS: Kāinga Ora, MHUD,	End of 2022 to align with FDS
7.2 Develop Local Area Plans for identified Medium Density Residential Development Areas to define short, medium and long term scenarios for land use (residential, health, social, cultural, education, business), infrastructure (transport, three waters,	LEAD: HDC  PARTNERS: Kāinga Ora, MHUD	End of 2023 to align with FDS

ACTION	LEAD/PARTNERS	TIMEFRAME
	streetscape, open spaces) and natural spaces, in collaboration with the community.	
7.3	Implement a Plan Change to the City Living and Comprehensive Residential Development provisions to remove current obstacles	LEAD: HDC PARTNERS: Kāinga Ora, MHUD
7.4	Implement Plan Changes to give effect to Local Area Plans	LEAD: HDC PARTNERS: Kāinga Ora, MHUD, Private sector
7.5	Plan and fund infrastructure investment to support the delivery of development within MDR Residential Development Areas.	LEAD: HDC PARTNERS: Kāinga Ora, Education, other infrastructure providers
7.6	Create a portal for infrastructure information that supports MDR development investment decisions, including <ul style="list-style-type: none"> <li>• Areas that are infrastructure-ready;</li> <li>• Areas that will be infrastructure-ready in the foreseeable future, with indicative timing;</li> <li>• Areas that are unlikely to be infrastructure ready in the foreseeable future.</li> </ul>	LEAD: HDC
7.7	Maintain experienced planning and design personnel as a point of contact for new developments and to provide continuity through regulatory processes	LEAD: HDC
7.8	Amend the Development Contributions Policy to provide for single and two bedroom dwellings units as a pro-rated HUE: <ul style="list-style-type: none"> <li>• Single bedroom – 0.5 HUE</li> <li>• Two bedroom – 0.65 HUE</li> </ul>	LEAD: HDC
		End of 2022
		Programme notification to align with FDS approval
		For 2024-2034 Long Term Plan
		End of 2023
		Current and ongoing
		July 2023

ACTION		LEAD/PARTNERS	TIMEFRAME
	<ul style="list-style-type: none"> <li>• 3+ bedrooms – 1 HUE</li> </ul>		
7.9	Consider establishing Development Contributions for each MDR Residential Development Area and incorporate into the Development contributions policy with methods that encourage increases in density and diversity of housing.	LEAD: HDC	Programme to align with 2024-2034 LTP/DC Policy
7.10	Consider moving to an area-based Development Contributions Policy framework within MDR Residential Development Areas as means of encouraging increases in density and diversity of housing.	LEAD: HDC	Programme to align with 2024-2034 LTP/DC Policy
7.11	Identify and evaluate options for a Council enabled attractive medium density housing pilot development of scale within a MDR development area that demonstrates the aims and outcomes of the housing strategy.	LEAD: HDC PARTNERS: Private sector	July 2023