

**TASMAN'S 10 YEAR PLAN 2021**

**DEVELOPMENT AND FINANCIAL  
CONTRIBUTIONS POLICY – CONSULTATION  
INFORMATION**

# PROPOSED CHANGES TO THE DEVELOPMENT AND FINANCIAL CONTRIBUTIONS POLICY

## WHAT IS THE PURPOSE OF THE DEVELOPMENT AND FINANCIAL CONTRIBUTION POLICY?

The overall population of Tasman is expected to increase by 7,700 residents between 2021 and 2031, to reach 64,300. Based on this forecast, we are planning that a further 4,300 dwellings and 160 new commercial or industrial buildings will be required by 2031.

We must provide for this growth to meet our obligations under the National Policy Statement on Urban Development.

Growth creates the need for new subdivisions and developments, and this places increasing demands on the assets and services we provide. As a result, significant investment in new or upgraded assets and services are required.

We intend to recover a fair, equitable, and proportionate portion of the capital costs of the infrastructure needed to support these developments through:

- financial Contributions under the Resource Management Act 1991 for reserves and community services assets; and
- development Contributions (DCs) under the Local Government Act 2002 (LGA) for water, wastewater, stormwater, and transportation infrastructure.

We are proposing to reduce the level of Development Contributions charges in most catchments but increase them in the Waimea catchment. These changes reflect changes to the amount/cost of growth-related infrastructure planned in each of the catchments in the LTP 2021 – 2031. They do not represent a change to our policy position.

In this iteration of the Policy, we will no longer charge stormwater Development Contributions charges in Brightwater and Wakefield. This is because there is no further growth-related stormwater infrastructure planned in these areas.

## PROPOSED CHANGES

Many small changes have been proposed to the Policy, including changes that will bring our Policy in line with a new template that has been released for use by central government. There are also a few more significant changes proposed:

1. Change the demand measure for transport from carparks to trips per day.
2. Allow remissions for certain specified Community Housing providers, and where the value and nature of the works proposed by a developer reduces the need for works proposed by our growth-related capital works programme.
3. Change to using the building footprint, rather than gross floor area, in assessing eligibility for minor and small dwelling discounts.
4. Changing the threshold size for a dwelling to qualify as a minor dwelling to be consistent with the Tasman Resource Management Plan.
5. Amend the definition of a bedroom.
6. Amend the special assessment criteria to increase consistency in their application.

Council is also proposing to enable Reserve Financial Contributions (RFCs) to be used for major renewals of Council's reserves and community services assets. To date, we have largely used RFCs to develop new parks and community facilities that are wholly or partially the result of increased demand from an increasing population. We are proposing to enable RFCs to also be used on major renewals of reserves and community facilities. Often existing parks or facilities reach the end of their lives more quickly with additional use brought about by increasing population than they would otherwise. This proposal is not outlined further in this document, as it is outlined in detail in Council's Revenue and Financing Policy currently being consulted on. For more on this change, please refer to the Revenue and Financing Policy Consultation Document and the draft Revenue and Financing Policy at [www.LTP.tasman.govt.nz](http://www.LTP.tasman.govt.nz)

## TELL US WHAT YOU THINK OF OUR PLANS TO CHANGE THE DEVELOPMENT AND FINANCIAL CONTRIBUTIONS POLICY

There are many ways to provide your views

- Tell us face to face at one of the consultation events
- Online – there are lots of options for providing feedback at [www.LTP.tasman.govt.nz](http://www.LTP.tasman.govt.nz) or email [LTP@tasman.govt.nz](mailto:LTP@tasman.govt.nz)
- In writing – complete the LTP consultation document submission form and drop it in any Tasman District Council office or library or post it for free to the following address

Freepost Authority No: 172255, Tasman District Council, 189 Queen Street, Private Bag 4, Richmond

## SUBMISSIONS ARE OPEN FROM 9.00 AM ON 4 MARCH 2021 UNTIL 5.00 PM ON 6 APRIL 2021

The Council will inform all submitters that supply their contact details of the final decisions it makes on the Development and Financial Contributions Policy.

Submitters have the opportunity to present their feedback on this Policy verbally to councillors, at the same time as feedback on the Long Term Plan 2021 – 2031. These hearings will take place between 19 – 22 April 2021.

Each of the proposed changes to the Policy are detailed below with the reasons for the changes.

## CHANGE THE DEMAND MEASURE FOR TRANSPORT FROM CARPARKS TO TRIPS PER DAY

### WHAT ARE WE PROPOSING?

We are proposing to change the demand measure for Transport from carparks (3 per Household Units of Demand (HUD)) to trips per day (8 per HUD).

### WHY ARE WE PROPOSING THIS CHANGE?

In accordance with the National Policy Statement on Urban Development, we are removing the minimum carparking requirement for new developments in the Tasman Resource Management Plan. This means new developments may be able to be constructed with no onsite parking provided.

Consequently, it is no longer appropriate for us to use the number of carparks provided as a proxy for transport demand in levying DCs for transport. Instead, we are proposing to use trips per day. The standard level will be 8 trips per day per HUD. This level is based on data for the number of trips for different types of development.

### WHAT ARE THE ADVANTAGES OF THIS CHANGE?

It provides a ready replacement for the number of carparks and will consistently capture the additional demand for transport driven by new development. It is also widely used by other councils for this and other planning purposes.

### WHAT ARE THE DISADVANTAGES OF THIS CHANGE?

Like all proxy measures, the number of trips per day is an average; some developments generate more trips, and others generate less than this number.

### WHAT OTHER OPTIONS WERE CONSIDERED?

#### STATUS QUO: RETAIN THE NUMBER OF ON-SITE CARPARKS AS THE PROXY FOR DEMAND FOR TRANSPORT INFRASTRUCTURE

Advantages and Disadvantages
<ul style="list-style-type: none"> <li>Some developments will generate demand for transport infrastructure but do not provide on-site carparking and therefore would not pay development contributions for transport.</li> <li>Using the number of onsite carparks is easy to administer.</li> </ul>



#### USE AN ALTERNATIVE PROXY FOR TRANSPORT DEMAND

Advantages and Disadvantages
<ul style="list-style-type: none"> <li>We have not been able to identify another reliable alternative proxy for transport demand with reliable data</li> </ul>



See the full draft of this Policy at [www.LTP.tasman.govt.nz](http://www.LTP.tasman.govt.nz)

## ALLOW REMISSIONS FOR COMMUNITY HOUSING PROVIDERS AND WHERE WORKS PROPOSED BY A DEVELOPER REDUCES THE NEED FOR WORKS PROPOSED BY THE COUNCIL

### WHAT ARE WE PROPOSING?

We are proposing to allow remission from Development Contributions where:

- a development is being undertaken by specified community housing providers, and
- works proposed by a developer would substantially reduce or eliminate the need for works funded by development contributions in the Policy.

### WHY ARE WE PROPOSING THIS CHANGE?

We are proposing to introduce remissions for community housing providers. This is to incentivise the provision of community housing in Tasman to help meet the demand for such housing. Providing a remission for Development Contributions will reduce the cost of providing community housing.

We are proposing that this remission only be available to the Nelson Tasman Housing Trust, Habitat for Humanity, Abbeyfield New Zealand, Golden Bay Housing Trust, and any other community housing provider registered with the Community Housing Regulatory Authority. This is to ensure that those receiving the remission are bonafide not-for-profit community housing providers.

We are not proposing to offer these remissions to Kāinga Ora as this is a Government agency and unlikely to be disincentivised from providing community housing by having to pay Development Contributions.

We are also proposing to offer development contributions remissions where developers are providing physical works and infrastructure that reduces the need for our proposed works to meet the demand from growth. Effectively, developers are reducing our costs, and as a consequence, the development contributions may be remitted to the amount of the saving to Council.

### WHAT ARE THE ADVANTAGES OF THIS CHANGE?

We incentivise the provision of more community housing, with the aim of increasing the provision of this housing in our District.

Developers carrying out works that we would otherwise have to carry out and/or fund, helps to reduce our costs and work programme. It also means the developer does not pay twice for the same infrastructure.

### WHAT ARE THE DISADVANTAGES OF THIS CHANGE?

Infrastructure still needs to be provided to meet the demand from the provision of new community housing. We expect the additional costs of providing this infrastructure to be minor.

There are no apparent disadvantages of offering remissions where developers carry out work that reduces what we've proposed in our capital works programme for growth. It will also help us comply with section 200 of the LGA.

## WHAT OTHER OPTIONS WERE CONSIDERED?

### STATUS QUO: NO REMISSIONS PROVIDED FOR

Advantages and Disadvantages
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| <ul style="list-style-type: none"><li>• Community housing provision would not be incentivised, and as a result, it may lower the amount of community housing provided than if the incentive is provided.</li></ul> |
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### OTHER REMISSIONS PROVIDED FOR

Advantages and Disadvantages
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| <ul style="list-style-type: none"><li>• Depends on the specific remissions, reasons for them, costs and ease of administration.</li><li>• Any significant remissions, that do not have matching cost reductions, would need to be primarily funded through rates.</li></ul> |
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See the full draft of this Policy at [www.LTP.tasman.govt.nz](http://www.LTP.tasman.govt.nz)

## USE THE BUILDING FOOTPRINT, RATHER THAN FLOOR AREA, IN ASSESSING ELIGIBILITY FOR MINOR AND SMALL HOUSE DISCOUNTS

### WHAT ARE WE PROPOSING?

Minor dwellings are eligible for a HUD discount of 50% on development contributions for all services. Small houses are eligible for a 25% discount.

The existing Policy uses the gross floor area to determine whether a proposed residential development is eligible for a minor or small dwelling discount.

We are proposing to use the building footprint as the measure in future, rather than the floor area.

### WHY ARE WE PROPOSING THIS CHANGE?

The Nelson Tasman Future Development Strategy aims to accommodate some of the future Tasman population growth in existing areas through higher density development in specific parts of our District.

In its Intensification Action Plan, the Council signalled its intention to incentivise higher density two (or more storey buildings) by offering development contributions discounts. This proposed change to the Policy helps incentivise the development of smaller two (or more) storey dwellings by considering their building footprint rather than their floor area.

### WHAT ARE THE ADVANTAGES OF THIS CHANGE?

More two storey dwellings will be eligible for discounts due to their minor or small size. This will incentivise the development of more two storey dwellings which is consistent with our objective to increase housing density.

### WHAT ARE THE DISADVANTAGES OF THIS CHANGE?

Some large two storey homes may still generate a large demand on our services and these homes may be undercharged compared to their impact on our services.

### WHAT OTHER OPTIONS WERE CONSIDERED?

#### STATUS QUO: RETAIN FLOOR AREA AS THE BASIS FOR MINOR OR SMALL DWELLING DISCOUNTS

Advantages and Disadvantages
<ul style="list-style-type: none"><li>• Some two storey dwellings will be ineligible for discounts because their floor area exceeds the threshold, even though their building footprint does not.</li><li>• Will not contribute to meeting our intensification goals.</li><li>• We would receive more development contributions revenue due to fewer properties being eligible for the discounts.</li></ul>



See the full draft of this Policy at [www.LTP.tasman.govt.nz](http://www.LTP.tasman.govt.nz)

## INCREASING THE THRESHOLD SIZE FOR A DWELLING TO QUALIFY AS A MINOR DWELLING TO BE CONSISTENT WITH THE TASMAN RESOURCE MANAGEMENT PLAN

### WHAT ARE WE PROPOSING?

We are also proposing to increase the threshold for minor dwellings from 65m<sup>2</sup> in the current Policy, to 85m<sup>2</sup>.

### WHY ARE WE PROPOSING THIS CHANGE?

Minor dwellings are eligible for a 50% HUD discount on development contributions for all services. This discount is because minor dwellings generate less demand for infrastructure than larger dwellings.

We are proposing to change the threshold size for a dwelling to qualify for a minor dwelling discount to be consistent with size for minor dwellings in the Tasman Resource Management Plan (TRMP).

### WHAT ARE THE ADVANTAGES OF THIS CHANGE?

Consistency with the TRMP makes things simpler for developers and our community, and avoids any confusion.

### WHAT ARE THE DISADVANTAGES OF THIS CHANGE?

Some larger houses will qualify for discounts that are not currently entitled to it. This will have small impact on revenue as this is a small portion of the market.

### WHAT OTHER OPTIONS WERE CONSIDERED?

#### STATUS QUO: RETAIN THE EXISTING THRESHOLD FOR MINOR DWELLINGS

Advantages and Disadvantages
<ul style="list-style-type: none"><li>• Only smaller houses with a building footprint less than 65m<sup>2</sup> will qualify for the 50% development contributions discount.</li><li>• The inconsistency in the threshold level for a minor dwelling between this Policy and the TRMP will continue to cause confusion.</li><li>• We would receive more revenue from new houses between 65m<sup>2</sup> and 85m<sup>2</sup>.</li></ul>



See the full draft of this Policy at [www.LTP.tasman.govt.nz](http://www.LTP.tasman.govt.nz)



## AMEND THE DEFINITION OF A BEDROOM

### WHAT ARE WE PROPOSING?

We are proposing to change the definition of a bedroom in the Policy. The new definition is as follows:

Bedroom means any habitable space within a residential unit capable of being used for sleeping purposes and can be partitioned or closed for privacy, including spaces e.g. “games”, “family”, “recreation”, “study”, “office”, “sewing”, “den”, or “works room” etc. but excludes:

- any kitchen or pantry
- bathroom or toilet
- laundry or clothes-drying room
- walk-in wardrobe
- corridor, hallway, or lobby
- garage; and
- any other room smaller than 6m<sup>2</sup>.

Where a residential unit has any living or dining rooms that can be partitioned or closed for privacy, all such rooms, bar one, shall be considered a bedroom.

A habitable space may or may not have ablution facilities attached, and is built to a habitable standard.

### WHY ARE WE PROPOSING THIS CHANGE?

The ‘number of bedrooms’ is one of the criteria we use to determine whether a dwelling should receive a small or minor house discount – along with its size. A good definition of a bedroom is needed to ensure this Policy is applied fairly and is not abused. We propose to change its definition to align better with a definition being used in a new policy template issued by central government.

### WHAT ARE THE ADVANTAGES OF THIS CHANGE?

Our definition of a bedroom should be similar to several other councils, providing sectoral consistency.

### WHAT ARE THE DISADVANTAGES OF THIS CHANGE?

There are not any material disadvantages associated with this change.

### WHAT OTHER OPTIONS WERE CONSIDERED?

#### STATUS QUO: RETAIN THE EXISTING BEDROOM DEFINITION

The definition of a bedroom in the existing Policy is as follows:

**Bedroom** means a room in a residential unit that is greater than 4.5m<sup>2</sup> in floor area, and capable of being used for sleeping purposes. We may relax this definition where we are satisfied a room will not be used as a bedroom, even if it meets this definition. For example, where a room is clearly an anteroom or vestibule.

Advantages and Disadvantages
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| <ul style="list-style-type: none"><li>• Simple to use.</li><li>• Can include rooms that are not intended to be used as bedrooms.</li><li>• Does not align with proposed definition to be used by wider sector.</li></ul> |
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See the full draft of this Policy at [www.LTP.tasman.govt.nz](http://www.LTP.tasman.govt.nz)

## AMEND THE SPECIAL ASSESSMENT CRITERIA TO NARROW THE CURRENT WIDE DISCRETION

### WHAT ARE WE PROPOSING?

Special assessments enable us to make a bespoke assessment of the development contributions for individual developments that fall outside the general nature of developments provided for in the Policy.

We are proposing to introduce some criteria for determining which developments are eligible for a special assessment, as follows:

- the development is of relatively large scale
- the development is likely to have less than half or more than twice the demand assumed in the Policy
- non-residential development does not fit into an industrial, retail, or commercial land use; and
- non-residential development may use more than 5m<sup>3</sup> of water per day.

### WHY ARE WE PROPOSING THIS CHANGE?

These criteria are being introduced in order to bring some consistency in determining which developments are eligible for a special assessment.

### WHAT ARE THE ADVANTAGES OF THIS CHANGE?

The primary benefit of introducing this criteria is consistency as to which types of developments are eligible for a special assessment. Previously, we had very wide discretion about when to carry out special assessments. This has the potential to lead to some inconsistency in which types of development get a special assessment and which do not.

It will be clear to users of the Policy which types of development are eligible for a special assessment and which are not eligible.

### WHAT ARE THE DISADVANTAGES OF THIS CHANGE?

There may be some developments that could have previously have had a special assessment that will no longer be eligible.

### WHAT OTHER OPTIONS WERE CONSIDERED?

#### STATUS QUO: DO NOT INTRODUCE CRITERIA

Advantages and Disadvantages
<ul style="list-style-type: none"><li>• Wide discretion about which developments can receive special assessments.</li><li>• Inconsistency in which developments receive special assessments</li></ul>

**USE DIFFERENT CRITERIA TO DETERMINE WHICH DEVELOPMENTS ARE ELIGIBLE FOR SPECIAL ASSESSMENTS**

Advantages and Disadvantages
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| <ul style="list-style-type: none"><li>• Depends on the criteria selected.</li></ul> |
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