

4.0 Implementing the Neighbourhood subzone approach

In determining a preference for the subzone approach, the following other alternatives were also considered:

- Instead of applying a subzone, apply thresholds prescribing the amount of visitor accommodation and residential that can occur in the HDR zone.
- In addition to the subzone, allow a specific proportion of visitor accommodation to occur in the subzone.
- In addition to the subzone, prescribe the amount of visitor accommodation and residential that can occur in the area of the zone that is not within the subzone (rather than leaving this up to the market).

More discussion on the option of applying thresholds is contained in Section 6 of this document.

The council is confident that the subzone, without the use of thresholds, will deliver the intended goals of maintaining a mix of permanent residents and visitors within the zone, whilst ensuring there is sufficient capacity for both uses.

Having determined a preference for the subzoning approach without the application of thresholds, the key remaining questions to be addressed are:

- What activity status should be applied to visitor accommodation developments in the HDR (Neighbourhood) subzone?
- How would existing Visitor Accommodation activities within the proposed HDR (Neighbourhood) subzone be dealt with?
- Should any quality standards for residential units be introduced?

4.1 Activity status of visitor accommodation in the HDR (Neighbourhood) subzone

Under the proposed approach it is necessary to determine an appropriate activity status for visitor accommodation within the HDR (Neighbourhood) subzone. Currently visitor accommodation activities are a Controlled activity in the HDR zone, although under Plan Change 10 multi-unit developments are a Restricted Discretionary activity for design matters. While it is considered appropriate to retain the Controlled activity status for the use of buildings as Visitor Accommodation outside of the proposed HDR (Neighbourhood) subzone, a more stringent activity status is required within the subzone to avoid the effects of visitor accommodation on residential coherence.

It may be appropriate to identify visitor accommodation in the subzone as a Discretionary activity, with reliance on site or zone standards around matters such as scale or type of activity proposed. For example,

it may be considered appropriate for a Homestay (whether excluded from the definition of visitor accommodation if less than 4 guests or more than 4 guests) to locate in a residential neighbourhood as it comprises permanent residents; but it is less likely that an intensive hotel development would be approved.

Alternatively, it may be more appropriate to identify visitor accommodation as Non-complying. As a Non-complying activity the District Plan would provide clear direction that visitor accommodation activities are not provided for within the subzone. To justify this approach it is necessary to demonstrate that sufficient capacity for visitor accommodation growth is available within the wider HDR zone and other zones, while also preserving sufficient capacity for higher density living opportunities near town centres. The Capacity analysis reported in Section 7 does just this. It also assumes that 5% of the capacity in the HDR (Residential) would be developed as VA, based on an assumption that only very few new visitor accommodation developments will be approved in the subzone.

A discussion on the hierarchy of activity classes provided by the RMA is contained in Section 6 of this document, in order to assist people's understanding.

What is the best approach to restrict visitor accommodation from locating in areas where residential coherence exists?

1. Discretionary activity within subzone

2. Non-complying activity with subzone

3. Allow small scale visitor accommodation and only restrict large scale visitor accommodation from these areas

4. Alternative option?

4.2 Existing Visitor Accommodation in the HDR (Neighbourhood) subzone

The issue of existing use rights arises for those visitor accommodation activities that are located within the proposed HDR (Neighbourhood) subzone, where the intention is to restrict such activities from occurring. The proposed approach would apply a more stringent activity status affecting the redevelopment opportunities of existing visitor accommodation.

The Council sees merit in enabling these operators to continue and in encouraging them to redevelop where the buildings are of a low quality. Therefore, possible options are:

1. To specifically NOT apply the HDR (Neighbourhood) subzone to existing Visitor Accommodation sites within a proposed subzone – this is a form of 'spot zoning'.
2. To rely on the existing use rights provisions of the Resource Management Act 1991 (RMA)



3. To introduce specific provisions in the District Plan to provide for the redevelopment of existing Visitor Accommodation activities at the same scale as currently exists (e.g. same maximum occupancy).

4.2.1 Existing use rights

Existing use rights are provided for under Section 10 of the RMA and relate to activities that were lawfully established prior to a rule in the District Plan becoming operative, provided that the activity is not discontinued for a period in excess of 12 months and that the scale, intensity or character remains the same or similar.

While the RMA expressly provides for activities that have resource consent or are an existing use to contravene a rule in a district plan, existing use rights can be lost if redevelopment increases the degree to which the activity fails to comply with a rule in a district plan, or the scale, intensity or character increases.

Existing use rights (including resource consents) can also provide a "baseline" of effects, forming part of the existing environment within which the effects of a redevelopment proposal can be assessed. However, any proposals would also need to be assessed against any objectives and policies relating to the proposed subzone that seek to restrict visitor accommodation.

Therefore although existing use rights are provided for under the RMA, they do not provide certainty for operators or adjacent residents over the extent of redevelopment possible. For example, a Bed and Breakfast operating under existing use rights within an existing building and accommodating 12 persons, could well have very different effects in terms of character, intensity and scale in the event of redevelopment to provide 3 Visitor Accommodation apartments, although occupancy may still be restricted to 12 persons.

4.2.2 Spot zoning (by specifically excluding existing Visitor Accommodation from the subzone)

This option would mean that the current rules would be unchanged for those sites. Although protecting existing use rights and providing for the redevelopment of sites, it is also likely to result in intensification of existing visitor accommodation activities with little consideration of the impact on residential coherence within the surrounding neighbourhood.

4.2.3 Specific provisions in the District Plan to provide for redevelopment of visitor accommodation to the same scale as currently exists

The council recognises that redevelopment of existing visitor accommodation sites within the HDR (Neighbourhood) subzone provides an opportunity for including a mixture of residential and visitor accommodation activities, particularly where a site is currently under-developed or in a poor condition. Where this can be achieved it is considered appropriate for such redevelopment to be allowed to retain the existing scale of visitor accommodation, while improving or developing it in a more sustainable form.

To encourage redevelopment of existing visitor accommodation developments as a mix of VA and would require specific provisions within the District Plan. Such provisions would explicitly recognise existing use

rights while also enabling the visitor accommodation component itself to be redesigned to a similar scale. This would provide greater certainty to visitor accommodation operators than what is provided under the RMA.

How could Council best address issues around existing visitor accommodation activities within the neighbourhood subzone?

1. To rely on the existing use rights provisions of the Resource Management Act 1991 (RMA)
2. To specifically NOT apply the HDR (Neighbourhood) subzone to existing Visitor Accommodation sites within a proposed subzone – this is a form of ‘spot zoning’.
3. To introduce specific provisions in the District Plan to provide for the redevelopment of existing Visitor Accommodation activities at the same scale as currently exists (e.g. same maximum occupancy).
4. An alternative

4.3 Quality Residential Development in the HDR zone

The promotion of higher density residential living for permanent residents in the HDR zone anticipates a shift towards apartment type developments in some areas, complementing the terrace unit type developments that are currently prevalent. It will also see a shift to high density units being developed exclusively for the residential market as opposed to being a hybrid residential / visitor accommodation product.

While good quality residential development is always an expectation, it is acknowledged that this will become much more important within high density developments. Well designed housing provides healthy and functional environments for people to live in and includes:

- effective solar orientation, ventilation, warmth;
- adequate space within units for living areas, storage and utilities,
- access to private open space
- privacy (visual and acoustic)
- access to public transport and open space, as well as the relationship of buildings to the neighbourhood
- good management of apartment buildings.

It is considered that District Plan provisions, or at the very least design guidelines, are likely to be required in order to ensure that new high density residential units provide a good quality living environment. Further work on how to achieve quality residential development will be progressed by the council as part of another project.



To what extent does the Council need to introduce provisions and methods into the District Plan to achieve quality high density residential development?

- 1. Design guidelines (i.e. to address internal living environment issues)**
- 2. Specific standards and assessment criteria**
- 3. Wider role for the Urban Design Panel**