Hutt City Council submission – Proposed National Policy Statement on Urban Development

General comments

Council agrees that it is important to make sure growth pays for itself as there is a local perception that this doesn’t happen. Existing residents have to be able to see the value to them of growth. Another issue is that people view growth as removing or reducing their existing amenity. Because of this it is vital that growth does not come at the expense of well-functioning, vibrant urban and natural environments.

It is essential that any legislative and planning regime changes recognise the strong influence that wealthy, well-educated communities have on land use regulation. In their report to the NZ Productivity Commission in May 2015, NZIER noted that the more regulated areas tend to have similar land use regulation process characteristics such as higher influence from local community groups.¹ This aligns with the findings of the authors of the Wharton index – more stringent land use regulation is strongly and positively correlated with measures of community wealth, so that it is the richer and more highly educated places that have the most highly regulated land use environments.² These communities are likely to have one-acre lot size minimum and be a coastal community and have sometimes multiple local pressure groups interested in land control or growth management. So community wealth is strongly positively correlated with the degree of local land use regulation.

The Wharton Index study also found that the densest communities are not the most highly regulated and that this suggests that the motivation for land use controls is not a fundamental scarcity in the sense that these places are running out of land.³

These findings, confirmed in New Zealand by the NZIER study, tend to suggest that it is the influence from local community groups and citizens that is actively influencing the approval process and shared characteristics and rules of land use regulation, such as the use of minimum lot sizes. Naturally, the more regulated authorities also tend to be associated, at least in the NZIER study, with delays in the planning and construction process.

It appears then that a “fundamental scarcity” of land is not the “cause” of current housing unaffordability, falling home ownership, increased hardship and homelessness, increased household debt, intergenerational inequality, congestion, poor transport choice and urban pollution. It is the influence and actions of richer and more highly educated communities protecting their amenity and life styles.


³ n.2 above
Unless Government develops a planning approach that lessens the influence of richer and more highly educated communities protecting their amenity and life styles, it is likely that the issues identified will continue. Commenting on how this could be achieved is a core aspect of Hutt City Council’s submission.

**Questions:**

1. **Do you support a National Policy Statement on Urban Development that aims to deliver urban environments and make room for growth? Why/why not?**

   Yes. The stronger connection between the LTP and FDS is a good start but could be stronger so that urban planning and community planning are seen as working together not separately. The connection between LGA/RMA could be strengthened by explicitly linking community outcomes in LTP’s with FDS e.g. the FDS must reflect community outcomes of Long Term Plan. “Quality urban environment” or words to that effect is a key community outcome in the majority of LTPs. For Lower Hutt the relevant community outcomes are a healthy and attractive built environment and “an accessible and connected city”.

   The term ‘quality urban environments’ is used throughout the document, including in a number of objectives and policies. However, this term is not defined in the discussion document, with reliance instead placed on a combination of generic descriptors set out in Objective O2 and a more detailed description of attributes that contribute to quality environments being included in the preamble. HCC is concerned about the lack of detail in the discussion document regarding this key element of the proposed NPS and suggested use on the preamble as the repository of the characteristics that comprise quality environments, particularly as the preamble would have no statutory weight. Instead we would recommend that further work needs to be directed towards developing and socialising with local authorities a list of key factors that describe/define the characteristics of a quality environment and for these to be either embedded in a definition or in a revised list in Objective O2.

2. **Do you support the approach of targeting the most directive policies to our largest and fastest growing urban environments? Why/why not?**

   Yes we broadly agree as it will achieve the greatest benefits in terms of supply of land for urban development and integrated transport, infrastructure and land use planning.

3. **Do you support the proposed changes to future development strategies (FDSs) overall? If not, what would you suggest doing differently?**

   HCC supports the overall intent of the FDS changes of enabling development and integrated planning with infrastructure to support development.

   The Government has identified spatial planning as a key pillar of the Urban Growth Agenda, and is looking to reinforce that as a requirement through Future Development Strategies (FDS) in the NPS-UD. The Wellington Region is developing the Wellington Regional Growth Framework (RGF) as an agreed long-term vision and spatial intent for how the region will grow, change and respond to the key opportunities and challenges ahead. The RGF aims to integrate land use and transport planning while responding to resilience challenges, aligning investment and infrastructure, and will jointly test the need for and impacts of significant investments planned and identify the priority projects that require joint
investments. As such, the RGF can step in and fulfil the NPS-UD requirements to prepare a spatial plan (or FDS). As the Government, councils and iwi are already working on preparing the RGF, the Ministry for Environment should recognise this process and discuss with the Wellington councils about the practicality of the timelines associated with preparing a FDS.

**Do you support the approach of only requiring major urban centres to undertake an FDS? Would there be benefits of requiring other local authorities to undertake a strategic planning process?**

HCC supports the proposal to focus FDS preparation on major urban centres given the growth pressures these areas are experiencing. Although there would be obvious benefits to other local authorities of adopting a strategic approach to growth management we consider that this should not be a mandatory requirement, noting that many are likely to voluntarily pursue this course of action in any event.

As to where the responsibility lies in preparing a FDS for each of the major urban centres, given the lack of clarity in the discussion document regarding whether it would need to be undertaken at an individual local level or at a combined regional scale we are strongly of the view that it should apply at a regional level (i.e. a single FDS for Wellington City, Hutt City, Upper Hutt City, Porirua and Kapiti Coast District) – this would also align with the inference implicit in Table 2 of the document.
What impact will the proposed timing of the FDS have on statutory and other planning processes? In what way could the timing be improved?

The proposed timing could be improved by linking the work with the LTP process. Councils have to engage with their communities about their preferred community outcomes and the approach to achieving these outcomes through investment in the city – the LTP process. Aligning the planning processes would enable greater transparency to be achieved in terms of how investment via the LTP and planning via the District Plan will contribute to achieving a quality urban environment (or however that concept is expressed by Councils and their communities).

We would also note that the actual ability to achieve the FDS within the statutory timeframes would also be contingent on the collaborative relationships between constituent Councils and efficient and effective engagement with their relevant communities to decide what types of development, where, when and how.

4. Do you support the proposed approach of the NPS-UD providing national level direction about the features of a quality urban environment? Why/why not?

Yes - if properly framed it offers the potential for greater certainty as to what constitutes a quality urban environment, thereby increasing the likelihood of consistency gains from an interpretive and implementation perspective. However, in identifying features we consider that it would be advantageous for some provision to be made to ensure that local preferences or distinctiveness can also be accommodated.

The balance is ensuring that local preferences are part of the decision making process while at the same time making sure that local preference doesn't trump national policy intent.

Do you support the features of a quality urban environment stated in draft objective O2? Why/why not?

HCC considers that the descriptors set out in Objective O2 are too generic and therefore not particularly helpful from an interpretive and implementation perspective – as indicated above, the proposal to include a more detailed description of attributes that contribute to quality environments in the preamble offers no further assistance given the lack of any associated statutory weight. Instead we would recommend that further work needs to be directed towards developing and socialising with local authorities a list of key factors that describe/define the characteristics of a quality environment, particularly as this is a key component of the proposed NPS.

5. Do you support the inclusion of proposals to clarify that amenity values are diverse and change over time? Why/why not?

Yes – one of the reasons is because the power of a small number of wealthy and influential residents generally prevails in District Plan decisions in our experience, particularly in situations involving proposed intensification in existing areas near PT, CBD and so on. In light of this the directive to decision makers to recognise that amenity can vary and change over time is positive.
However, the proposed objectives are not overly directive and only require recognition. This does enable Council to exercise their discretion, but doesn’t give much chance of overcoming the status quo. This should also be linked to enabling changes in amenity where a proposal will, on balance, contribute to the intended aim of a “quality urban environment” in the longer term.

**Do you think these proposals will help to address the use of amenity to protect the status quo?**

Yes, to a degree. This will be dependent on how successful it is in encouraging decision makers to listen to and acknowledge diverse views instead of being captured by vocal minority interests. Calibrating and weighing up the divergent views could also prove problematic for decision makers, particularly in circumstances where these are at variance with the amenity values reflected in a plan.

**Can you identify any negative consequences that might result from the proposed objective and policies on amenity?**

The use of the word “sufficient” and the concept of “likely to be taken up” could be used to oppose more growth capacity as a way of protecting existing amenity in some areas of the city.

**Can you suggest alternative ways to address urban amenity through a national policy statement?**

As an alternative some ‘universal’ urban amenity principles could be developed that would apply to all jurisdictions, with further allowance made for Councils and their communities to identify further ‘bespoke’ values that are particular to their city/district/neighbourhood.

6. **Do you support the addition of direction to provide development capacity that is both feasible and likely to be taken up? Will this result in development opportunities that more accurately reflect demand? Why/why not?**

We generally support this, noting however that ‘take up’ is harder to measure with accuracy than feasibility as it involves projections as to what landowners and/or developers will do in practice.

Is “feasibility” as it is defined a problem? i.e. commercially viable in terms of the Developer’s costs and revenue.

No – we consider that it is a well defined and understood concept.

Generally if plan enabled capacity is not taken up it will be because there is insufficient market demand or there is some other barrier. This speaks to the need to provide plan enabled capacity in places where there is market demand to develop.

7. **Do you support proposals requiring objectives, policies, rules, and assessment criteria to enable the development anticipated by the zone description? Why/why not?**
We generally support this proposal as it has the potential to offer both existing residents and developers with a greater degree of certainty regarding the nature and scale of development anticipated within each area (zone) as well as what is intended to be protected. However, as we assume these zone descriptions will be developed in consultation with residents we would note that this is likely to result in heightened levels of local attention and disagreement being directed on how individual zones are characterised.

**Do you think requiring zone descriptions in district plans will be useful in planning documents for articulating what outcomes communities can expect for their urban environment? Why/why not?**

Yes as it offers the potential to influence the development outcomes delivered and offers a means to acknowledge existing local amenity.

Do you think that amenity values should be articulated in this zone description? Why/why not?

We consider that it is inevitable that amenity values would need to contribute towards informing zone descriptions as they play such an influential role in how particular areas are perceived and experienced. However, as areas and the nature and extent of associated amenity value change over time we note that these would need to be regularly monitored to ensure that the articulated values remain relevant – this, in turn, would have cost and resourcing implications for Councils.

**8. Do you support policies to enable intensification in the locations where its benefits can best be achieved? Why/why not?**

Hutt City Council strongly supports this proposal given the benefits derived from intensification and the ability to enable sustainable growth and development. However, there may be challenges where there is a close spatial relationship between CBD’s and CBD fringe suburbs which are often high amenity neighbourhoods e.g. Lower Hutt.

We note that proposed objective/policy P6D would essentially override provisions in the current District Plan, potentially creating a range of unintended interim issues as there are no exceptions listed (e.g. heritage/character area, significant natural resources, high natural hazard risk) that would help to inform appropriate locations where intensive development should occur. This, in turn, could prove problematic until such time as the District Plan is updated to enable such matter to be more closely considered.

**What option/s do you prefer for prescribing locations for intensification in major urban centres? Why?**

Hutt City Council supports option 2 in principle subject to suggested exceptions being more tightly defined (e.g. amending “except where evidence demonstrates intensification should not be enabled” in proposed Policy P6C(a) to “except where there are hazard, infrastructure, or historic heritage constraints”).

We note however, that care would be required with applying a prescriptive approach given the differing nature and scale of the main urban centres. From a practical perspective we consider that this would entail specific metrics being developed and applied to each of centres in order to be workable (e.g. dwellings per hectare).
If a prescriptive requirement is used, how should the density requirements be stated? (For example, 80 dwellings per hectare or a minimum floor area per hectare).

Our preference is a “dwellings per hectare” approach.

9. Do you support inclusion of a policy providing for plan changes for out-of-sequence greenfield development and/or greenfield development in locations not currently identified for development?

We support this proposal in principal, subject to further consideration and refinement of the suggested assessment criteria.

Are the criteria in the example policy sufficiently robust to manage environmental effects ensure a quality urban environment, while providing for this type of development?

We consider the criteria could benefit from further refinement to better reflect what is anticipated in terms of a quality urban environment – also refer to our earlier comments regarding the need for further work to more explicitly define/describe what a “quality urban environment” looks like.

To what extent should developers be required to meet the costs of development, including the costs of infrastructure and wider impacts on network infrastructure, and environmental and social costs (recognising that these are likely to be passed on to future homeowners and beneficiaries of the development)? What impact will this have on the uptake of development opportunities?

As this proposed policy would enable developer led development to occur in areas that are either not currently sequenced or anticipated for development we are of the view that the associated costs should largely be borne by developers as this would result in an unexpected impact on Council’s from both a budget and programming perspective (e.g. sequenced roll out of network infrastructure) – an exception to this could be in circumstances where large-scale provision of affordable housing is proposed.

10. Do you support limiting the ability for local authorities in major urban centres to regulate the number of car parks required for development? Why/why not?

We strongly support limiting the ability of local authorities to regulate the number of car parks required.

Parking minimums are an enforced oversupply of parking, and making housing more expensive, reduce quality of urban design, push locations further away from each other, and are an effective subsidy for driving.

Which proposed option could best contribute to achieve quality urban environments?

We support Option 2, particularly as we do not consider it necessary to limit the policy to areas of intensification (as proposed in option 3) as in most lower density areas, off street parking is typically provided.
**How would the 18-month implementation timeframe impact on your planning processes?**

There would be no impact on our planning processes from a District Plan perspective.

Agree 18 month timeframe not required from a District Plan perspective. Equally, from an overall parking strategy and management perspective, an 18 month period would provide adequate time for us to review HCC’s overall parking strategy, particularly our on-street parking regime.

**11. Do you think that central government should consider more directive intervention in local authority plans?**

We consider that what is being suggested at this stage is sufficient, noting that:

- There could be some rules as suggested as long as there was some flexibility to take local conditions into consideration
- It is important to ensure that there is a level of flexibility/discretion provided in relation to particular standards such as height limits (e.g. restricting height in certain circumstances for geotechnical reasons, enabling increased height in areas more suited to higher buildings).

**12. Do you support requirements for all urban environments to assess demand and supply of development capacity, and monitor a range of market indicators? Why/why not?**

Yes, although we consider that monitoring on a quarterly basis is too onerous and rarely indicate any material changes. Although assessments of demand and supply of development capacity are useful we would also note that they are resource intensive and onerous for Councils to prepare – a situation which further exacerbated by unrealistic timeframes.

**13. Do you support inclusion of policies to improve how local government works with iwi, hapū and whānau to reflect their values and interests in urban planning?**

Yes, particularly as this builds on and supports efforts to improve partnership arrangements between Council’s and local iwi/hapū/whānau.
14. Do you think the proposals are an appropriate way to ensure urban development occurs in a way that takes into account iwi and hapū concerns?

We note that these proposals largely replicate the obligations currently set out in cl.3B of Schedule 1 RMA. Additionally, we consider that they are unlikely to make any material difference unless mana whenua are appropriately supported and resourced to constructively engage with Council’s on addressing urban development capacity issues.

What impacts do you think the proposed NPS-UD will have on iwi, hapū and Māori?

A positive impact the proposal may have is to enable development opportunities that previously weren’t available on whenua Māori land.

15. Do you support amendments to existing NPS-UDC 2016 policies to include working with providers of development and other infrastructure, and local authorities cooperating to work with iwi/hapū? Why/why not?

Yes, as it offers an opportunity for a more coordinated and cooperative approach to interacting with iwi/hapū, as well as establishing a constructive platform for improving existing partnership arrangements.

16. What impact will the proposed timing for implementation of policies have?

We are strongly of the view that the suggested timeframes are going to be difficult to achieve alongside the suite of changes local government are currently and likely to be required to undertake (e.g. highly productive land, freshwater, biodiversity). Also, the lack of alignment with regular planning processes for the LTP/Annual Plan means a lost opportunity to discuss and agree community outcomes (LTP and FDS) that could then influence such matters as zone descriptions.

17. What kind of guidance or support do you think would help with the successful implementation of the proposed NPS-UD?

This will largely be contingent on such factors as whether National Planning Standards are developed to assist with achieving the anticipated policy outcomes of the NPS and the nature, extent and timing of the implementation programme. Given the national importance of this proposal and likely compliance costs we strongly consider that central government funding should be available to assist with its implementation. Although the suggested support initiatives such as guidance documents, technical support, and ongoing face-to-face support and engagement is welcome it will largely be ineffective if Council’s have insufficient capacity/ capability to deliver on the policy outcomes sought.

Do you think there are potential areas of tension or confusion between any of these proposals and other national direction? If so, please
identify these areas and include any suggestions you have for addressing these issues.

Yes, particularly in relation to the interpretive and administrative tension between the objective of enabling growth ‘up and out’ that underpins the NPS-UD and proposed Objective 3 and Policy 3 of the NPS -Highly Productive Land (i.e. avoidance of uncoordinated urban expansion on highly productive land). To redress this situation we strongly consider that further analysis is required to ensure that the conflicting nature of these provisions does not result in unintended or perverse outcomes and that direction is provided to help inform the consideration and weighing up of urban development options from both a district plan policy and consenting perspective.

18. Do you think a national planning standard is needed to support the consistent implementation of proposals in this document? If so, please state which specific provisions you think could be delivered effectively using a national planning standard.

From an efficiency, consistency and certainty perspective we consider that introduction of a range of targeted standards could assist with implementing the suggested proposals. To progress this we would suggest that further engagement with representatives from the major urban centres is required to explore the feasibility and practicality of pursuing such an option and what the nature and scale of a set of potential standards might look like, noting that care would need to be exercised given the differing issues and characteristics applicable to each centre (e.g. density, height).

Questions from Appendix 3

Housing and Building Capacity Assessments - HBA's

A1. Do you support the changes to the HBA policies overall? Are there specific proposals you do or do not support? What changes would you suggest?

Yes, we are supportive of these changes as it enables local authorities to link future development with desired community outcomes (LTP).

A2. What do you anticipate the impact of the proposed polices (and any related changes) would be on planning and urban outcomes?

Some of the benefits/impacts aligned with the introduction of these policies are:

- Enables potential developers to assess where development would be most feasible in terms of costs and benefit.
- Would necessitate scenarios with different levels of investment in infrastructure to be developed in order to more accurately assess how they would impact on development capacity and cost
- Would enable a better understanding of development trends and insights into the types of development that are more likely to be taken up, thereby helping to inform the need for any adjustments to development incentives

A3. Are the margins proposed in policies AP3 and AP12 appropriate? If not, what should you base alternative margins on? (e.g., using different margins based on higher or lower rural-urban price differentials).
We consider that the proposed margins are appropriate as the additional margin provides for uncertainty, and help to reduce the risk of there being an insufficient supply of housing.

A4. How could these policies place a greater emphasis on ensuring enough development capacity at affordable prices?

Local authorities should have to complement their FDS with housing needs analysis because it identifies the type of housing available. Supply will still remain an issue if we continue to produce the same dwelling type and while it may become more affordable for some it will never be affordable for a lot of the population.