Submission
Draft National Policy Statement on Urban Development

To: National Policy Statement on Urban Development Consultation
Ministry for the Environment
Via email: npsurbandevelopment@mfe.govt.nz

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1 Introduction
Thank you for the opportunity to make a submission. The Wellington City Council ('the Council') has been requesting Government direction on urban matters for some time, and accordingly welcomes the release of the draft National Policy Statement on Urban Development (NPS-UD). The Council generally supports the NPS-UD considering that it will be useful for local authorities in managing urban development issues, particularly in urban areas that are experiencing growth pressures. The Council does however seek a number of technical changes regarding the practicalities of implementing the NPS-UD and to improve clarity of drafting. These are detailed further in this submission.

The Council has been actively involved in the development of the NPS-I-JD, participating in a technical working group, sharing insights from undertaking a Housing and Business Assessment (HBA) under the preceding national policy statement on urban development capacity. The Council supports this collaborative approach to developing national direction and recommends it be adopted as a working model going forward.

The Council has structured this submission using headings and sections from the discussion document. Where relevant, the numbered questions in the discussion document are listed and answered.
2. **Freshwater and urban development proposals are not well integrated**

The Council cautions that the 'Action for Healthy Waterways' package and NPS-UD are not well integrated. Considering how these pieces of national direction interact, it is clear that little recognition has been made in the Freshwater proposals of the realities of growing cities or the reasonable expectations for development within urban areas. Some of the Freshwater proposals could prove to be a handbrake on the provision of infrastructure necessary for the development and functioning of 'quality urban environments' the NPS-UD seeks to achieve. This could be mitigated through the long needed application and implementation of water sensitive urban design principles and practices nationwide, both in terms of green and brown field development.

In addition, the 'one size fits all' approach to specific activities in the freshwater proposals, irrespective of value or environmental effects will reduce the amount of potential development capacity in areas already identified and holistically master planned in a sustainable manner. The Council is concerned that the future development potential of urban growth areas may be compromised by a policy and rule framework that sets a high bar and potentially limits the ability to efficiently develop land within areas where growth has been anticipated and expected for some time.

3. **The Wellington context**

Wellington city's population is expected to grow by up to 80,000 people over the next 30 years. At the same time Wellington is facing pressure from the realities of climate change, sea level rise and risks from natural hazards. The Council's 'Planning for Growth' programme aims to address these challenges and seeks to ensure new homes, transport networks, infrastructure and services are provided in a resilient and sustainable manner. Wellingtonians want their city to be compact, inclusive, greener and vibrant. These aspirations will be set out in a 'Spatial plan' which sets the direction for future development which will be consulted on in early 2020. This will ultimately inform a full review of the district plan, scheduled to be notified in late 2021. The shape, form and quality of urban development are key components of realising these aspirations. The Council and the community's preferred approach is to facilitate growth in and around the central city and suburban centres. In addition to intensification within the existing urban area, a small element of greenfield development north of the city is necessary to meet housing demand. Council will implement the NPS-UD through the review of the district plan.
4. General submission points shared by councils in the Wellington region
The Council considers there are a number of high level issues to address before finalising the NPS-CJD. The Council has discussed these with other councils in the Wellington Region. These points are detailed below.

- The councils generally support the aspirational objectives of the NPS, but note there is limited recognition of the scope of councils' functions under the RMA and that plans and regulation alone have a limited ability to achieve the desired outcomes.

- The councils support directive national policy so long as it is drafted clearly without ambiguity. The councils are concerned that the drafting of the NPS in places is too all encompassing and open to multiple interpretations and does not currently recognise that each area in the country is different, and requires contextual and community based application.

- The NPS it is still very much about enabling development capacity. 'Quality' forms another key part of the NPS, but is defined in a conceptual manner, still oriented towards land supply and not the broader aspects of quality in terms of design, quality of life and interaction with the natural environment. There is currently no mention of the need for resilience or adaptation to climate change to achieve quality urban environments.

- The councils appreciate attempts to align with other processes such as Long Term Plans (LTPs) but this will be hard to accomplish with data sources available on different timeframes. Collectively the councils seek clarification that 'review' means only 'review' and not 'redo', as well as recognition that monitoring is important but quarterly reporting is of limited value.

- The councils note that iwi capacity and capability will be increasingly squeezed, not just as a requirement of the NPS, but across all national direction currently being consulted on. There is also a requirement to engage whânau which will be difficult for both parties to deliver on required policies.

5. Targeting cities that would benefit most

Question 2: Does the Council support the approach of targeting the most directive policies to our largest and fastest growing urban environments? Why/why not?
The Council agrees that targeting the most directive policies to those urban environments that are largest and fastest growing seems logical. These major urban centres (MUCs) face the biggest comparative urban development challenges. The challenge of growth management is closely tied to infrastructure investment. As such the Council sees the NPSUD and the required Future Development Strategy (FDS) as a process to better plan for infrastructure, particularly across the region and with government partners.

For this reason, and as an aside, the Council supports the establishment of the Infrastructure Commission and see the role the Commission can plan in optimising infrastructure investment as critical.

The Council does question what guidance will be given to those local authorities that are fast growing and will face growth pressures in the short-medium term (but are not listed as MUCs): Should these local authorities undertake a Housing and Business Assessment (HBA)? If so, how can a less resource intensive HBA be prepared?

Recommendation

Retain targeted approach to MUC's as proposed and provide guidance to fast growing councils that will face growth pressures in the short-medium term.

6. Future Development Strategy

Question 3: Does the Council support the proposed changes to Future Direction Strategies (FDSs) overall?

The Council supports the use of Future Development Strategies. The Council has undertaken Urban Development strategies and Urban Growth plans, and is currently undertaking a city-wide Spatial Plan, due to be completed mid-2020. 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.

There are also a range of other issues the Council recommends the Ministry consider when requiring an FDS. These are presented below:
- Frequency: An FDS should be a long-term plan that has a legacy. It requires implementation over the long-term, up to 30 years. As such, the Council recommends that the Ministry adjust the requirement to produce (renew or update) an FDS every three years. This requirement would not be necessary as long as the implementation of the FDS is progressing, and the monitoring indicators are trending.

- Resource: A by-product of a three yearly FDS is a significant demand on staff and financial resources of councils. While the Council supports producing an FDS, the Government should recognise this is a drain on resource, and provide support as well as guidance to assist councils.

- Primarily because of this issue, the Council supports only major urban centres being required to prepare an FDS.

- Consultation: Consultation on such an FDS can, and should be, a significant process, and the Council supports this. However, consultation does add to the resource requirement within a council, and also adds another point in which the public are expected to provide feedback to councils. The Council is aware that over-consulting can also create issues within our communities. It is expected that this would be particularly true if an FDS was required every three years.

- While it could be suggested that the FDS could be consulted on with the long-term plans, which have an equivalent timeline and consultation requirement, this is not practical with the requirement for an FDS to be prepared in advance of long-term plans (and other strategies) which they are to inform.

- PID-c: Every FDS must identify 'broad locations for long-term feasible residential and business development capacity'

  The Council refers to the requirement to include long-term feasibility. The Council worked with the Ministry's technical working group in the lead up to the release of the NPS-I-JD. A key discussion within that technical working group was that long-term feasibility is extremely difficult to forecast and prone to inaccuracies. This finding is
supported by the LGNZ report released on the effectiveness of the NPS-UDC. As such, the Council recommends that the requirement for long-term feasibility be removed from this section relating to FDSs and that this is considered and investigated further to identify an appropriate approach.

- Further commentary on long-term feasibility and take up is provided below.

Overall the Council supports the creation and use of an FDS. The Council requests the Ministry acknowledge the process being run in the Wellington Region as meeting the requirements of an FDS. The Council further recommends the Ministry include for the opportunity for Councils, upon suitable monitoring, to not undertake an update process to an existing FDS if implementation is on track.

Recommendations

- The Ministry recognise the existing approach of the Regional Growth Framework as an FDS.
- PI A be changed to state that this requirement is only applicable if monitoring of key indicators and the existing FDS implementation strategy shows a need for intervention.
- PI D-c be changed to exclude the words "long-term", as long-term feasibility is highly variable.

7. Describing quality urban environments

Question 4: Does the Council support the proposed approach of the NPS-UD providing national level direction about the features of a quality urban environment? Why/why not?

Preamble and Objective 2

<table>
<thead>
<tr>
<th>The Preamble Will include a broader description of things that contribute to quality environments. These could include:</th>
<th>Objective 2: To enable quality urban environments that make it possible for all people, whanau, communities and future generations to provide for their well-being, including by:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Reducing the impact on the natural environment Using ecologically sensitive design</td>
<td>a) offering people access to a choice of homes that meet their demands, jobs, opportunities for social interaction, high-quality diverse services and open space</td>
</tr>
<tr>
<td>• Enhancing safety and good health Promoting resilience to the impacts of natural hazards</td>
<td>b) providing businesses with economies of scale, with access to many consumers, suppliers, skilled people and sources of innovation</td>
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<tr>
<td>• Providing a range of transport options Reflecting historical and cultural heritage in the urban environment</td>
<td>c) using land, energy and infrastructure efficiently</td>
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<td></td>
<td>d) responding to changing needs and conditions</td>
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The Council recognises that what is understood by the term ‘quality urban environment’ will be subjective, so guidance is required. However, the Council considers that the factors set out in the draft Objective 2 do not give more certainty than the status quo. Greater clarity is required.
The Council considers that there are a number of common underlying principles that can contribute to a 'quality urban environment'. The Council recognises that this will necessarily differ across the country in terms of actual scale and nature of development, and taking account of the differences between because of natural hazards and constraints of existing urban environments.

The NPS-UD attempts to identify principles in Objective 2 that contribute to quality urban environments. While well-meaning, the Council considers that these principles are too focussed on the 'capacity' aspects of the NPS and do not give more certainty than the status quo. The Council considers that the principles described in the preamble more meaningfully contribute to quality urban environments, and is concerned that these are included in a part that carries no legal weight. Therefore, there is a risk that development that is not consistent with the intent as set out in the preamble can nevertheless be justified as being a quality urban environment.

The Council understands that the principles in Objective 2 have been selected for the reasons outlined on page 26, but as discussed below, cannot be achieved through local authority functions under the RMA. Conversely, the Council considers the principles in the preamble can be achieved under the RMA. It is recommended they be transitioned into Objective 2, alongside the additional factors listed below:

Urban design
As defined in the 2005 New Zealand Urban Design Protocol[1] urban design is primarily concerned with 'the design of the buildings, places, spaces and networks that make up our towns and cities, and the ways people use them'. The Council considers that urban design is an integral component of quality urban environments, and is currently missing from the NPS-CJD. Urban design plays a key role in peoples' perception of urban environments, particularly of change. It contributes social, cultural, economic, and environmental benefits and is in part related to amenity. In the context of increasing density within existing urban areas, urban design becomes increasingly important.

The New Zealand Urban Design Protocol 2005 is considered to be useful in describing design features and principles of quality urban environments. Of particular relevance are the


seven principles ('Seven C's'). Council therefore recommends that good urban design principles are included as factors contributing to quality urban environments and more weight and guidance of urban design and the 2005 protocol (given its ongoing relevance) is provided.
Remove some factors beyond control of councils

The Council further considers that some of the factors in Objective 2 should be removed as they are beyond the control of councils land use responsibilities under section 31 of the RMA and cannot be controlled through the planning framework. For example, (b) "providing businesses with economics of scale or access to consumers, supplies, skilled people and sources of innovation".

The Council suggests the below amended wording for objective 2:

02: To enable quality urban environments that make it possible for all people, whānau, communities and future generations to provide for their well-being, including by integrating through partnership and collaboration:

a) access to a choice of homes and open spaces
b) opportunities for employment and social interaction
c) the provision of a range of transport options
d) the reduction of impacts and enhancement where possible of the natural environment
e) the enhancement of safety and good health
f) the promotion of resilience to the impacts of natural hazards and climate change
g) the reflection, celebration and promotion of living, historical and cultural heritage
h) good urban design principles and processes

Policy 2A and 2B

The Council is comfortable with P2A (a) and (c). The Council understands the intention of the P2A (b) and (d) but questions its practicality. Does this mean that Council could be inconsistent with these aspects of the policy if resource consents or plan changes are not approved in areas that may be unsuitable for development (for say hazards reasons), because this would not increase the number of developers that can bring land to market? Additionally, the Council recognises that it cannot fully control how the market develops. The current wording of P2A (b) would suggest that rezoning should not be undertaken until the land market is competitive. However, this is neither practical nor an effective principled approach to take given the outcomes that continuous rezoning would generate.

With regard to P2B(b) and (d) the Council notes that this is a modified policy PA4 of the NPS-UDC, but considers that this is not easy to quantify or easily scalable. Using the example of a small scale subdivision consent, it would be impossible to quantify at a national level. A possible solution to this could be to enable this assessment to be scalable to the appropriate context.

Recommendations:
Objective 2

- Transition some of the factors that contribute to a quality urban environment into Objective 2, rather than in the preamble.
- Recognise the contribution that good urban design principles and processes can make towards 'quality urban environments'.
- Recognise climate change resilience as a factor that contributes to quality urban environments.
- Remove factors from Objective 2 that are beyond the control of local authorities under the RMA, such as (b).
- Consider the Council's suggested wording for Objective 2 that addresses the preceding recommendations.

Policy 2A

- Clarify the intention of P2A (b) and (d) with regard to constraints, such as natural hazards.

Policy 2B

- Clarify or enable the assessment of benefits and costs of urban development to be scalable.

8. Amenity values in urban environments

Question 5: Does the Council support the inclusion of proposals to clarify that amenity values are diverse and change over time? Why/why not?

The Council strongly supports the proposals to clarify that amenity values are diverse and change over time. The Council considers this proposal is an essential and valuable component of the NPS, particularly in the context of increasing density within urban environments where amenity values will change from the status quo. It would normally be the case that a development is intended to increase amenity values. Therefore, the Council encourages the Ministry to strengthen this proposal so it recognises the positive effects that development can have on amenity, and provides councils with the necessary support to facilitate change in urban form and amenity in their district plans, while still celebrating and enhancing the spaces and buildings that make places unique

Objective 4: Urban environments provide for the diverse and changing amenity values of individuals and communities

The Council supports Objective 4, and suggests that 'generations' should be added as demographic whose amenity values change over time. Particularly in the context of
increasing density in existing urban areas, the council considers that the amenity and built form values of generations can differ significantly.

P3A: In making planning and consent decisions, decision-makers must recognise that amenity values:
(a) Vary among individuals and communities
(b) Change over time

The Council highlights that P3A does not recognise the positive benefits urban development can have on amenity values, which is discussed in the commentary on page 28. Without adding this component to the policy, the link between urban development and its' influences on amenity values is missing.

Recommendation:
Objective 4
• Add 'generations' as a demographic whose amenity values change over time.

Policy 3A
• Add 'can be improved by urban development' or words to similar effect as a point (c)

9. Enabling opportunities for development
Question 6: Does the Council 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?

The Council supports the objective for "enabling opportunities for development". However, there are several matters within the policies to which the Council recommends changes. First, and fundamental to the consultation question, is that by providing development capacity for 'what is likely to be taken up' this will result in a focus on the status quo. This is
due to the modelling processes required to assess take up. While further detail is
provided later in this submission, in short the three approaches to assessing take up are,
first, to discuss developers' delivery model and schedule with them. A second approach
is to take historical data, such as building consent data, and extrapolate this forward. The
third approach is to rely on a realisation model, as the Council has used in its current
HBA. All of these models are heavily reliant on existing data and do not significantly
account for the type of changes the Council understands the Government is looking for
through the NPS-IJD. As such, by requiring councils to provide development capacity that is likely to be
taken up, this will continually be slanted to current development models (mainly lower
density typologies). This is then not likely to reflect the demand for smaller or denser
typologies that exists but is not being met by the market. The Council suggests a focus on
feasibility is more important here than take up.

The Council is also concerned by the Government's focus on take up as an indicator of
effective planning. Take up (or delivery of houses) is contingent on the market. In a
functioning housing market, landowners and developers are disincentivised to provide
more houses than demand exists for. Thus, under no circumstances will an accurate
assessment of take up show that a development market will deliver "enough" houses. As
this is the case, asking the Councils to assess take up and then actively respond to a
shortfall, which will always be there, is akin to setting councils up to fail in an
assessment. The Council suggests this aspect needs considerable additional work.

The Council also suggests changes to the policies:

- **P4A** requires "local authorities must ensure at all times their plans enable at least
  enough development capacity".

  In short, this requirement, which applies to all urban environments, must have
  information akin to an I-IBA. This is unfeasible because such an assessment (HBA or
  otherwise) is an extensive process that is a point in time assessment. The Council
  suggests that this wording be changed to be more reflective of the cycle in which the
  NPS-UD capacity assessments work in tandem with responses (FDSs or plan
  changes).

- **P4G-c** states If an I-IBA or any other evidence or monitoring shows a shortfall in
development capacity in the long-term the FDS must be updated.
Given the comments that take up will always show a shortfall (in a properly functioning development market with an accurate assessment of take up), and to align with earlier comments by the Council relating to an FDS not needing to necessarily been updated, the Council suggests that this requirement be changed and excluded if monitoring and implementation indicators are showing progress in achieving the outcomes agreed to in the FDS.

Recommendation

P4A

- Remove "and likely to be taken up" as currently modelled take up is preferred to existing development styles, primarily of lower density.
- Change P4A from "must ensure at all times" to the effect of "must assess every three years".

P4G-c

- Align with earlier recommendations relating to FDSs that an update is only required if monitoring and implementation is not progressing.

10. Ensuring plan content provides for expected levels of development

Question 7: Does the Council support proposals requiring objectives, policies, rules, and assessment criteria to enable the development anticipated by the zone description? Why? Why not?

P5A: District plans must include, for each zone in an urban area, a zone description that describes the expected types and nature of development, including expected levels of amenity, consistent with growth identified in the FDS.

The Council supports including a zone description in the district plan as proposed in P5A. The Council notes that such descriptions are already included in some district plans (such as the Auckland Unitary Plan). The Wellington City District Plan currently includes explanatory content to this effect, but is not formalised as a 'zone description'. The Council considers this narrative type outcome statement will be useful to communicate to lay plan users the type of development expected in the zone from the broader explanation in the Zone Framework National Planning Standard. Given that the life of a district plan can be up to 10 years, the Council does however caution describing the expected level of amenity in the zone as suggested in P5A. This is because 'locking this down' in the plan may be counterproductive to P3A which seeks to recognize that amenity changes over time and through consenting processes that may evolve over time.
P5B(a): The Council must make an assessment to ensure the objectives, polices, rules, and assessment criteria set out in district plans are individually and collectively consistent with the expected development for each zone as described in the zone description.

The Council is supportive of P5B(a), considering this to be a basic part of good plan making in the lead up to notification of a plan. Plans are not typically written to contradict intended outcomes, however over time, especially through plan appeals and iterative reviews, provisions can be ‘watered down’ or amended in ways that they no longer collectively achieve their intended outcomes.

The Council cautions that the assessment required in P5B(a) is likely to be highly qualitative and use a fictional scenario, which may not be especially useful. Using the example of a medium density residential zone, it is likely that more intensive dwelling forms such as terraced houses may not be appropriate on every lot to which the zone is applied. There may well be a variation in the intensity of development within the zone from detached, duplex and low rise apartments where appropriate on a site specific basis. The Council is therefore unsure what the test is for ‘consistent’ with the expected development.

Furthermore, the stated provisions also do not include ‘performance standards’ or ‘rule requirements’ which have more impact on expected development than assessment criteria. The development of these provisions will have been subject to an RMA Section 32 (s32) assessment to show they are the most efficient and effective to achieve these outcomes.

P5B(b): The Council must enable the development of the zone to occur as described in the plan.

The Council is concerned by the drafting of P5B(b) which directs Council to ‘enable’ development to occur. ‘Enable’ is typically used in the drafting of permitted activity rules and sends a signal that the expected development should be prescribed an activity status which may not be appropriate. For example, in ‘centres’ zones in the Wellington City District Plan, the expected type of development may be buildings of 4 storeys but this development must obtain a restricted discretionary resource consent to manage, design, height, access and layout. It would be undesirable if such buildings were required to be ‘enabled’ as a permitted activity. Again, these provisions will have been subject to a s32 assessment to show that they are the most efficient and effective solution.
The Council also considers that P5B oversimplifies how plans work in terms of collective packages of provisions where other spatial layers such as overlays and precincts can apply in addition to zone provisions may constrain or refine development. For example an overlay to manage ‘character’ may require a lower height limit than that expected within the zone. This will likely mean that the outcomes of the zone description (written unencumbered by the influence of other spatial layers) cannot be achieved. While it may be possible to show that zone provisions are consistent with the expected development of the zone description, the collective impact of other spatial layers will likely always lead to outcomes where the expected zone development is constrained.

P5C: ‘If monitoring indicates development capacity isn’t being taken up to achieve the development expected in a zone. The local authority must conduct a review to determine why that is, and
(a) Relevant objectives, policies, rules and assessment criteria through a plan change to the extent needed to achieve the development expected, and/or
(b) Identify any constraints outside their resource management plans to achieving the expected development for the zone.,

The Council supports P5C(a) as this is already required. The Council also supports P5C (b) and suggests that the Government continues to work with the Councils to better understand and respond to these issues. Wellington is particularly vulnerable to natural hazard and insurance market constraints.

P5D sets out the analysis local authorities must include when making planning decisions that affect the development of urban environments

Considering P5D, the Council considers that this policy (perhaps intentionally) repeats a number of the requirements of s32 and could be omitted to focus on those specific requirements relating to FDSs and not contained in s32.

**Recommendation:**
- Retain P5A, but consider implications of requiring an amenity statement recognising that amenity will change over time.
- Retain P5B but delete P5B(b).
- Retain P5C and P5D.

11. Providing for intensification
(Question 8): Does the Council support policies to enable intensification in the locations where its benefits can best be achieved? Why? Why not?
The Council generally supports the objectives and policies for intensification because at a high level they align with the feedback received through the Council's 'Planning for Growth' consultation. The Council does however, seek specific amendments to reflect the stated intent in the preamble and where council considers unintended consequences could arise.

07: To provide for the benefits of urban intensification by allowing for increased density in areas where those benefits are best realised.

The Council supports 07 as drafted.

P6A: Areas to enable higher-density development
Considering P6A, the Council considers that the test for enabling higher density development when 'one or more' of the stated factors are present is not appropriate and does not recognise the influence of constraints such as natural hazards, character and resilience to name but a few. 'Evidenced reasons' not to increase density are discussed as acceptable in the preamble to the intensification policies. However, this does not appear to have been followed through into the policies themselves. Leaving this commentary in the preamble text is not recommended as it has no legal standing and could mean local authorities are inconsistent with the NPS for not intensifying in these areas despite valid reasons not to.

It is further recommended that the trigger of 'one or more' is modified to 'at least two or more'.

P6A(c): 'High demand for housing' should be clarified for its applicable scale, as for Wellington this is applicable to the entire city. It can be difficult to spatially define demand for housing. As such, the reasoning for enabling higher-density development should be identified through a multi criteria analysis, but not only the matters in (a), (b) and (d).

P6B: Regional councils must include the following objective into their regional policy statements:

To enable residential intensification that ensures the efficient use of existing urban land, infrastructure, services and facilities.

The Council suggests removal of the word "existing". Recognising the role of the FDS will include identifying potential future urban areas, regional councils should not limit objectives to only existing urban areas.

The Council also suggests that in addition to ensuring efficient use of the specified aspects, prioritisation also be included.
P6C provides two options for describing 'higher-density residential activities' 1. A descriptive approach, and 2, a prescriptive approach

Considering the options for directing intensified development in P6C, the Council is supportive of Option 1, the descriptive approach. This generally aligns with the aforementioned 'Planning for Growth' feedback and more generally is considered good planning.

Option 2 is considered to be overly directive, is more likely to lead to unintended consequences and be inappropriate to be standardized at a national level. The Council recommends this option is not selected. For Wellington, the 1.5km radius and requirement to achieve a minimum density of 60 residential units per hectare does not recognise the constraints of character (among others factors) within these areas and is considered too crude a measure. Additionally 800m can be seen as an arbitrary number considering the criteria necessary for the application of such an increase in zoning. Also the use of "frequent public transport stops" would need further definition to this point.

Both options do however not recognise the influence of constraints which may mean that not every location within the 'suitable catchment area' is appropriate to be zoned for higher density residential activities. The Council seeks recognition in the policy that a basic methodology of increasing density does fully not account for heritage, character, topography, hazards or other constraints such as infrastructure capacity which could mean that it is inappropriate to increase density in such a manner.

P6D: Territorial authorities must include a statement in their district plans:

When considering an application for a higher-density residential activity than is currently provided under this plan, the consent authority must have particular regard to whether:

a) The site is an area that is required under the NPS-UD to enable intensification
b) The development will provide more choice of housing.

Considering P6D, the Council understands the intention to see consideration of the NPS-UD in consenting decisions quickly after gazettal. The Council has no specific concerns with Policy P6D, so long as it is intended to reflect the intent of P6C Option 1 for the reasons above. The Council does note however that the lag time between the immediate implementation of this policy and review of the plan will create uncertainty in the consenting process. There is a risk this provision could be relied on to support otherwise inappropriate development, arguing that it is required under the NPS-CJD. The Council seeks clarification that it is expected this policy can be removed once the plan has been reviewed to implement the NPS-CJD.
Recommendation:
- Adopt 07 as drafted
- Reflect in P6A that the presence of constraints (such as natural hazards) will make increased density inappropriate in areas even when (a) — (d) are met.
- In P6A, amend 'one or more' to 'at least two or more'.
- In P6B, amend the text to read 'the efficient use and prioritisation of urban land, infrastructure, services and facilities. ' This remove the word 'existing' recognising the role of the FDS will include identifying potential future urban areas, regional councils should not limit objectives to only existing urban areas, and includes prioritisation of land use.
- For P6C, adopt option 1. Recognise the influence of constraints which may mean that not every location within the 'suitable catchment area' is appropriate to be zoned for higher density residential activities.
- For P6D, clarify if this policy is to be removed when the plan is review to implement the NPS-UD

12. Providing for further greenfield development

Question 9: Does the Council 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?

EXAMPLE POLICY

When considering a plan change that enables urban development that is not otherwise enabled in the plan, local authorities must provide for urban development when all of the following apply:

a. Development enabled by the plan change would contribute to a quality urban environment, including access to transport choice

b. Development enabled by the plan change would not have adverse effects on protected areas or areas identified for restoration

c. Development under the plan change can occur in a way that is appropriate, safe, and resilient in the long term in respect of natural hazards and the effects of natural hazards

d. Reverse sensitivities are appropriately managed within and adjacent to the location or locations that are the subject of the plan change

e. Infrastructure to enable the long-term development of the land can be provided.

The Council notes processes for out-of-sequence greenfield development already exist under the RMA via private plan changes. It is therefore unclear why the example policy would be necessary. Additionally, it is expected that the continual three yearly cycle to review an FDS, if not extended as recommended, will provide opportunities for these issues to be resolved and be sequenced appropriately with infrastructure funding and other considerations. If there is
concern about the interim time between the NPS-UD being gazetted and the preparation of the first FDS, then this policy could be applicable, with a sunset clause included to expire once the FDS is adopted.

The Council would welcome further consultation on this topic if the Ministry does proceed with objectives and policies relating to out of sequence greenfield development. The Council makes the further points regarding the example policy.

- The use of "all of the following" is appropriate in this circumstance.
- Some guidance as to the scale of development that this policy applies to would be supported by the Council. Does it apply to a five lot greenfield subdivision? If so, how will infrastructure costs be assessed?
- Does this cost assessment rely on the Development Contributions policy? If so, this again involves no change to the current processes.
- The Council would support further investigation into options around infrastructure funding. The Council suggests the Ministry should discuss Q9.3 regarding bearing the cost of development directly with developers. The Council understands that full cost of infrastructure (including pipes, roads, environmental and social impacts) being passed on to developers may result in most developments being unfeasible but that a balance of long-term public benefit versus private profit needs to be achieved.

Recommendations

- Reconsider whether objectives and policies are required for out-of-sequence greenfield development given the existing option for private plan changes.

- Consult with Councils once the outcome is determined and proposed objectives and policies are drafted.
- If the policy is progressed as the example is written:
  - Retain the words "all of the following".
  - Provide guidance as to how infrastructure costs relate to Development Contributions policies or other mechanisms available to councils.

13. **Removing minimum car parking requirements**

Question 10: Does the Council support limiting the ability of local authorities in major urban centres to regulate the number of car parks required for development?

P7A OPTIONS
1. Local authorities must remove any district plan rule or standard that requires the provision of car parking for any activity.

2. District plans must not regulate car parking using minimum parking requirements.

3. District plans must not regulate car parking using minimum parking requirements in medium- and high-density residential, commercial and mixed use areas.

The Wellington City District Plan has no minimum car parking rules in a number of zones including the Central Area, Business (mixed use and industrial) and Centres zones. A developer or landowner could choose to provide car parking if desired, which will be subject to standards to manage its location to avoid adverse effects on the surrounding environment.

Of the options provided in P7A, the Council supports Option 3, which would restrict district plans from regulating car parking using minimum parking requirements in medium- and high-density, commercial and mixed use areas. The Council considers that options 1 and 2 could lead to adverse effects or perverse outcomes particularly in areas that it is still desirable that car parking is provided to manage spill over effects (e.g., general residential areas). This is particularly the case in Wellington with many narrow and winding roads even in general residential areas in the suburbs, where streets are often already fully parked. The Council is reviewing the Parking Policy and about to undertake a full review of the District Plan and these matters will be fully considered. The reviews need to be done in a way that works for Wellington City. For example we may want to require on-site parking in areas where we do not want on-street parking, for example on priority bus and cycle routes.

**Recommendation:**

- Adopt P7A Option 3.

14. **More directive intervention to enable quality urban development**

   **Question 11:** Does the Council think that central government should consider more directive intervention in local authority plans?

   The Council does not consider that there should be more central government intervention in the matters identified in the discussion document. The discussion document identifies types of rules as unduly limiting the type and form of development that may occur such as:

   - height and height in relation to boundary
   - density and subdivision standards
   - private outdoor space
   - site coverage
The Council considers these rules and standards to be some of the fundamental controls in plans to manage adverse effects and responding to local circumstances. If these were not able to be managed in plans, or were standardised nationally, there could be wide ranging localised adverse effects and erosion of community license to shape the places in which they live.

The Wellington City District Plan does not contain provisions to require a minimum floor area for apartments or for balconies, given as examples in the discussion document.

The Council would also highlight that amenity controls are also more important in highdensity areas to create “quality urban environments” that are outlined as a key outcome of the NPS-I-JD.

While it would be theoretically possible to prescribe a minimum level of development across urban areas, the Council has observed situations where development occurs at a margin significantly smaller in scale than that anticipated by the zone provisions (e.g. low rise terrace housing of 3 stories in the central city, where 9 storeys was anticipated). While greater development uptake could be achieved in such an instance, the Council is unclear whether standardised minimum levels of development could stall development should it not account for local context and other factors as natural hazards to which Wellington is particularly vulnerable. The will also be considered in the upcoming District Plan review.

Commentary on page 44 of the consultation document states that standards such as height in relation to boundary vary unnecessarily across plans and ‘reflect historical local planning, rather than robust consideration of the need for restrictions’. The Council submits that some
of these controls vary necessarily to best reflect local topography and achieve amenity levels experienced elsewhere in the city. For example, specific height in relation to boundary and building heights apply in the Aro Valley (inner residential zone) of the Wellington City District Plan, where the steep and gully-like topography of the Aro Valley means that unique standards are needed to ensure a reasonable level of sunlight access.

Recommendation

- The Ministry recognise that more tools, rather than fewer, are fundamental to councils in creating "quality urban environments" and as such does not look to restrict the use of controls within District Plans.

15. Evidence for good decision-making

Question 12 and questions from Appendix 3

Question: Does the Council support requirements for all urban environments to assess demand and supply of development capacity, and monitor a range of market indicators? Why/why not?

The Council supports the endeavour to better inform decision-making. In most cases the use of 'all urban environments' and 'major urban centres' seems appropriate in these policies and objectives.

However P8D "applies to all urban environments".

- P8D: Local authorities must assess demand for housing and business land, and the development capacity required to meet that demand in the short, medium and long term.

Given this asks 'all urban environments' to prepare an assessment of demand and capacity over the short, medium and long-term, this can be interpreted as completing an I-IBA. A distinction should be made clear at to the different requirements. The Council suggests this is appropriate primarily because of the resource required to undertake a I-IBA is well beyond 'all urban environments'. This is further explained by the comments directly relating to I-IBA policies and objectives that are set out below.

The Council suggests several amendments to the policies relating to HBAs:

- AP4: Every I-IBA must estimate development capacity for the short, medium and long term for greenfield and existing urban areas according to the criteria specified on page 76 of the discussion document.
Further clarification about long-term feasibility is needed, particularly with the phrase "as a starting point" included here. This is of particular interest as long-term feasibility cannot be predicted accurately, and relying on this evidence to make significant planning and infrastructure investment decisions may be problematic for councils. The Council suggests that the policies focus more heavily on the short and medium terms with the long-term offering more flexibility to councils, particularly in light of ongoing required monitoring.

- AP6: Every HBA must use price efficiency indicators along with other information including the assessment of feasibility and take up of development capacity, to analyse how plans may affect the supply and price of dwellings. Price efficiency indicators are not well understood in the direct planning impact, nor the recommended planning action required. The Council suggests the Government provides more significant guidance on this topic as well as a variety of other indicators to support the findings of a single indicator.

- AP8: Every I-IBA must estimate in the short, medium and long term the development capacity that would be feasible and likely to be taken up, for dwellings of different types in different situations.

Further guidance is needed to understand the appropriate methods of estimating takeup. Historical extrapolations into the future do not account for typology shifts that may be forecast. Additionally, undertaking a survey of developers or builders is not feasible nor accurate in a highly urban setting such as Wellington City. The Council would point the Ministry to the "realisation" work Wellington City and others, have done in existing HBAs as another way of understanding the feasibility in more detail. However, it should be noted this is not a temporal take-up of capacity.

- API O: Every I-IBA must use market indicators along with other information, to analyse how plans may constrain or enable the supply of dwellings by type, location and price point to meet the demands of households with different incomes.

This requirement is unclear in how it can be achieved practically. As such, the Council requests the Government provide significant guidance on this issue, particularly in terms of predicting demand across incomes (note that family structure is a better indicator of the housing demand) as well as how the price point constraint can be calculated.

- AP3: On top of the estimate of total demand for dwellings, the HBA must add an additional margin of a) 20% in the short and medium term, and b) 15% in the long term.

and
AP12: On top of the estimate of the demand of different business sectors for business land the HBA must add an additional margin of a) 20% in the short and medium term, and b) 15% in the long term.

The Council suggests that these buffers are only applied to a 'base case'. Any scenario further explored should be cognisant of housing demands from the base case and thus not require further buffers.

The Council also requests the research undertaken to select the 15% and 20% be released to councils so a better understanding of this consideration can be understood when creating future scenarios.

The Council anticipates that the impact of the proposed policies will be a cyclical review process of housing policies, including District Plans. This will likely lead to an increase in residential zonings, either by density increases or greenfield areas being rezoned for housing.

**Recommendation**

Provide further guidance relating to:

- Long-term feasibility and the appropriate planning responses given the inherent variance or inaccuracy in projecting development markets forward 30 years.
- Price efficiency indicators.
- Take up, particularly over the long-term.
- Practical steps to achieve AP 10, particularly supply by price point and demand by income. Additionally, what the relationship between these factors is, and thus how councils should use this information.
16. Taking into account issues of concern to iwi and hapū, and coordinated planning

Question 13 and 14:

Does the Council support inclusion of policies to improve how local government works with iwi, hapū and whānau to reflect their values and interests in urban planning?

Does the Council 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?

In general the Council expresses support for amendments to include working with providers of development and other infrastructure. This support is echoed from Question 3 when relating to FDS. The Council also notes that this is a continued requirement from the NPSUDC. A finding from the current process is that the government agencies would be well placed to understand their specific requirements under the NPS-UDC and be able to provide such advice to Councils in a timely and accurate manner to help the councils continue to streamline their own development of an I-IBA.

The Council supports the intent of 09, P9A and P9B and acknowledges that these are closely aligned with the existing requirements if the RMA. The Council seeks guidance on how in a practical sense the Council can provide an opportunity to identify aspirations for urban development down at a whānau level.

Recommendation:

- Provide guidance how local authorities can provide an opportunity to identify aspirations for urban development down at a whānau level.

17. Timing

Question 15: What impact will the proposed timing for implementation of policies have?

All local authorities are currently experiencing a very high workload, in part a result of the large amount of national direction that must be implemented over the coming years. While a lot of this national direction is valuable and the Ministry has attempted to reconcile the implementation timeframes the Council considers that many local authorities will have difficulties complying with the proposed timeframes.

The Council considers that the 18 month timeframe (from gazetting of the NPS) for policies P6A, P6C and P7A is too short. The scale and scope of plan changes necessary to implement
the directions of these policies, particularly major urban areas will be significant and require a considerable amount of consultation with communities.

The Council is currently in the process of creating a spatial plan for the city, which will inform a full review of the district plan. This full plan review will be the vehicle through which the NPS-UD, NPS-FM and national planning standards will be implemented. The Council is also working with other local authorities in the region to develop a regional FDS (through the Wellington Growth Framework process). Such explicit timing requirements should not take precedence over those processes.

A proposed district plan is intended to be notified in late 2021. This is approximately 4-6 months following the 18 month timeframes in the NPS-CJD. The Council is not in a position to implement these NPS-UD policies separately before the notification of the proposed district plan. The Council consults with the community in good faith and cannot implement changes from the NPS-UD process ahead of that process reaching its proper conclusion.

To enable both processes to be completed the Council seeks a minimum 24 month implementation timeframe for policies P6A, P6C and P7A. This would mean the intensification policies would apply at plan review for the Council and included in community consultation, which is when other requirements of the NPS-UD apply.

Notwithstanding the final implementation timeframes, the Council notes that delayed implementation timeframes generally may be problematic from a resource consenting point of view. In particular the Council can foresee that resource consent applicants may point towards the delayed intensification and parking policies as justification for aspects of a resource consent, which will create uncertainty in the consenting process. Immediate application of these policies, would alternatively give more certainty in the resource consenting process. Accordingly, the Council suggests that more support for existing District Plans and other Council policies is included in these draft policies to assist consent processes.

Recommendations:

- Allow 24 months for implementation of intensification policies (which would align with the Council's plan review but also recognises many Councils capacity to implement change).

- Provide strength to existing District Plans to support the resource consent process while District Plans and chapters are reviewed to align with the NPS-CJD.

18. **Guidance and implementation support**

   Question 16: What kind of guidance or support does the Council think would help with the successful implementation of the proposed NPS-I-JD?
Recommendation:
The Council requests guidance on the following matters to enable successful implementation of the NPS-UD:

- Data availability and some interpretation
- Iwi involvement
- Climate change
- Infrastructure
- Clear alignment between the NPS-UD and other national direction.

The Council also requests support for local issue and solutions, acknowledging that different parts of NZ will look to tackle the issues in different ways.

19. Alignment with other national direction under the RMA

Questions 17 & 18:

Does the Council 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.

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.

The Council considers that there is obvious tension between the Government’s Freshwater Management proposals and the NPS-I-JD. The NPS-FM and NES-Freshwater Management do not recognise or account for urban development and the unavoidable modification of stream environments to meet the requirements of the NPS-CJD. Where land supply is constrained, particularly in Wellington due to topographical and other factors, an element of greenfield development is necessary.
The Council will be making a submission on the Freshwater proposals. The submission will seek amendments to acknowledge the realities of growing cities and the reasonable expectations for development within urban areas:

- Recognise that stream systems may need to be modified to provide for urban development required by the NPS-CJD. It will be important to ensure the role of Water Sensitive Urban Design is sufficiently incorporated as a means of striking the appropriate balance between the two.
- Enable a considered approach to the infilling of streams to achieve a balance of quality urban environments and protection of high value streams and the greater requirement and application of water sensitive urban design.

The Council does not consider that a national planning standard is currently needed beyond the first set released in April 2019. Once the first set has been implemented more broadly there may be benefit in a more targeted planning standard.

**Recommendation**

- The Council seeks further guidance on resolving conflicting matters in various national policy instruments, particularly NPS-UD and NPS-FM/NES-FM.
- The Ministry provide clarity about the relationship and hierarchy of the NPS-CID, NPSHVL, and NPS-FM and NE-S-FM

**Conclusion**

The Council welcomes the draft NPS-UD and opportunity to provide comment. While broadly supportive there are a number of areas the Council seeks greater clarity and changes as identified.

Further to earlier discussions, there is an opportunity for the Council's District Plan review to establish a new standard in the approach to district plans and the Resource Management Act, by moving from a first generation district plan to fourth or fifth generation plan that incorporates recent and emerging best practice.

The Council looks forward to continued active involvement.

Yours sincerely,