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**ORDINARY MEETING  
OF  
PŪRORO WAIHANGA - INFRASTRUCTURE COMMITTEE  
SUPPLEMENTARY AGENDA**

**Time:** 9:30am  
**Date:** Thursday, 11 November 2021  
**Venue:** Ngake (16.09)  
Level 16, Tahiwi  
113 The Terrace  
Wellington

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## 2. General Business

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# SUBMISSION ON RMA AMENDMENT BILL

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### Kōrero taunaki

### Summary of considerations

#### Purpose

1. This report asks Pūroro Waihanga | Infrastructure Committee to approve a submission to the Environment Select Committee on the Resource Management (Enabling Housing Supply and Other Matters) Amendment Bill. The submission is provided as Attachment 1.

#### Strategic alignment with community wellbeing outcomes and priority areas

Aligns with the following strategies and priority areas:

- |  |   |
|--|---|
| <b>Strategic alignment with priority objective areas from Long-term Plan 2021–2031</b> | <input checked="" type="checkbox"/> Sustainable, natural eco city<br><input checked="" type="checkbox"/> People friendly, compact, safe and accessible capital city<br><input checked="" type="checkbox"/> Innovative, inclusive and creative city<br><input checked="" type="checkbox"/> Dynamic and sustainable economy<br><br><input checked="" type="checkbox"/> Functioning, resilient and reliable three waters infrastructure<br><input checked="" type="checkbox"/> Affordable, resilient and safe place to live<br><input checked="" type="checkbox"/> Safe, resilient and reliable core transport infrastructure network<br><input checked="" type="checkbox"/> Fit-for-purpose community, creative and cultural spaces<br><input checked="" type="checkbox"/> Accelerating zero-carbon and waste-free transition<br><input checked="" type="checkbox"/> Strong partnerships with mana whenua |
|--|---|

#### Relevant Previous decisions

Approval of Our City Tomorrow He Mahere Mokowā mō Pōneke – A Spatial Plan for Wellington City on 24 June 2021.

Approval of Wellington City Draft District Plan Mahere ā-Wāhanga Tāone for consultation on 20 October 2021.

#### Significance

The decision is **rated low significance** in accordance with schedule 1 of the Council's Significance and Engagement Policy.

#### Financial considerations

- |   |  |   |
|---|--|---|
| <input checked="" type="checkbox"/> Nil | <input type="checkbox"/> Budgetary provision in Annual Plan / Long-term Plan | <input type="checkbox"/> Unbudgeted \$X |
|---|--|---|

2. There are no financial implications associated with Council making this submission to Select Committee on this Bill.

## Risk

|  Low |  Medium |  High |  Extreme

3. The Bill has significant implications for the Wellington District Plan review process. However, the risks associated with Council making this submission to the Select Committee are low.

Author	Tim Johnstone, Principal Advisor Planning
Authoriser	John McSweeney, Place Planning Manager Vida Christeller, Manager City Design & Place Planning Liam Hodgetts, Chief Planning Officer

## Taunakitanga

### Officers' Recommendations

Officers recommend that Pūroro Waihanga | Infrastructure Committee:

- 1) Receive the information.
- 2) Approve the submission to the Environment Select Committee (Attachment 1).
- 3) Agree to delegate authority to the Chair and Deputy Chair of Pūroro Āmua Planning and Environment Committee to finalise the submission consistent with any amendments made by the Committee.
- 4) Appoint a representative to speak to the submission at the Environment Select Committee.

## Whakarāpopoto

### Executive Summary

4. The purpose of this report is to seek Pūroro Waihanga | Infrastructure Committee approval on a proposed submission to the Environment Select Committee on the Resource Management (Enabling Housing Supply and Other Matters) Amendment Bill (The Bill).
5. The Bill has will have significant implications for the review of the Wellington City District Plan including:
  - The need to incorporate new medium density residential standards that represent a significant change in the built form settings from the operative and Draft District Plan provisions.
  - There will effectively be just one Medium Density Residential Zone across large parts of the city.
  - A new Intensification Streamline Planning Process (ISPP) will need to be incorporated into the plan review process to implement the intensification policies of the NPS-UD.
  - There are potential implications for the Council's overall growth approach and infrastructure investment.

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6. The key points in the proposed submission are summarised as follows:
- The Council supports changes to Resource Management Act 1991 (RMA) and national direction that aim to increase housing supply and choice.
  - The Council supports the proposal to expedite the implementation of the intensification policies of the NPS-UD through the ISPP.
  - The Council has concerns that the enablement of medium density development anywhere within the city's residential area:
    - will lead to dispersed growth that is inconsistent with the outcomes sought by the Government in the NPS-UD and the Government Policy Statement on Housing and Urban Development;
    - is inconsistent with the growth strategy set out in the Council's Spatial Plan and draft District Plan;
    - may undermine the ability to coordinate growth and infrastructure investment and delivery; and
    - could increase car traffic and associated emissions in our region.

## **Takenga mai**

### **Background**

7. On 19<sup>th</sup> October 2021 the Government introduced the Resource Management (Enabling Housing Supply and Other Matters) Amendment Bill that proposes changes to the RMA and the NPS-UD. The Bill had its First Reading on 26<sup>th</sup> October. The Bill has the support of both the Government and the National Party.
8. The main changes proposed by the Bill relate to:
- Requiring that the District Plans of tier 1 councils include new medium density residential standards (MDRS) that allow for up to three homes of up to three storeys to be built on sites within residential zones. The current qualifying matters from the NPS-UD would apply as exemptions, for example heritage areas and natural hazards.
  - Creating a new planning process to speed up implementation of the intensification changes required by the National Policy Statement on Urban Development 2020 (NPS-UD) to the District Plans of tier 1 councils (including Wellington City Council).
    - The new process is called the Intensification Streamlined Planning Process (ISPP). It requires an Independent Hearings Panel of Resource Management Commissioners.
    - The process sets a 1 year timeframe from public notification to decisions on intensification plan changes. There are no appeal rights.
    - Intensification plan changes must be notified by August 2022. This effectively means that the intensification outcomes sought by the NPS-UD will be brought forward by a year from 2024 to 2023.
9. Submissions on the Bill must be made to the Environment Select Committee by 16 November 2021. There will be the opportunity for submitters to speak to their

submission. It is understood that the Government intends to pass the Bill before the end of this year.

## **Kōrerorero**

## **Discussion**

### **Why has the Government proposed this Bill?**

10. The purpose of the Bill is to, “...*rapidly accelerate the supply of housing where the demand for housing is high. This will help to address some of the issues with housing choice and affordability that Aotearoa New Zealand currently faces in its largest cities*”.
11. Supporting reasons for the Bill from the Government are summarised as follows:
  - Overly restrictive planning rules are one of the barriers to building more homes in the places where they are needed the most.
  - The changes will enable housing intensification to occur faster, encourage low-carbon cities, more efficient use of infrastructure, and greater use of public transport.
  - The new medium density residential standards will result in increased housing capacity, affordability, and a wider variety of housing types.
  - Provide a new faster, easier, and less costly and litigious plan-making process.
  - For the Wellington region the Government expects the changes will result in 6,500-14,000 additional dwellings in the next 5-8 years, above what is expected from implementation of the current NPS-UD’s requirements.

### **What is proposed in the Bill?**

12. The proposed changes set out below apply to all tier 1 urban environments: Auckland, Hamilton, Tauranga, Wellington and Christchurch. The Wellington urban environment comprises the city councils of Wellington, Porirua, Hutt, Upper Hutt and the Kapiti Coast.

### **New medium density residential standards**

13. The Bill introduces new medium density residential standards (MDRS) that will enable three homes of up to three storeys to be built on sites within residential zones, without the need for resource consent, and where all of the standards set out in the Bill are met.
14. The new MDRS are shown in the table below, along with a comparison against the relevant operative standards of the Outer Residential Zone and the proposed standards of the General Residential Zone in the Draft District Plan.

<b>Standard</b>	<b>MDRS</b>	<b>Current District Plan Outer Residential Area</b>	<b>Draft District Plan General Residential Zone</b>
Units permitted	3	2	2
Height	11m + 1m for pitched roof	8m + 1m for pitched roof	8m+ 1m for pitched roof

Height to boundary	6m + 60°	2.5m + 45°	2.5m + 45°
Front boundary setback	2.5m	3m	3m
Other boundary setbacks	1m	No requirement	1m
Building coverage	50%	35%	40%
Impervious surface	60%	No requirement	70%
Outdoor living space	15m <sup>2</sup> - ground floor unit 8m <sup>2</sup> - upper floor unit	50m <sup>2</sup>	20m <sup>2</sup>
Outlook space – principal living room	3m x 3m	No requirement	No requirement
Outlook space – other habitable rooms	1m x 1m	No requirement	No requirement

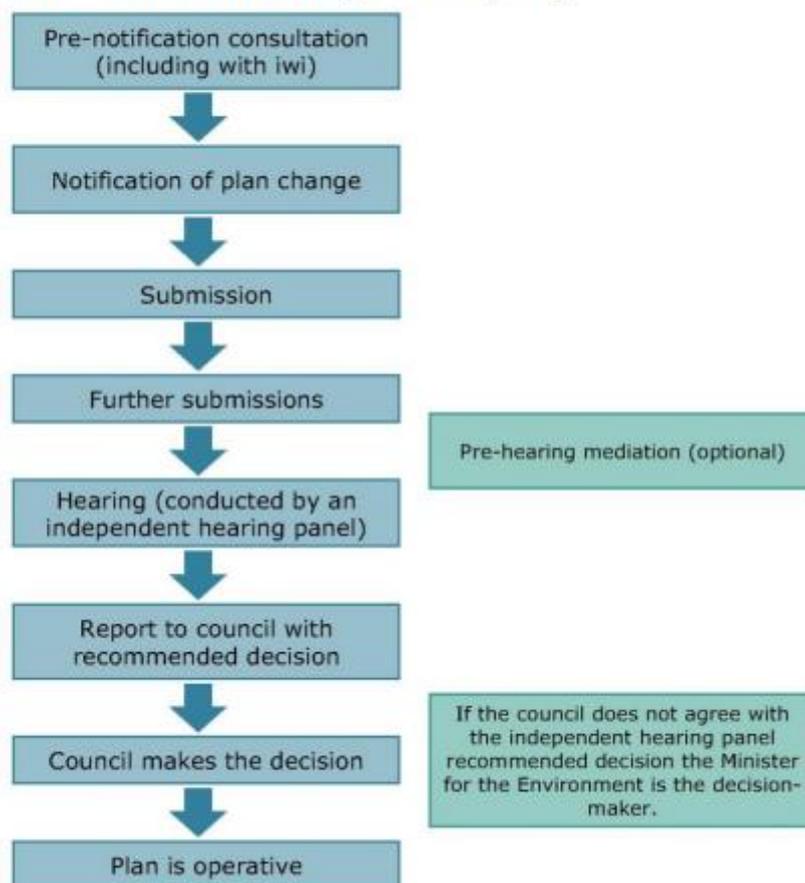
15. The MDRS would also apply in the Medium Density Residential Zone of the Draft District Plan.
16. All tier 1 councils must include the MDRS into their District Plans by using the new Intensification Streamlined Planning Process. This plan change must be notified no later than 20 August 2022.
17. The new standards must be applied to all existing residential areas, except where these are within a Large Lot Residential Zone, or were there is qualifying matter that would make the MDRS inappropriate (such as heritage areas, or natural hazards).
18. Councils may choose to amend any of the above standards so that they are more enabling (i.e. with greater heights or smaller outdoor spaces) but they cannot impose more restrictive or any additional standards.
19. Once notified as part of the ISPP the MDRS have legal effect, meaning that they replace the related standards in the Operative District Plan. This means the MDRS will become the new planning settings when the Proposed District Plan is notified in mid 2022.

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20. The proposed MDRS represent a significant change in the built form settings in the operative and draft District Plan provisions for the Outer Residential Area and the new General Residential Zone.

**New planning process implementing the MDRS and NPS-UD**

21. The Bill introduces the new intensification streamlined planning process (*ISPP*) and requires that the MDRS and intensification policies of the NPS-UD are implemented through a plan change (called an intensification planning instrument). The ISPP must be notified by 20 August 2022.
22. The timeframe to notify the intensification planning instrument using the ISPP aligns with that already planned for the notification of the Proposed District Plan.
23. The ISPP is an alternative to the standard RMA Schedule 1 process for making or changing plans, which the Council was until now going to be using for the Proposed District Plan process.
24. The Schedule 1 process involves notification of a plan change, followed by submissions, further submissions, hearings, decisions and appeals. There is a maximum of 2 years from notification to decisions, but the appeal process can often extend the overall timeframe to multiple years before a plan change becomes fully operative.
25. The key differences for the ISPP compared to the Schedule 1 process are as follows:
- Shorter timeframe of 1 year versus 2 years from notification to decisions.
  - The ISPP requires councils to appoint an independent hearing panel.
  - There are no appeal rights.
26. The new ISPP process is shown below:

Figure: Intensification Streamlined Planning Process (ISPP)



27. The NPS-UD intensification policies that must be implemented through the ISPP process are policies 3, 4 and 5 (only Policies 3 and 4 are relevant to tier 1 councils).

28. Policy 3 of the NPS-UD requires district plans to enable:

- As much development capacity as possible in the City Centre Zone;
- Buildings heights of at least six storeys in the Metropolitan Centre Zone;
- Buildings heights of at least six storeys within walkable catchments of the City Centre and Metropolitan Centre Zones, and existing and planned rapid transit stops; and
- Building heights and density that is commensurate with the level of commercial activities and community services within and adjacent to Neighbourhood and Local Centre Zones.

29. Policy 4 enables councils to modify the above requirements where necessary to accommodate a qualifying matter.

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**Modification of NPS-UD Policy 3(d)**

30. Policy 3(d) requires intensification of parts of the urban environment outside of City Centre Zones, Metropolitan Centres Zones and within walkable catchments of these areas and rapid transit stops.
31. The proposed modification to Policy 3(d) provides a clearer direction that it should be applied to areas within and adjacent to Neighbourhood and Local Centre Zones, and taking into account the level of commercial activities and community services within these areas. It also removes the requirement to assess relative demand for housing and business use in all other areas as a way of determining building heights and densities.
32. This amendment aligns with the growth approach set out in the adopted Spatial Plan and the draft District Plan, and it also reduces the scope of assessment required.

**Implications for the Wellington District Plan review**

33. There has been very little time for Officers to interpret the proposed changes and to understand the implications of these for the review of the District Plan.
34. Officers will need to do further work after the Bill is finalised to fully understand what it means for the content of the Proposed District Plan and the overall District Plan review process.
35. The following points are therefore an initial view only based on the current content of the Bill:
  - The General Residential Zone in the draft District Plan will require significant changes. There will effectively be just one Medium Density Residential Zone across large parts of the city.
  - Council had already planned to notify a full proposed district plan that implements the NPS-UD before August 2022. As a result of the Bill, it is likely that there will need to be two separate plan review processes – one that follows the new ISPP and the other following the standard Schedule 1 process. This could result in greater confusion for the public.
  - The ISPP has the benefits of less time and cost for both Council and the public, as well as a quicker implementation timeframe for the intensification policies given there are no appeals and a one year timeframe to make decisions.
  - Council must appoint an independent hearings panel for the ISPP who will hear submissions and make recommendations back to Council. The Council will still be able to appoint elected representatives who have completed the making Good Decisions Programme in relation to Schedule 1 process.
  - It is not clear what extent of the Proposed District Plan will need to be subject to the new ISPP i.e. is it just the zones that are impacted by the NPS-UD intensification policies, or do all of the relevant qualifying matters also need to be subject to the ISPP process, such as the Natural Environment and Natural Hazards chapters. The proposed submission seeks clarification on this.

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- There are potential implications for the Council's growth approach and infrastructure investment. Further work is required to understand the full extent of these implications.
  - There are also implications for the Housing and Business Development Capacity Assessment (HBA) which is required to be carried out every three years.

### **Key points in proposed submission**

36. The following is a summary of the key points in the proposed submission:

- The MDRS need to ensure homes are well designed to contribute to wellbeing and incorporate good design principles.
- Clarity is needed about additional standards and consenting implications.
- The MDRS should apply only to developments of three or more units.
- Further advice is needed between gazettal and notification of the ISPP.
- Accompanying objectives and policies must be provided.
- Enablers are critical to creating communities, and untargeted growth may impact on the intensification sought by the NPS-UD.
- Infrastructure constraints may be exacerbated by untargeted growth.
- Impact on carbon emissions.
- MDRS should be applied outside of areas earmarked for greater intensification.
- The ISPP needs to be able to be used more than once.
- Scope of plan provisions in ISPP needs clarifying.
- Risk of delay in ministerial direction could slow the ISPP.
- Take this opportunity to specify exactly rapid transit lines and stops.
- Noise boundaries/overlays should be a qualifying matter.

### **Kōwhiringa**

#### **Options**

37. Approve the submission to the Environment Select Committee enquiry on the exposure draft of the Natural and Built Environment Bill.
38. Do not approve the submission and propose changes.

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## **Whai whakaaro ki ngā whakataunga**

### **Considerations for decision-making**

#### **Alignment with Council's strategies and policies**

39. The proposed submission raises concerns that the Bill may lead to outcomes that are in conflict with *Te Atakura First to Zero 2019* and *He Mahere Mokowā mō Pōneke – A Spatial Plan for Wellington City 2021*. The proposed submission seeks changes to the Bill to address these conflicts.

#### **Engagement and Consultation**

40. Officers have engaged with other officers from tier 1 and 2 councils in preparing the proposed submission. There is high degree of alignment with the position set out in the proposed submission and the view of the other councils consulted with.

#### **Implications for Māori**

41. There are no implications for Māori associated with the Council making this submission to the Select Committee on this Bill. It is noted that the new intensification streamlined planning process proposed in the Bill provides opportunities for Māori and iwi participation.

#### **Financial implications**

42. There are no financial implications associated with Council making this submission to Select Committee on this Bill.

#### **Legal considerations**

43. There are no legal risks associated with Council making this submission to Select Committee on this Bill.

#### **Risks and mitigations**

44. The Bill has some potentially significant implications for the review of the Wellington District Plan and the associated process. However, the risks associated with Council making this submission to Select Committee are low, and therefore no mitigation is considered necessary.

#### **Disability and accessibility impact**

45. There are no disability or accessibility impacts associated with Council making this submission to Select Committee on this Bill.

#### **Climate Change impact and considerations**

46. There are no direct climate change impacts associated with Council making this submission to Select Committee on this Bill.

#### **Communications Plan**

47. The Council submission will be made publicly available on the Council website. No further public consultation is required.

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### Health and Safety Impact considered

48. There are no health and safety implications.

### Ngā mahinga e whai ake nei

#### Next actions

49. Following the adoption of the submission (as recommended by officers, or with amendments), the submission will be finalised and lodged with the Select Committee as soon as possible.
50. This will be followed by a speaking appearance before the Select Committee for the Council representative appointed by Pūroro Waihanga.

#### Attachments

Attachment 1. Proposed Submission - Resource Management (Enabling Housing Supply and Other Matters) Amendment Bill [↓](#) 

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11 November 2021

**To the Environment Committee**

**Submission on the Resource Management (Enabling Housing Supply and Other Matters) Amendment Bill**

Wellington City Council (The Council) welcomes the opportunity to make a submission on the Resource Management (Enabling Housing Supply and Other Matters) Amendment Bill.

The Council is undertaking a huge programme of work to change the city's planning settings to increase supply and enable greater housing choice. This includes the recently adopted Spatial Plan as well as a full review of the District Plan that implements the National Policy Statement on Urban Development 2020 (NPS-UD). The Draft District Plan proposes approximately 50% of the city's residential area provides for medium density development of three to at least six storeys. The Council intends to notify a Proposed District Plan in June 2022 and is currently consulting on the Draft.

The Council's growth approach gives effect to the NPS-UD, focussing intensification in areas with the potential to support more development, namely in and around the central city and centres as well as rapid transit routes. This approach supports thriving and resilient communities which are accessible and connected to employment, education, social and cultural opportunities – a central outcome of the Government's Policy Statement on Housing and Urban Development 2021 (GPS-HUD). Focusing growth in these areas also provides the Council with a framework to plan for the funding and coordinated delivery of infrastructure needed to service it.

The Council supports changes to the Resource Management Act 1991 (RMA) and national direction that aim to increase housing supply and choice. While supportive of increasing the supply and choice of housing available to New Zealanders, the Council has reservations about the extent that unfocussed growth is consistent with the desired outcomes of the GPS-HUD and NPS-UD. In particular, the Council is concerned that the Government's proposals:

- could undermine, rather than complement, the established growth directions of the NPS-UD;
- could compromise the ability to coordinate and affordably deliver investment in infrastructure needed to support growth; and
- could induce urban sprawl and increased traffic and associated emissions by enabling significant new development away from high-capacity public transport.

The Council would like to present this submission to the Environment Select Committee.

Yours sincerely

Andy Foster

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Mayor of Wellington

## **Wellington City Council**

### **Submission to the Environment Committee on the Resource Management (Enabling Housing Supply and Other Matters) Amendment Bill**

#### **Introduction**

1. The following is Wellington City Council's submission to the Environment Committee on the Resource Management (Enabling Housing Supply and Other Matters) Amendment Bill (the Bill).
2. The Council acknowledges the momentum behind the Bill and the desire to have it passed by the end of 2021.
3. The very short timeframe for making submissions and the absence of early communication from Officials means that the Council has not been able to fully model the viability or implications of the proposals. This makes it difficult to provide informed and evidence based feedback on the content of the Bill.
4. The Council's suggestions for amendments and views on the key components of the Bill are contained in the body of this submission.

#### **Key recommendations**

5. Good design principles need to be incorporated into the Medium Density Residential Standards (MDRS) to ensure that they contribute to wellbeing and well-functioning urban environments.
6. The MDRS should apply only to developments of three units, to avoid the construction of large houses with no contribution to supply.
7. The MDRS should not apply within areas identified for development of at least 6 storeys under NPS-UD policy 3(c) because:
  - a. they may reduce the ability of Councils to negotiate the higher density outcomes of policy 3(c); and
  - b. lead to fragmentation of land, hampering comprehensive development of sites.
8. The MDRS should not apply carte blanche across the residential area and instead be focused in places identified for intensification under policy 3(d) because:
  - a. communities require enablers of growth such as community services and public transport to support them. Not having these enablers runs counter to creating thriving communities with opportunities for employment and increases dependencies on private vehicle use with associated carbon emissions; and
  - b. growth and the planning and delivery of infrastructure are intrinsically linked. Councils need to be able to plan for and deliver infrastructure in a coordinated and affordable manner. Unfocused growth risks further stretching already limited resources.

## **Medium Density Residential Standards (MDRS)**

*The MDRS need to ensure homes are well designed to contribute to wellbeing*

9. The focus of the Council's submission on the MDRS is to ensure they enable homes to be built that are well-designed to support individual and community wellbeing.
10. The proposed building standards for permitted medium density development represent a significant shift to the built form settings in residential zones.
11. The Council agrees that the proposed settings with an increased potential building envelope will accordingly increase housing choice and options for homeowners and builders.
12. The Council considers that utilising the proposed settings will appeal most to:
  - a. existing homeowners with motivations to either utilise large yards and create return on new units built, or to retain for family/whānau unable to enter the housing market.
  - b. small scale developer/builders.
13. The Council supports the exclusion of the large lot residential zone from the application of the MDRS, as these zones are typically used in semi-rural locations and often have three water servicing or other constraints.

*Good design principles need to be incorporated*

14. The Council's current and preferred approach to the construction of three or more residential units on a site is to process this as a multi-unit development and work through a resource consent process with the applicant. The purpose of this is to ensure that the development responds to the natural environment, contributes to an effective public/private interface, enables a well-functioning and efficiently utilised site.
15. This enables Council to enter a design process with applicants to negotiate:
  - a. the accessibility of units (e.g., for people with mobility issues);
  - b. the public private interface (e.g., does the front door face the street or have a clear entrance);
  - c. how a safe environment is being created (e.g., through using crime prevention through environmental design principles and ensuring there is adequate lighting);
  - d. landscaping and vegetation (e.g., planting to soften increased density and encourage the retention of mature vegetation to assist with achieving urban tree coverage and climate mitigation outcomes);
  - e. if more housing can be delivered on the site at a higher density than the applicant had thought possible (i.e., make efficient use of land and comprehensively develop sites and avoid land fragmentation); and
  - f. how waste management and recycling facilities are accommodated (i.e., where are bins going to be stored, and where they can be positioned to avoid blocking footpaths and access points).

16. The Council recognises that the Government desires developments of three units to proceed as a permitted activity. Accordingly, opportunities to have these negotiations would be taken away.
17. The Council suggests that the Government consider how it can include elements of the design principles above into the permitted activity framework. Doing so will help to ensure development contributes to well-functioning urban environments and supports individual and community wellbeing. The Council notes that the chosen tool of primary legislation (amending the RMA), rather than a planning standard or other national direction tool, may constrain the ability to do so.

*Clarity is needed about additional standards and consenting implications*

18. A set of building standards are proposed by the MDRS to which councils do not have scope to add more. They include:
  - a. building height;
  - b. height in relation to boundary;
  - c. setbacks;
  - d. building coverage;
  - e. impervious area;
  - f. outdoor living spaces (per unit); and
  - g. outlook space (per unit).
19. These standards will become the new permitted baseline for which arguments for developments that breach these standards will now be considered. This will have the effect of an easier consenting process for buildings in excess of the scale set out in the MDRS.
20. The Council requests clarification on what is considered a 'building standard' and an 'engineering standard' in Schedule 3A, Clause 8. The Council's Draft District Plan proposes that development of three residential units or more is hydraulically neutral. That is, more intensive forms of new development will need to demonstrate that the volume of associated stormwater runoff generated is no greater than the peak runoff previously discharged from the site. This is achieved by rules and standards that are located within the Three Waters Infrastructure chapter. It is not clear if this is enabled under the Bill, but in any case, the Council suggests that it is for the reasons outline in the 'Growth and Infrastructure constraints' section of this submission.
21. The Council suggests that the Government consider:
  - a. enabling the per unit outdoor living space standard to be grouped together into communal space. We suggest a lower space requirement is enabled where this is the case. The benefit of enabling outdoor living space to be grouped together is that it produces more usable space (e.g. in the form of roof top gardens) and is more economical to construct than individual balconies. It therefore has the potential to result in units with a lower cost.
  - b. introducing a minimum net floor area standard to help ensure that residential units create quality living environments and support individual wellbeing. We suggest 35m<sup>2</sup> for studio units, 45m<sup>2</sup> for 1-bedroom units and 55m<sup>2</sup> for units of 2 bedrooms and over.

*The MDRS should apply only to developments of three units*

22. The Council identifies that all of the proposed building standards including the 11m building height limit and 6m+60 degree recession plane are also available to be used for single residential units on a site. The Council is concerned and foresees that this will result in the proliferation of large single houses that overshadow neighbouring properties without improving housing supply and choice. The Council strongly suggests that these generous MDRS building standards are limited to when three units are developed on a site.

*Advice is needed between gazettal and notification of the ISPP*

23. The Council requests that the Government make a statement or provide guidance on how local authorities are to consider the MDRS from gazettal of the Bill in late 2021, until their inclusion in district plans. While the Bill states the MDRS have no effect until incorporated into the relevant proposed plan (clause 77J(5)), this does not address the fact that developers will approach local authorities to undertake development to this scale as permitted, in the knowledge that the standards will apply in the near future and will have legal effect from the notification of the plan change.

*Accompanying objectives and policies must be provided*

24. No objectives and policies are provided to create a framework for breaches of the MDRS in the resource consent process. Schedule 3A, Clause 8 states that territorial authorities are required to draft these objectives and policies. To date territorial authorities are not privy to the intent of each standard which makes it difficult and ineffective to develop policy for. For example, is the intention of the impervious area standard to achieve hydraulic neutrality or not? The Council considers the Ministry needs to draft these provisions to ensure clarity.

## **Growth approach and infrastructure constraints**

*Enablers are critical to creating communities*

25. The Council strongly believes that the best place for intensification is where there are enablers that support well-functioning urban environments and help create vibrant and diverse communities, connected to public transport to enable the RLTP targets of 40% mode shift and 35% reduction in transport related carbon emissions.
26. These enablers include commercial centres, community services, good public transport services, open space and schools. This is the growth direction of the Council's [Spatial Plan](#) and [Draft District Plan](#) and supports broader City goals of reducing carbon emissions to net zero by 2050 and the Let's Get Wellington Moving direction. The Council supports the proposed amendments to policy 3(d) of the NPS-UD for this reason.
27. This focussed approach provides Council with a framework that:
- promotes more efficient use of existing infrastructure and identifies and guides the priority, location and funding of future physical and social infrastructure services (e.g. open space, water and wastewater services, transport, recreation and community facilities);
  - promotes a compact urban form by encouraging optimal use and development of land (e.g., supports comprehensive and intensive redevelopment of sites, rather than small scale patchwork development); and
  - supports reducing carbon emissions and avoiding car dependent communities.

*Untargeted growth may impact the intensification elsewhere sought by the NPS-UD*

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28. The broad application of the MDRS and the growth it will enable across all residential areas means that greater development is likely occur in areas without enablers of growth.
29. The Council is concerned that the enablement of medium density development anywhere within the city's residential area will undermine the existing intensification approach of policies 3 (a) – (d) of the NPS-UD. This could result in less supply and a variety of housing being realised overall. That is:
- a. in city centre zones (maximising development capacity);
  - b. in metropolitan centre zones (enabling at least six storeys);
  - c. in walkable catchments of city centre zones, metropolitan centres and rapid transit stops (enabling at least six storeys); and
  - d. Commensurate to accessibility to public transport, commercial activity and community services.
30. The Council disagrees with the Ministry's Regulatory Impact Statement assumptions (paragraphs 93 and 94) that development of three units on a site permitted by the MDRS will occur close to city centres within inner city suburbs.
31. The Council considers development is more likely to take place in older outer residential areas where the cost of land is lower, lots are larger, existing houses are older and smaller, and lots do not have the restrictive covenants of more recent suburban developments. The attraction of the typology set by the MDRS is that build costs are lower (e.g. timber framed, no concrete or steel needed), no elevators need to be provided and bank finance is more easily secured. This is in contrast to the typologies enabled by policies 3 (b) – (d) where risks and construction inputs are comparatively much higher.
32. On the other hand, if the development permitted by the MDRS does occur within the areas subject to policy 3 (c) of the NPS-UD (i.e., the six storey areas), the Council would lose the opportunity to negotiate with developers about increasing building heights and maximising the utilisation of sites. This risks fewer residential units being developed overall and would be a perverse outcome of the proposed changes.

*Infrastructure constraints may be exacerbated by untargeted growth*

33. A well-functioning infrastructure system is crucial to achieve sustainable, resilient, and affordable urban development.
34. Wellington city has significant three waters infrastructure issues. Many parts of the city are at or near capacity and we need to make efficient use of the network. The Council is phasing investment in the network to address both present challenges and future demand from growth in a way that ensures affordability while also increasing resilience to natural hazards and climate change.
35. Coordinating and prioritising investment in infrastructure to identified growth areas creates efficiencies and makes best use of the limited resources the Council and community has to put into the network.
36. Paragraph 4 of the Ministry for the Environment's Regulatory Impact Statement (RIS) correctly identifies inadequate infrastructure capacity as a key contributor to the current housing issues. Paragraph 5 identifies that removing planning constraints alone will not

increase supply. The Council agrees with this identified tension and disconnect but highlights that the proposal does not contribute to resolving this; instead, it makes it worse.

37. The Council is concerned the unfocused and random growth enabled by the MDRS is likely to further increase pressure on the already strained three waters network across Wellington city and comes at the expense of a coordinated approach to infrastructure delivery. There is a risk that investment will need to be diverted away from growth areas to respond to ad-hoc development enabled by the MDRS.
38. The Council foresees that many local authorities may refuse connection to three water services at the building consent stage due to inadequate infrastructure capacity. This will particularly be the case if additional standards such as hydraulic neutrality cannot be required. The Council identifies that just because the building activity is permitted in the district plan, this does not necessarily mean it will be enabled because of earthworks or other constraints, or not need resource consent at all.

#### *Impact on carbon emissions*

39. From a carbon emissions perspective, we would like to see a focus on enabling and realising more housing development in the central and inner city suburbs of Wellington City, and within walking distance of public transport. While Wellington City's topography naturally contains urban sprawl, we are concerned that the potential for significant new development away from high-capacity public transport could increase car traffic and associated emissions in our region but more significantly around the country. Especially in other large urban metropolitan centres where there is much opportunity for urban sprawl. If this eventuated, it would undermine central and local government goals to halve emissions by 2030 and the recently proposed target in the draft emission reduction plan to reduce vehicle kilometres travelled by 20 percent by 2035.
40. We assume that the only way that this type of development would not increase emissions is if it displaced even more distant greenfield development that would have occurred under business as usual rules. To be able to make an informed judgement on this matter it would be useful for government analysis to consider this question.

#### *MDRS should be applied outside of areas earmarked for even greater intensification*

41. Given the issues outlined above, the Council strongly suggests that the Government supports and enables councils to take a coordinated approach to infrastructure planning and delivery, within identified areas. The Council requests that the Government enable councils to apply the MDRS within the Medium Density Residential Zone (MDRZ) that is not otherwise identified for even greater intensification, subject to the 6+ storey areas required by NPS-UD policy 3(c). Doing so would help avoid otherwise permitted fragmentation and piecemeal development, hampering opportunities for comprehensive development. In the case of Wellington City, the MDRZ applies to approximately 50% of the residential area and in places well connected to enablers of growth (i.e., subject of policy 3(d))

#### **Intensification Streamlined Planning Process (ISPP)**

42. The Council strongly supports the proposal to expedite the implementation of the intensification policies of the NPS-UD through the new ISPP. The Council had already planned to notify a proposed district plan that implements the NPS-UD before August 2022.

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43. The Council agrees that the absence of an appeals process in the ISPP will help to expedite the realisation of development under the intensification policies of the NPS-UD, as well as having legal effect from the notification of the instrument.

*The ISPP needs to be able to be used more than once*

44. Clause 80G(a) limits territorial authorities to notifying only one intensification planning instrument (and therefore to use the ISPP).
45. The Council requests this be amended to allow the ISPP to be used on an ongoing basis for the implementation of Policy 3 of the NPS-UD.
46. In the case of Wellington City, new rapid transit stops will become 'planned' as part of the Let's Get Wellington Moving Programme. However, these stops will not be confirmed and included in the Regional Land Transport Plan until after the intensification planning instrument deadline of 20 August 2022 under clause 80F of the Bill. This means that upzoning around the planned Let's Get Wellington Moving (LGWM) rapid transit stops required by policy 3(c)(i) of the NPS-UD will have to use a standard RMA variation or plan change process after August 2022. It is likely that other territorial authorities are in this same situation.
47. It would frustrate the intent of the Bill and the Government's desire to realise the implementation of the NPS-UD sooner if plan changes to implement policy 3 of the NPS-UD after 20 August 2022 are not able to use the ISPP process. Needing to follow an RMA Schedule 1 process would delay implementation and is highly likely to result in appeals.

*'Other intensification policies' need clarifying*

48. The Council requests that the Select Committee examine the drafting of the definition of 'other intensification policies' in clause 77E which refers to policies 3(c) and (d) as it applies to 'urban non-residential zones'.
49. This drafting creates uncertainty whether rezoning of residential areas within the walkable catchments of the areas specified in policy 3(c) and subject to policy 3(d) of the NPS-UD are to be progressed through the ISPP. The Council understands the Government's intention is that densification of these residential areas is to be progressed in the intensification planning instrument. This needs to be more clearly articulated in the drafting of the Bill.
50. For the avoidance of doubt Council strongly supports that the Bill require the implementation of policies 3, 4 and 5 of the NPS-UD be part of the intensification planning instrument that must be notified by 20 August 2021. Not doing so does not achieve the Governments' objectives to realise the outcomes of the NPS-UD sooner.

*Scope of plan provisions in ISPP needs clarifying*

51. Similarly, the Council requests the scope of provisions in a district plan that are to be progressed through the intensification planning instrument and accordingly the ISPP is clarified in the Bill. Alternatively, implementation guidance should be produced as soon as possible. The integrated manner in which district plans are drafted do not lend to provisions being clearly 'carved out' in a straightforward manner. For example:

- a. are earthworks and subdivision provisions developed to enable development under the intensification policies of the NPS-UD part of the instrument?
- b. are significant natural area (i.e., biodiversity habitat) provisions included as they are a qualifying matter under the NPS-UD?

52. It is critical this guidance is provided as soon as possible given the significant task that councils have ahead of them to identifying the relevant provisions and consider the best way to proceed with a review of their plans. Furthermore, as provisions will have different legal weighing due to the ISPP, guidance will need to be available for plan users and the community.

*Risk of delay in ministerial direction could slow the ISPP*

53. While supportive of the ISPP, the Council is concerned that the Ministry for the Environment is not resourced to help the Minister to make directions under clause 80I within a timely manner should the Minister choose to exercise these powers. Given there are 18 Tier One local authorities there is a real risk that the Ministry may create delays in the ISPP if the Minister or Ministry does not enter into discussions early. Doing so will enable local authorities to factor in any directions from the Minister early as they plan to work through the ISPP. If the Minister chooses to place strict requirements on the number, experience or specific expertise of panel members, this may risk limiting the availability of independent hearings panel members to make decisions on 18 simultaneously notified planning instruments.

*Minor drafting error*

54. The Council identifies a drafting error in Schedule 3B in the amended Policy 3(d) of the NPS-UD. This error is the reference to 'community centres' instead of 'community services'. This clause should also include reference to 'commensurate to access to public transport services' in addition to commercial activities and community services.

**Other matters**

*Take this opportunity to specify rapid transit lines and stops*

55. The Council strongly advises that the Government takes this opportunity to settle once and for all the problem of identifying the rapid transit lines and stops that policy 3 (c)(i) of the NPS-UD applies to. The ambiguity created by this omission since the NPS came into effect has created uncertainty for communities and Councils alike, leading to a lot of time and resource being expended on arguments about what is and is not 'rapid transit' in each council's context. The rapid transit lines and stops should be specified in the NPS-UD directly. The list can be updated when new rapid transit lines are proposed, such as LGWM and Auckland Light Rail projects.

*Construction bottlenecks pose a risk to the outcomes sought*

56. The proposals also do not recognise the significant resourcing and supply issues the building and construction sector that pose risks to realisation of the outcomes of the NPS-UD and the Bill. The Council requests the Government continue to take steps to address labour shortages and issues with the supply and costs of building materials.

*Noise boundaries/overlays should be a qualifying matter*

57. The Council requests that 'the management of noise emission from airports and ports' is added as a qualifying matter under 'Subpart 6 – 3.32 Qualifying Matters' of the NPS-UD. Councils should not be required to undertake a site-by-site assessment to justify as an 'other matter' plan provisions that restrict intensification in areas where there would otherwise be significant adverse effects on human health from noise of these operations.