BEFORE THE HEARINGS PANEL

In the Matter of:	The Resource Management Act 1991		
And	Palmerston North City District Plan: Private Plan Change for Whiskey Creek Residential Area		
Proposed By:	Flygers Investment Group Limited		

SECTION 32AA EVALUATION OF PROPOSED CHANGES TO THE PLAN CHANGE JOINT STATEMENT OF EVIDENCE BY Marz Asgar Paul Thomas Michael Duindam

Dated: 11 August 2022

1. Introduction

- 1.1 This report provides Planners response to Minute 6 of the Independent Hearing Panel, issued on Friday 5 August 2022. Additionally, the report contains a further evaluation of any further agreed and recommended amendments in accordance with s32AA of the Resource Management Act 1991 (RMA).
- 1.2 The issues addressed in this report by way of update are as follows:
 - Question 1: Mechanics of proposed Rule R7A.5.2.2(d) Lot Size
 - Question 2: Minimum residential density, lot size controls, or both?
- 1.3 In preparing this report, we confirm that we have read the Code of Conduct for Expert Witnesses and we agree to comply with this Code of Conduct. This evidence is within our area of expertise, except where stated we are relying on what has been provided by another person. We have not omitted to consider material facts known to us that might alter or detract from the opinions expressed.

2. Question 1: Mechanics of proposed Rule R7A.5.2.2(d) – Lot Size

- 2.1 The Panel have requested drafting assistance from the Planners on Rule R7A.5.2.2(d) Lot Size based on an error with the mechanics of the rule, identified in the joint s32AA submitted on 29 July 2022.
- 2.2 The Panel has questioned whether it would it be an effective drafting solution to:
 - a. relocate the addition proposed to clause (iii) under clause (v) and consequentially amend clause (v) to relate to the calculation of lot sizes under (i) to (iv) such that all substantive exclusions are essentially located in one place; and
 - b. amend the operative "(excluding balance lots)" exclusion under clause (iii) to simply refer the exceptions expressed under (v)?
- 2.3 Following further review of the drafting of Rule R7A.5.2.2(d) Lot Size, both Council planners represented by Mr Asgar supported by Mr Duindam and Requestor represented by Mr Thomas, have suggested two separate recommendations to the rule framework which they have not been able to agree a position on. The two respective recommended options are detailed below with s32AA assessment for the Panels consideration.
- 2.4 The two options for Rule R7A.5.2.2(d) are as follows:

Nb: the changes to Option 3, as detailed in the s32AA assessment submitted on 29 July 2022, are shown in blue text <u>underlined</u> and <u>struck through</u>.

Mr Asgar's Recommended R7A.5.2.2(d)				
Lot Size				
(i)	Unless otherwise specified below, Aany subdivision within a Greenfield Residential Area			
	must have an average lot size of 500m ² - 550m ² . , except as specified in (iv).			
(ii)	No single lot shall be less than 350m ² .			
(iii)	No single lot shall exceed 1000m ² . (excluding balance lots or, within the Whiskey Creek			
	Residential Area, neighbourhood centre lots, lots to be developed for multi-unit housing			
	development).			
(iv)	Any subdivision in the Whiskey Creek Residential Area must have an average lot size of			
	400m ² – 500 m ² and a minimum of 350 m ² , other than multi-unit residential subdivision			
	development in the identified multi-unit housing area on (Map 7A.3) where the			
	developed density shall be lots of no less than 150m ² and no more than 400m ² , with the			
	average lot size being 250m ² – 350m ²			
(v)	In calculating the lot sizes in (i) to (<u>iii-iv</u>) above, the following exceptions apply;			
	• no balance lot, public open space lot, or road parcel shall be included; and			
	 the lot sizes shall be exclusive of the acoustic setbacks required by the provisions of R10.6.1.5(e)(i) and (ii); and 			
	• In the Whiskey Creek Residential Area, the calculation of average lot sizes under (iv) shall exclude any lots to be developed for multi-unit housing development; and			
	• <u>in the Whiskey Creek Residential Area, the maximum lot size specified in (iii) does</u> not apply to neighbourhood centre lots and lots to be developed for multi-unit housing development.			

Mr Thomas's Recommended R7A.5.2.2(d)				
Lot Size				
(i)	Unless otherwise specified below, Aany subdivision within a Greenfield Residential Area			
	must have an average lot size of 500m ² - 550m ² . except as specified in (iv).			
(ii)	No single lot shall be less than 350m ² .			
(iii)	No single lot shall exceed 1000m ² . (excluding balance lots or, within the Whiskey Creek			
	Residential Area, neighbourhood centre lots, lots to be developed for multi-unit			
	housing development).			
(vi)	Any subdivision in the Whiskey Creek Residential Area must have an average lot size of			
	400m ² – 500 m ² and a minimum of 350 m ² , other than subdivision for multi-unit			
	residential development multi-unit residential subdivision development in the			
	identified multi-unit housing area (Map 7A.3) where the developed density shall be lots			
	of no more than 400m ² , with the average lot size being no more than 350m ² . less than			
	150m ² and no more than 400m ² , with the average lot size being 250m ² - 350m ²			
(iv)) In calculating the lot sizes in (i) to (<u>iv</u>) above, <u>the following exceptions apply</u> ;			
	• no balance lot, public open space lot, or road parcel shall be included; and			
	• the lot sizes shall be exclusive of the acoustic setbacks required by the provisions of R10.6.1.5(e)(i) and (ii); and			
	• In the Whiskey Creek Residential Area, the calculation of average lot sizes under (iv) shall exclude any lots to be developed for multi-unit housing development; and			
	• <u>in the Whiskey Creek Residential Area, the maximum lot size specified in (iii) does</u> <u>not apply to neighbourhood centre lots and lots to be developed for multi-unit</u> <u>housing development.</u>			

2.5 A further Planners s32AA assessment on R7A.5.2.2(d) is provided in the table below with the refined amendments detailed as Options 4 and 5.

	Multi-Unit Development			
	ule R7A.5.2.2(d) – Lot Size			
Recommended Change/Amendment		Efficiency/Effectiveness	Risk of acting/ not acting	Appropriateness of achieving the purpose of
Option 1: Appr Lot Size (i)	 roach put forward at Hearing Day 3 Any subdivision within a Greenfield Residential Area must have an average lot size of 500m² - 550m², except for: the Whiskey Creek Residential Area which must have an average lot size of 400m² - 500 m²; except for the multi-unit housing area identified on Whiskey Creek Residential Area Map 7.A.3 where no lot shall be less than 150m² and no more than 400m², with the average lot size being 250m² - 350m² which must have an average lot size of 250 m² - 350 m³. 	In comparison to the notified version of this performance standard, this is an efficient and effective approach for future development outcomes to provide for medium density housing development in accordance with the objective of the Plan Change.	There is no risk associated with this approach.	This approach is appropriate to preserve the ordevelopment, protecting the Plan Change obj
(ii)	No single lot shall be less than 350m ² , except within the multi-unit housing area identified on Whiskey Creek Residential Area Map 7.A.3.			
(iii)	No single lot shall exceed 1000m ² (<u>except</u> <u>neighbourhood centre lots</u> and balance lots).			
(iv)	In calculating the lot sizes in (i) to (iii) above, no balance lot, public open space lot, or road parcel shall be included; and the lot sizes shall be exclusive of the acoustic setbacks required by the provisions of R10.6.1.5(e)(i) and (ii).			
Option 2: App	roach Post Hearing Day 3	In addition to above approach, this version of	There is an unintended error in this	An unintended consequence of the renumber
Lot Size		the performance standard framework reads	approach, and it is not recommended.	item (iv) and therefore does not link to the Wh
(i)	<u>Unless otherwise specified below</u> , Aany subdivision within a Greenfield Residential Area must have an average lot size of 500m ² - 550m ² .	better and provides the developer with the ability to create larger allotments for medium density housing development.		This is not recommended
(ii) (iii)	No single lot shall be less than 350m ² . No single lot shall exceed 1000m ² (excluding			
(iv)	balance lots <u>or</u> , within the Whiskey Creek <u>Residential Area</u> , neighbourhood centre lots, lots to be developed for multi-unit housing <u>development</u>). <u>Any subdivision in the Whiskey Creek Residential</u> <u>Area must have an average lot size of 400m² –</u> <u>500 m² and a minimum of 350 m², other than</u> <u>multi-unit residential development in the</u> <u>identified multi-unit housing area on Man 74.2</u>			
(v)	identified multi-unit housing area on Map 7A.3 where the developed density shall be lots of no less than 150m ² and no more than 400m ² , with the average lot size being 250m ² – 350m ² . In calculating the lot sizes in (i) to (iii) above, no balance lot, public open space lot, or road parcel shall be included; and the lot sizes shall be exclusive of the acoustic setbacks required by the provisions of R10.6.1.5(e)(i) and (ii).			
Option 3: App	roach Post Hearing Day 3 with minor amendment	In addition to above approach, this version of the performance standard framework reads	Risk of this approach is that it could be read by future Plan users as restricting various	In addition to above approach, this version of of option 2, as presented to the Panel on Mo
(i)	Any subdivision within a Greenfield Residential Area must have an average lot size of 500m ² - 550m ² , <u>except as specified in (iv)</u>	better and provides the developer with the ability to create larger allotments for medium density housing development.	other forms of mixed-use housing typologies such as apartments which would require unit titles less than 150m ² . This Rule	as outlined by the Panel in Minute 6 Option detailed below.

of the Act/Plan Change objectives

e outcomes sought for enabling medium density housing objectives.

bering in this provision is that item (v) does not relate to Whiskey Creek acoustic insulation and setback standards.

of Rule R7A.5.2.2d corrects an unintended consequence Monday 25 July. However, considering the potential risk on 4 is considered by Mr Asgar as the most appropriate

(ii) (iii) (iv) (v)	No single lot shall be less than 350m ² . No single lot shall exceed 1000m ² (excluding balance lots <u>or</u> , within the Whiskey Creek Residential Area, neighbourhood centre lots, lots to be developed for multi-unit housing development). Any subdivision in the Whiskey Creek Residential Area must have an average lot size of 400m ² – 500 m ² and a minimum of 350 m ² , other than multi-unit residential development in the identified multi-unit housing area on Map 7A.3 where the developed density shall be lots of no less than 150m ² and no more than 400m ² , with the average lot size being 250m ² – 350m ² . In calculating the lot sizes in (i) to (iiiiv) above, no balance lot, public open space lot, or road parcel shall be included; and the lot sizes shall be exclusive of the acoustic setbacks required by the provisions of R10.6.1.5(e)(i) and (ii).		framework would contradict the Plan Change objective by not enabling such forms of development as a Restricted Discretionary Activity.	
Minute 6 Lot Size (i) (ii)	 r Asgar recommended framework in Response to Unless otherwise specified below, any subdivision within a Greenfield Residential Area must have an average lot size of 500m² - 550m². No single lot shall be less than 350m². No single lot shall exceed 1000m². Any subdivision in the Whiskey Creek Residential Area must have an average lot size of 400m² - 500 m², other than subdivision in the identified multiunit housing area (Map 7A.3) where the developed density shall be lots of no less than 150m² and no more than 400m², with the average lot size being 250m² - 350m² In calculating the lot sizes in (i) to (iv) above, the following exceptions apply; no balance lot, public open space lot, or road parcel shall be included; and the lot sizes shall be exclusive of the acoustic setbacks required by the provisions of R10.6.1.5(e)(i) and (ii); and In the Whiskey Creek Residential Area, the calculation of average lot sizes under (iv) shall exclude any lots to be developed for multiunit housing development; and in the Whiskey Creek Residential Area, the maximum lot size specified in (iii) does not apply to neighbourhood centre lots and lots to be developed for multi-unit housing development. 	Mr Asgar and Mr Duindam considers Option 4 to be the most effective and efficient as it provides for a wide range of allotment sizes giving flexibility to developers and control to Council in their assessment. This version of the performance standard framework also reads better and provides the developer with the ability to create a range of allotments to enable medium density housing development and a mix of price points. While also being consistent with the Policy framework within Section 7A of the District Plan.	There is no risk with this approach, it is clear to read and allows for a range of allotment sizes to be constructed formalizing a range of housing development typologies sought under Section 10 of the District Plan. Option 4 will better enable medium density outcome and is the most preferred option.	Option 4 is considered the most appropriat housing typology can be provided for achi Plan Change Objective. It also provides h providing that lots used for multi-unit shall the purpose of the rule and is considered to the exceptions within the performance sta place.
Option 5: Mr Lot Size (i)	Thomas's Standard in Response to Minute 6 <u>Unless otherwise specified below, any subdivision</u>	Mr Thomas considers this option to be more effective and efficient because it widens scope of potential medium density housing typologies	The risk of not acting would result in a more constrained approach to typology options for the multi-unit housing area and	The changes recommended are in response would enable a wider range of housing type as well as Policies 2.8 and 2.9.

ate approach by Council Planners as it guarantees a mix of nieving a range of price points and aligns with the overall better consistency with Policy 2.8 - 2.9 framework by Il be excluded from the calculations of lot size averages for to be most effective and efficient. Further, it seeks to clarify tandard by moving duplication and inserting them to one

e to Minute 6 of the Panel and the benefit of lot sizes that bes. This is consistent with the wider Section 7A objectives

	within a Greenfield Residential Area must have an	enabled by this standard. It does this by	potentially prevent apartment style	
	average lot size of 500m ² - 550m ² .	removing the minimum lot size and minimum	development.	It is also appropriate for achieving the purpose
(ii)	No single lot shall be less than 350m ² .	average.	These is limber if each with second with	housing density, type and price point and poter
(iii)	No single lot shall exceed 1000m ² .	The effect of this will be to enable apartment	There is little if any risk associated with acting because the class of consent is a	
(iv)	Any subdivision in the Whiskey Creek Residential	size residential units increasing the potential	restricted discretionary activity which	
	Area must have an average lot size of 400m ² – 500	variety of housing types and supporting	provides for scrutiny of design and therefore	
	m ² other than subdivision for multi-unit residential	affordability.	the is capable of managing the risk of	
	development in the identified multi-unit housing	,	unacceptably small residential units.	
	area (Map 7A.3) where the developed density shall	This approach is consistent with the existing		
	be lots of no more than 400m ² , with the average lot	notional site area for Multi-Unit Housing Areas		
	size being no more than 350m ² .	A and C in Rule R10.6.3.3.		
(v)	In calculating the lot sizes in (i) to (iv) above, the	The wording also retains the wording from		
	following exceptions apply;	Option 2 in part (iv) which refers to subdivision		
	• no balance lot, public open space lot, or road	for multi-unit development in the identified		
	parcel shall be included; and	multi-unit housing area. This is important to		
	• the lot sizes shall be exclusive of the acoustic	the overlay approach to this aspect of the plan		
	setbacks required by the provisions of	change.		
	R10.6.1.5(e)(i) and (ii); and			
	In the Whiskey Creek Residential Area, the calculation of average lot sizes under (iv) shall			
	exclude any lots to be developed for multi-			
	unit housing development; and			
	in the Whickey Creek Desidential Area, the			
	in the Whiskey Creek Residential Area, the maximum lot size specified in (iii) does not			
	apply to neighbourhood centre lots and lots to			
	be developed for multi-unit housing			
	development.			

ose of the Plan Change because it enables a wider mix of otentially assists with feasibility.

3. Question 2: Proposed Rule R7A.5.2.2(d) – Lot Size Minimum residential density, lot size controls, or both

- 3.1 The Panel has further questioned the Planners on the subdivision standards (minimum, maximum and average) that appear to be geared toward a fee-simple, single-unit-on-small-lot form of housing are there other forms, typologies, tenures and/or development models for multi-unit housing that may benefit from lot sizes outside the 150m² minimum and 400m² maximum (mews, terraces, apartments, unit title, etc).
- 3.2 In response to the questions raised in Paragraph 22 of Minute 6 and in addition to the refined Rule R7A.5.2.2(d) framework discussed on section 1 above, Mr Asgar notes the following:
 - 3.2.1 The notified version of the Plan Change only enabled multi-unit development via the overlay approach in the Structure Plan. There have been a few iterations of Rule R7A.5.2.2(d) throughout the processing of the Plan Change with the preferred being Option 3 as outlined in paragraph 6.13 of the joint Planners s32AA report submitted on 29 July 2022. Option 3 took a minimum, maximum and average approach and corrected a mechanical error in numbering of provisions within Option 2.
 - 3.2.2 The minimum, maximum and average approach was deliberate and geared to accommodate *single-unit-on-small-lot form of housing* and multi-unit housing to deliver on the plan change objective of achieving a mix of housing types, sizes, and price-points. However, the Panel have identified the preferred rule framework can potentially have restrictions to enable other forms of multi-unit developments such as mews, terraces, apartments, unit title, etc.
 - 3.2.3 Mr Asgar notes the intention of this performance standard is not to restrict larger forms of allotments for developers wanting to provide other forms of multi-unit housing to achieve medium density. However, we recognise that Option 3 has the unintended consequence of potentially penalising the outcome we are seeking because it may undermine enabling other forms of medium density developments by not enabling unit titles that are less than 150m² as a restricted discretionary activity status. Additionally notes, apartment subdivisions are not similar to land subdivision as unit titles are subdivided on different storeys of a building. Generally, apartment subdivisions require a discretionary activity status regardless of where it occurs within the city given the complex nature of assessment required at consenting stage for such development. The approach with preferred Option 4 is no different in regard to future *apartment-style-unit-title* subdivision.
 - 3.2.4 Following the issue of Minute 6 and after further review of the performance standard on Lot Size approach and to provide clarity to future plan users that both *single-unit-onsmall-lot form* and various forms of multi-unit housing can achieve medium density housing typology outcomes. Mr Asgar has refined Rule R7A.5.2.2(d) to make this clearer in his recommended Option 4. His refined performance standard aims to enable lots up to 400m² or larger to be developed that ensures it will provide for other forms of medium density developments such as apartments while also ensuring there is provision to enable

single-unit-on-small-lot form subdivision. Subdivision of apartments into unit title will be subject to matters as a discretionary activity. However, controls on subdividing land for apartment development itself is provided for as a restricted discretionary activity pathway. This is due to the complex nature of *apartment-style-unit-title* subdivision assessed on a case-by-case basis. Further, it is noted that the Policy 2.8 and 2.9(vi) framework provides a gateway test for developers to achieve discretionary activity consent for smaller unit titles. Overall, Mr Asgar's approach enables and requires medium density and is in keeping with the Plan Change objective of enabling allotment sizes that achieve *a mix of housing density, housing type and price point*.

- 3.2.5 Mr Asgar believes Option 5 only provides for conventional 'larger lot' arrangements that is typically seen within the city. He considers Option 5 does not truly represent what is sought within the multi-unit overlay and does not achieve the Plan Change objective in an effective and efficient way. Mr Thomas disagrees with this assessment as detailed in para 3.3 below.
- 3.2.6 Mr Asgar is concerned that the recommendation of Mr Thomas (addressed below at 3.3 and as set out in the table above) is not supported by urban design evidence and that the consequences of the late-stage change in approach are therefore not sufficiently considered. Mr Asgar prefers Option 4 as the most appropriate approach, as above, that is based on the existing evidence before the Panel.
- 3.2.7 Mr Thomas also considers that the word 'development' should be kept within the subdivision performance standards for lot size. Mr Asgar does not agree with this and considers that the word should be removed from use in this Plan Change. Mr Asgar notes development is dealt with via the land use controls identified within Section 10 of the District Plan which are then formalised via Section 7A subdivision in terms of property boundaries. The only development Section 7A seeks are in relation to subdivision and NOT 'subdivision and development'. Mr Asgar considers the use of word 'development' in Section 7A is pointless and confusing, as most apartments and multi-unit developments generally require land use consent first and/or are a combined consent approach at the time of subdivision (if subdivision is sought first by the developer) under both Sections 7A and 10 of the District Plan. This is the usual rule of approach by the Council Consents Team to enable them to assess the full extent of anticipated adverse effects from development. Subdivision associated with multi-unit development typically results in lots sizes being approved for less than the minimum lot size. This has not proven to be problematic, given that this is informed by a land-use consent. The District Plan has been able to accommodate this through a resource consent process, and Section 7A also provides a pathway for consent if lot sizes less than 150m² are sought. Policies 2.8 and 2.9 provide plan users with direction to support such an application. As such Mr Asgar recommends the wording within Section 7A to only be limited to subdivisions rather than emphasise development as it is pointless in the consenting approach and can be confusing to future Plan users. He has therefore, recommended to deleted wordings within item (iv) of his recommended Rule R7A.5.2.2(d) as detailed in paragraph 2.4 above.

- 3.3 Mr Thomas has now had a chance to consider the above matters detailed in paragraph 3.2 above and has provided his assessment below:
 - 3.3.1 Mr Thomas has consulted with Mr Burns on this matter and agrees that the performance standard should enable other forms of multi-unit development as indicated by the Panel. While Mr Burns generally supports a minimum lot size of 150m². He notes while this generally supports terraced or semi-detached two storey housing, it would not support apartment forms of development which are often titled at approximately 65m².
 - 3.3.2 Consequently, Mr Thomas considers there would be benefit in deleting the minimum lot size of 150m² to enable the apartment typology. Alongside this it would be necessary to also delete the lower end of the average range of 250m². The revised wording would read as "*lots of no more than 400m²*, with the average lot size being no more than 350m²." This is evaluated in the Section 32AA table as Option 5.
 - 3.3.3 In relation to para 3.2.7 above Mr Thomas agrees that this standard relates to subdivision and has proposed the wording in Option 5 of "subdivision for multi-unit residential development". Consistency of terminology in the Plan is considered important and the term "multi-unit residential development" is expressly defined in the Plan.

Other Matters: Proposed Rule R7A.5.2.2(d)

- 3.4 In relation to question raised in paragraph 22 (c) of Minute 6, we as a collective do not consider there is merit in removing the lot size requirements in the multi-unit housing area altogether and replacing them with the 25 household per hectare minimum yield metric proposed for the land use rules in Section 10. Mr Thomas has previously expressed the view that the yield requirement is primarily a land use requirement (Section 10), rather than a subdivision matter. Mr Asgar agrees. As such the subdivision chapter Section 7A is the primary tool to enable various forms of development sought within the Plan Change objective and land-use controls under Section 10 determine what typology is delivered. Section 10 would provide for permitted activity development outcomes where lots are larger, and smaller lots are likely to trigger restricted discretionary activities, which deliver taller and denser outcomes. Multi-unit development is also facilitated through Section 10. Inclusion of a density standard in R7A.5.2.2(d) would only be useful as a contextual consideration. The yield approach is most appropriate within Section 10 and the purpose is summarised within paragraph 6.4 of the joint Planners s32AA report submitted on 29 July 2022.
- 3.5 In relation to question raised in paragraph 22 (d) of Minute 6, we as a collective consider that Policy 2.8 provides for medium density housing and Rule R7A.5.2.2(d) enables that outcome to be achieved.
- 3.6 The refined performance standards detailed as Option 4 in this report is considered as the most appropriate by Mr Asgar and Mr Duindam as it better enables the outcome sought in meeting

the Plan Change objective and is the most efficient and effective method.

3.7 Mr Thomas recommends Option 5 as it provides for smaller lot sizes more suitable to unit title and apartment development and in his opinion does provide benefit towards the implementation of Policy 2.8.

Prepared by:

Rindau.

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Paul Thomas Planner on behalf of Flygers Investment Group Ltd