

**Wellington City District Plan – Omnibus Plan Change**  
**Controls on residential activities in Commercial and Mixed Use Zones**  
**CCZ-P2 – Potentially Incompatible Activities**  
**CCZ-R16, MCZ-R12, LCZ-R10, NCZ-R10 – Residential Activities**

**Scope of Proposed Change**

To amend CCZ-P2 and CCZ-R16, MCZ-R12, LCZ-R10 and NCZ-R10 to ensure that residential activities are enabled in appropriate locations within the City Centre Zone, Metropolitan Centre Zone, Local Centre Zone and Neighbourhood Centre Zone, and for District Plan consistency.

**Background**

For relevant statutory and 2024 District Plan information refer to the Commercial and Mixed Use Zones (CMUZ) Regulatory and Policy Direction Assessment.

Residential Activities in the Commercial and Mixed Use Zones

For the most part residential activities are permitted across the suite of CMUZ chapters; however, CCZ-P2 identifies that these are ‘*potentially incompatible*’ within the City Centre Zone (CCZ) where the residential activity is at the ground floor level along streets identified as requiring ‘*active frontages*’ or ‘*verandah control*’. CCZ-R16 (Residential activities) gives effect to CCZ-P2:

***Potentially incompatible activities***

*Only allow activities that are potentially incompatible with the purpose of the City Centre Zone, where they will not have an adverse effect on its vitality, vibrancy, amenity, resilience and accessibility. Potentially incompatible activities include:*

1. *Industrial activities;*
2. *Yard-based retail activities;*
3. *Carparking at ground level;*
4. *Demolition of buildings that result in the creation of vacant land; and*
5. *Ground floor residential activities on streets identified as requiring either an active frontage or verandah.*

The equivalent policies in the lower order centres are MCZ-P4, LCZ-P4 and NCZ-P4. Rules MCZ-R12, LCZ-R10 and NCZ-R10 give effect to these policies. These rules also restrict ground floor residential activities at street edge where a site is identified as having a ‘*non-residential activity frontage*’.

The ‘*active frontages*’, ‘*non-residential frontages*’ and ‘*verandah control*’ standards apply along streets with high pedestrian traffic and established commercial use. The purpose of these standards is to ensure the ongoing vibrancy and vitality of key pedestrian routes, while also preventing poor residential amenity outcomes associated with commercial conversions along these streets. ‘*Non-residential frontages*’ are identified typically on side streets of CMUZ where lower levels of pedestrian amenity and activation are acceptable, but which still contribute to the commercial and mixed use nature of the centre.

‘*Active frontages*’, ‘*non-residential frontages*’ and ‘*verandah control*’ are identified as ‘*Specific Controls*’ layers in the ePlan maps. ‘*Active frontages*’ were ‘*primary frontages*’ within the 2000 District Plan, whereas ‘*non-residential frontages*’ were ‘*secondary frontages*’.

### Purpose of the Provisions

Policy 2 of the NPS-UD requires the Council to “provide at least sufficient development capacity to meet expected demand for housing and business land over the short term, medium term and long term”. Considering this, the Council needs to ensure that the District Plan provides sufficient development capacity for business land.

CCZ-P2 above, and the equivalent Metropolitan Centre Zone (MCZ), Local Centre Zone (LCZ) and Neighbourhood Centre Zone (NCZ) policies, impose controls on a range of activities to achieve the retention of business / commercial development capacity. One such control is the restriction of ground level residential activities on identified streets.

The Sense Partners ‘Retail and Market Assessment’<sup>1</sup> provides additional rationale for this control. With respect to activation of the street, Sense Partners advised that:

- Viable retail is typically located at ground floor (and retail above ground floor is less likely to be viable);
- Retail units generally generate greater rent for building owners (in comparison to residential units); and
- Streetscape vibrancy and vitality is better served by street-facing retail/commercial tenancies rather than residential units.

In terms of residential amenity provided to building occupants, Sense Partners advised:

- Demand for ground floor apartments within the CCZ is heavily influenced by factors such as privacy, security and access;
- Ground level apartments can provide advantages in terms of accessibility;
- Ground level apartments can provide amenity by way of small gardens, which will be more attractive than decks to some buyers;
- Street noise at ground level can adversely impact residential amenity; and
- Retail at ground level (for example cafes and supermarkets) can enhance the appeal of apartments in the upper levels of a building and the level of amenity available to the residential occupants.

By regulating residential development at ground floor level, the CMUZ rule framework seeks to manage the effects detailed above.

### Hearing Stream 4

The appropriateness of ground floor residential activities in the CMUZ was discussed in detail during hearing stream 4, particularly with respect to a submission from Kāinga Ora<sup>2</sup> requesting that the clauses preventing this activity along frontages requiring verandah coverage were removed from the rules.

In the section 42A report<sup>3</sup> for the CCZ the Council’s reporting officer advised that, while the 2024 District Plan does provide significant opportunities for ground floor residential activities within the CCZ, there is strong policy direction that this should not be located on streets with active frontages or verandah requirements<sup>4</sup>. She advised that: “The exclusions in CCZ-P1, CCZ-P2 and CCZ-R14 for residential activities that are incompatible are not just about visibility on the street edge. I consider that there is sufficient alternative areas of the CCZ where residential activity at ground floor has

<sup>1</sup> [retail-and-market-assessment-november-2020.pdf](#), p102-103.

<sup>2</sup> Submission no. 391.

<sup>3</sup> [Section 42A Report](#), para 642.

<sup>4</sup> Ibid, para 642.

*been enabled and considered appropriate*<sup>5</sup>. This reflected her view that residential development should be restricted across the entirety of a ground floor of a site with an identified frontage, for the purposes of retaining commercial development capacity in these locations.

The Council's reporting officer for the MCZ, LCZ and NCZ chapters generally agreed with this view, but noted that ground floor level residential located behind the street edge would be more acceptable in these zones.

#### Independent Hearing Panel's Recommendation

The Independent Hearing Panel (IHP)<sup>6</sup> agreed with the Council's reporting officers that there were appropriate opportunities for ground level residential activities within the CMUZ, and that in the CCZ these should not be located anywhere at the ground level of buildings where the active frontages and/or frontages where verandah levels notations apply.

The Council adopted the IHP's recommendations, which are now operative.

#### Operative District Plan Provisions

For the reasons set out above, the operative 2024 District Plan establishes a policy framework where:

- a. In the CCZ – there will be no residential activities at ground level of any sites on streets that have active edges or verandah requirements. This applies to the entirety of the ground level of the site and seeks to ensure that suitable commercial development capacity is retained in the CCZ, as is required by the NPS-UD.
- b. In the MCZ, LCZ and NCZ – there is no residential activity at the street edge (ie site frontage) along streets that have active frontage or non-residential frontage requirements, but that residential activity can occur behind the street edge. For example, a commercial tenancy can be provided at the street frontage, with residential development behind.
- c. In the MUZ – residential activity is restricted at ground level.

Resource consent for a Restricted Discretionary Activity is required when any requirements within the respective Permitted Activity rules are not met. Within the CCZ, MCZ, LCZ and NCZ eight matters of discretion must be considered, whereas in the MUZ the only matter is MUZ-P5.

#### Inconsistencies in the CCZ, MCZ, LCZ and NCZ Provisions and Suitability of Matters of Discretion

Planners in the Council's Resource Consents Team have been identified that there are inconsistencies in the provisions that render the Plan difficult to interpret.

#### **1. CCZ-P2, MCZ-P4, LCZ-P4 and NCZ-P3 (Potentially incompatible activities)**

The CCZ policy differs from the lower order CMUZ policies as shown below (highlight added):

##### **CCZ-P2.5:**

Ground floor residential activities on **streets** identified as requiring either an active frontage or verandah.

##### **MCZ-P4.3, LCZ-P4.3 and NCZ-P4.3:**

Ground floor residential activities on **street edges** identified as having an active frontage or non-residential activity frontage; ...

<sup>5</sup> Ibid, para 237.

<sup>6</sup> [IHP Report: CCZ](#), para 171.

## 2. CCZ-R16.1, MCZ-R12.1, LCZ-R10.1 and NCZ-R10.1 (Residential activities)

As shown below, the Permitted Activity rules that the policies relate to have inconsistent wording within them:

CCZ-R16.1	MCZ-R12.1, LCZ-R10.1, NCZ-R10.1
Activity status: <b>Permitted</b>	Activity status: <b>Permitted</b>
Where:	Where:
a. The activity is located:	a. The activity is located:
i. Above ground floor level; or	i. Above ground floor level;
ii. At ground floor level along any <b>street edge</b> not identified as an active frontage; or	ii. At ground floor level along any <b>street edge</b> not identified as an active frontage;
iii. At ground level along any <b>street</b> not identified as requiring verandah coverage.	iii. At ground floor level along any <b>street edge</b> not identified as a non-residential activity frontage;
	iv. At ground level along any <b>street</b> not identified as requiring verandah coverage.

## 3. Matters of Discretion under CCZ-R16.2, MCZ-R12.2, LCZ-R10.2 and NCZ-R10.2

Where the Permitted Activity rules above are not met (ie residential activities are proposed at ground floor in a CMUZ and the site has an identified street frontage), there is a Restricted Discretionary Activity resource consent pathway to consider whether the activity can occur.

Within the notified Proposed District Plan the activity status for residential activities that did not meet the Permitted Activity rule was originally Discretionary. This was to align with the policy framework that identified such activities as '*potentially incompatible*'.

Following the hearing the Council's reporting officer recommended amending the activity status to Discretionary Restricted in the CCZ. The rationale for this change, which was carried down to the lower order centres, is provided in the reporting officer's Right of Reply<sup>7</sup>. In this reply, the reporting officer also recommended the following matters of discretion:

1. *The matters in CCZ-P2, CCZ-P4 and CCZ-P9;*
2. *The extent and effect of non-compliance with CCZ-S7 and CCZ-S8;*
3. *Whether residential activities exceed 50% of the street frontage at ground floor;*
4. *The extent to which an acceptable level of passive surveillance is maintained between the interior of the building and the street or area of public space;*
5. *The extent to which the building frontage is designed and located to create a strong visual alignment with adjoining buildings;*
6. *The effect on the visual quality of the streetscape and the extent to which the activity contributes to or detracts from the surrounding public space;*
7. *The continuity of verandah coverage along the identified street, informal access route or public space; and*
8. *The extent to which non-compliance with verandah coverage will adversely affect the comfort and convenience of pedestrians.*

With the exception of the policies and standards referenced, these matters also apply under the equivalent MCZ, LCZ and NCZ rules.

<sup>7</sup> [Right of Reply Response: CCZ](#), para 157-159

A concern has been raised that the matters of discretion conflate the matters that should be addressed under the rule. Further consideration has been given to the suitability of the matters of discretion, as detailed in the table below.

Matter of discretion	Matters assessed	Relevance to 'Residential activities'
1	<p>The matters in CCZ-P2 (Potentially incompatible activities), CCZ-P4 (Housing choice) and CCZ-P9 (Quality development outcomes)</p> <p>Equivalent CMUZ policies:</p> <ul style="list-style-type: none"> <li>- MCZ-P4</li> <li>- LCZ-P4</li> <li>- NCZ-P4</li> </ul>	<p>The policies provide for an adequate assessment of the effects of providing residential activities at the ground level of buildings, recognising that:</p> <ul style="list-style-type: none"> <li>- On identified frontages residential activities are potentially incompatible and should '<i>only be allowed</i>' where these do not have an adverse effect on the vibrancy and amenity of the centre;</li> <li>- That residential activities are '<i>enabled</i>' across the CMUZ; and</li> <li>- That quality development outcomes are '<i>required</i>'.</li> </ul>
2	<p>The extent and effect of non-compliance with CCZ-S7 (Verandahs) and CCZ-S8 (Active frontage control)</p> <p>Equivalent CMUZ standards:</p> <ul style="list-style-type: none"> <li>- MCZ-S5 (Verandah control)</li> <li>- MCZ-S6 (Active frontage and non-residential activity frontage controls)</li> <li>- LCZ-S4 (Verandah control)</li> <li>- MCZ-S5 (Active frontage and non-residential activity frontage controls)</li> <li>- MCZ-S4 (Verandah control)</li> <li>- MCZ-S5 (Active frontage and non-residential activity frontage controls)</li> </ul>	<p>The standards regulate activities occurring at the street edge, and residential activities will reduce compliance with the standards as:</p> <ul style="list-style-type: none"> <li>- Residential activities and active frontage/non-residential frontage activities are mutually exclusive (where one occurs the other does not); and</li> <li>- Verandah coverage is less likely to be constructed over a residential activity occurring on the street edge as this can reduce amenity within the unit (for example access to sunlight).</li> </ul> <p>Where residential activities are proposed to be located along an identified street frontage the assessment criteria within the standards can provide value in guiding how an application should be considered.</p>
3	<p>Whether residential activities exceed 50% of the street frontage at ground floor</p>	<p>This matter is similar to the matter above, in that an application will take into consideration the extent of the non-compliance – for example, if more than 50% of a site frontage contains residential activities then the outcome of the application may be less favourable.</p> <p>Given this matter also seeks to provide for activation at the street edge and is addressed through the '<i>active frontages control</i>'/'<i>active and non-residential frontages control</i>' standards it is not considered necessary.</p>
4	<p>The extent to which an acceptable level of passive surveillance is maintained between the interior of the building and the street or area of public space</p>	<p>Again, this matter is regulated through the assessment criteria under the '<i>active frontages control</i>'/'<i>active and non-residential frontages control</i>' standards and is not considered necessary.</p>
5	<p>The extent to which the building frontage is designed and located to create a strong visual alignment with adjoining buildings;</p>	<p>This matter relates to building design and does not specifically relate to residential activities.</p>

		Noting that new buildings, and building alterations and additions, in the CMUZ typically require resource consent, visual alignment is addressed through the applicable <i>'Building and structures activities'</i> rules.
6	The effect on the visual quality of the streetscape and the extent to which the activity contributes to or detracts from the surrounding public space	<p>This matter relates to building design and does not specifically relate to residential activities.</p> <p>Visual quality on the streetscape is better addressed through the applicable <i>'Building and structures activities'</i> rules.</p> <p>The extent to which the activity contributes to, or detracts from, the surrounding public space is a relevant matter as it addresses the interaction between the residential activity inside a building and the adjacent public environment.</p>
7	The continuity of verandah coverage along the identified street, informal access route or public space	This matter relates to building design and does not specifically relate to residential activities. It is better addressed through the applicable <i>'Building and structures activities'</i> rules.
8	The extent to which non-compliance with verandah coverage will adversely affect the comfort and convenience of pedestrians	This matter relates to building design and does not specifically relate to residential activities. It is better addressed through the applicable <i>'Building and structures activities'</i> rules.

As detailed in the table, for the most part the matters of discretion relate the effects of not providing either a verandah or an active/non-residential frontage in locations where these are required. These effects are considered to be more relevant to the assessment of the building design, rather than in relation to the activity occurring inside the building. In any event, an assessment against the applicable *'Quality development outcomes'* policy for the zone, which includes a requirement to assess the CMUDG, will address the matters specified.

#### Further Consideration of the Purpose of the Provisions

Further to the matters set out above, the District Planning Team has given further consideration to the environmental effects that CCZ-R16, MCZ-R12, LCZ-R10 and NCZ-R10 are seeking to manage.

While the District Plan seeks to optimise development capacity in the CMUZ, the need to restrict residential development across the entirety of the ground level of potentially large sites has been questioned. The *'active frontage'*, *'verandah control'* or *'active frontages and non-residential activity frontages'* standards seek to manage effects at the interface between a building and the public realm, and there is a concern that it is inappropriate to use rules as a proxy for protecting commercial development capacity, particularly in the CCZ.

Notably, where the Permitted Activity requirements of the rule are not met, and resource consent is required as a Restricted Discretionary Activity. In addition to the Potentially Incompatible Activities policy (CCZ-P2), the matters of discretion require consideration of the policies relating to Housing Choice (CCZ-P4) and Quality Design Outcomes (CCZ-P9), both of which seek to provide for design flexibility and residential use. Therefore, the restriction on ground floor residential development across the entirety of the ground floor is potentially at odds with these other policies and conflates the purpose of the standards.

## Issue

That the 2024 District Plan provisions regulating ground floor residential activities in the CMUZ include a number of inconsistencies and include unnecessary matters of discretion, resulting in efficiencies in their implementation.

There are three parts to this issue:

1. There is an inconsistency between CCZ-P2.5, which refers to residential activities being potentially incompatible '*on streets identified as requiring either an active frontage or verandah*', and the equivalent clauses at MCZ-P4.3, LCZ-P4.3 and NCZ-P4.3, which all refer to '*street edges*' (underline added);
2. That '*streets*' and '*street edges*' are used inconsistently within the clauses of the CMUZ Permitted Activity rules that give effect to the '*Potentially incompatible activities*' policies; and
3. There are unnecessary and irrelevant matters of discretion within the Restricted Discretionary Activity rules.

Further, that the '*active frontage*', '*verandah control*' or '*active frontages and non-residential activity frontages*' standards are incorrectly used as a mechanism for protecting commercial development capacity in the CCZ.

## Assessment of Options

### Relevant Options

This assessment sets out whether or not minor amendments to the provisions are necessary for improved District Plan implementation and consistency.

There are two relevant options, being:

1. Retain the status quo; or
2. Amending the CCZ, MCZ, LCZ and NCZ policies and rules.

### Cost/Benefit Assessment

The costs and benefits of the two options are described below.

#### Option 1: Retain the Status Quo

This assessment refers to:

- a. Retaining the status quo with respect to the use of 'street' and 'street edge' in the CMUZ policies; and
- b. Retaining the status quo with respect to the CMUZ rules.

#### Costs

##### Environmental

- Restricting residential activities across the entire ground floor level of sites in the CCZ with identified frontages will prevent the adaptable use of these sites and prevent the advantages identified by Sense Partners

#### Benefits

##### Environmental

- An environmental benefit could be the retention of ground level commercial space in the CCZ, in locations where it has been identified that this is most appropriate.

<p>(particularly with respect to accessibility) from being realised.</p> <p><i>Economic</i></p> <ul style="list-style-type: none"> <li>The status quo lacks clarity and therefore imposes additional consenting costs on developers.</li> <li>The status quo reduces the ability for developers to adapt the ground level of a building to respond to market conditions, and may result in unviable outcomes and prevent development.</li> </ul> <p><i>Social</i></p> <ul style="list-style-type: none"> <li>Constraints on ground floor development potential can result in commercial tenancies that remain unoccupied, thereby reducing the vitality and vibrancy of the immediate area.</li> </ul> <p><i>Cultural</i></p> <ul style="list-style-type: none"> <li>No direct or indirect cultural costs have been identified.</li> </ul>	<p><i>Economic</i></p> <ul style="list-style-type: none"> <li>No direct or indirect economic benefits have been identified.</li> </ul> <p><i>Social</i></p> <ul style="list-style-type: none"> <li>No direct or indirect social benefits have been identified.</li> </ul> <p><i>Cultural</i></p> <ul style="list-style-type: none"> <li>No direct or indirect cultural benefits have been identified.</li> </ul>
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#### *Effectiveness and efficiency of Option 1*

Retaining the status quo is not considered to be an effective or efficient method of achieving the strategic direction of the Plan, or well-functioning urban environments in accordance with the requirements of the NPS-UD.

#### *Overall evaluation of Option 1*

The purpose of the active frontage and verandah controls is to provide interaction and public amenity at street edges, and not across the entirety of a site and is overly restrictive of mixed-use development. Noting this, and that the Sense Partners report identifies that ground level residential activities may be beneficial in some circumstances, the status quo is not considered to be the most appropriate option.

### **Option 2: Amending the CCZ, MCZ, LCZ and NCZ policies and rules**

This option would involve amending:

1. CCZ-P2.5 so that all four policies refer to 'street edges'; and
2. The Permitted Activity rules; and
3. The matters of discretion within the Restricted Discretionary rules.

The recommended changes are detailed below.

#### **1. CCZ-P2 (Potentially incompatible activities)**

The purpose of the 'active frontage control' standard is to provide a positive interface between the interior and exterior of buildings, that is to 'activate' the street edge. In the lower order centres the 'non-residential activity frontage control' standard has a similar purpose and is applied to frontages where commercial activities may not be necessary, but residential activities are not



considered appropriate. The purpose of the 'verandah control' standard is to provide for pedestrian amenity (shelter from the elements).

Noting the environmental effects that the standards seek to control, it is evident that these are all only intended to apply to the frontage of a building that faces the street (not all boundaries/elevations of a building). This might be two elevations where a site has dual frontage or is on a corner, or internal to a site in a small number of circumstances (an example is the [DEV1: Kilbirnie Bus Barns](#) site, which has an internal non-residential activity frontage requirement).

On this basis, the requirement that residential activities are restricted across the entirety of the ground level of sites in the CCZ is considered to be unduly onerous. While the current wording of the policy may result in the retention of ground level business/commercial development capacity, there is no evidence to suggest there is insufficient capacity provided in the zone or that the benefits of preventing residential activities internally within the ground floor level outweigh the costs. Consequently, it is recommended that CCZ-P2 is amended as follows:

4. *Ground floor residential activities on streets **edges** identified as requiring either an active frontage or verandah.*

This change also addresses the concern that the standards are being used as a proxy for protecting commercial development capacity in the CCZ, noting that CCZ-P4 and CCZ-P9 provide for flexibility in this respect. Removing the constraint on residential development behind the street edge will assist developers to respond to market conditions and maintain building occupancy.

## **2. CCZ-R16.1, MCZ-R12.1, LCZ-R10.1 and NCZ-R10.1 (Residential activities)**

Noting the recommended amendment to CCZ-P2, it is necessary to also change the wording of the final clauses of the respective Permitted Activity rules as shown below:

<b>CCZ-R16.1</b>	<b>MCZ-R12.1, LCZ-R10.1, NCZ-R10.1</b>
Activity status: <b>Permitted</b>	Activity status: <b>Permitted</b>
Where:	Where:
a. The activity is located:	a. The activity is located:
i. Above ground floor level; or	i. Above ground floor level;
ii. At ground floor level along any street edge not identified as an active frontage; or	ii. At ground floor level along any street edge not identified as an active frontage;
iii. At ground level along any street <b>edge</b> not identified as requiring verandah coverage.	iii. At ground floor level along any street edge not identified as a non-residential activity frontage;
	iv. At ground level along any street <b>edge</b> not identified as requiring verandah coverage.

The above changes will align the CCZ Permitted Activity rule with the policy framework, permitting residential activities at ground level where these are away from the street edge. The changes to the matters of discretion assist to clarify how an application for non-compliance with the Permitted Activity rules should be assessed, focussing on the effects of the non-residential activity specifically.

This change will reduce confusion as to how these rules apply, within the context of the policy intent as previously discussed. It also addresses the unintended consequence of the verandah coverage clause potentially being more onerous than the active and non-residential frontage clauses.

### 3. Matters of Discretion under CCZ-R16.2, MCZ-R12.2, LCZ-R10.2 and NCZ-R10.2

The following amendments would target the matters of discretion under CCZ-R16.2, MCZ-R12.2, LCZ-R10.2 and NCZ-R10.2 to the effects that the 'active frontage', 'verandah coverage' or 'active frontages and non-residential activity frontages' standards seek to manage:

Matters of discretion are:

- ~~1. 1. The matters in CCZ-P2, CCZ-P4 and CCZ-P9;~~
- ~~2. 2. The extent and effect of non-compliance with CCZ-S7 and CCZ-S8;~~
- ~~3. Whether residential activities exceed 50% of the street frontage at ground floor;~~
- ~~4. The extent to which an acceptable level of passive surveillance is maintained between the interior of the building and the street or area of public space;~~
- ~~5. The extent to which the building frontage is designed and located to create a strong visual alignment with adjoining buildings;~~
- ~~6. 3. The effect on the visual quality of the streetscape and the extent to which the residential activity contributes to, or detracts from, the surrounding public space;~~
- ~~7. The continuity of verandah coverage along the identified street, informal access route or public space; and~~
- ~~8. The extent to which non-compliance with verandah coverage will adversely affect the comfort and convenience of pedestrians.~~

The costs and benefits of these changes are detailed below.

#### Costs

##### *Environmental*

- A reduction in commercial development potential may occur in the CCZ.
- While the proposed amendments to the rules are more permissive of residential development, any resultant environmental amenity effects will be at the interior of a site (and not at the street frontage).
- Considering the context of the overall development, the environmental costs of amending the rules are considered to be negligible.

##### *Economic*

- The costs to developers seeking to include residential activities at ground level along identified frontages were addressed in the original Section 32 Report. The proposed amendments to the rules will not impose additional development costs.
- There may be economic costs to the city resulting from the reduction in commercial space (as commercial rates are higher than residential rates).

##### *Social*

- Noting that this change does not change the requirement for activation at the street edge, there are no social costs.

#### Benefits

##### *Environmental*

- The amendments will clarify that ground floor residential activities are acceptable when located away from an identified street frontage, thereby increasing the residential development capacity across the full extent the CCZ and ensuring that buildings remain occupied.
- Enabling residential activity at ground level provides benefits to residential occupants, particularly with respect to accessibility and the provision of outdoor living space.
- The matters of discretion currently conflate the effects of the residential activity to those associated with the failure to provide verandahs or active/non-residential activities at the street edge. Reducing the matters of discretion will focus the assessment on the effects of the non-residential activity and ensure that these are appropriately managed.
- The environmental result will be well-functioning urban environments.

##### *Economic*

- Clearly expressing where residential activities are acceptable in the CMUZ and reducing the matters of discretion that need to be assessed will reduce costs associated with the preparation and assessment of a resource consent applications.

<p><i>Cultural</i></p> <ul style="list-style-type: none"> <li>No cultural costs have been identified.</li> </ul>	<ul style="list-style-type: none"> <li>Providing for residential activities at ground level, albeit behind the 'frontage' of a building, will provide additional options for development of CCZ sites, thereby improving the viability of site development.</li> <li>Allowing for adaptable use of ground level tenancies will provide for the ongoing economic viability of buildings as market conditions change.</li> <li>Clarity and consistency within the CMUZ policies will assist to reduce design and consenting costs.</li> <li>There are economic benefits to the City where buildings are occupied. This benefit is of particular significance insofar as if the changes are not made, and the District Plan retains a hard stance against residential activities within the CCZ, then the number of vacant unoccupied buildings is likely to increase.</li> </ul> <p><i>Social</i></p> <ul style="list-style-type: none"> <li>The proposed changes do not remove the requirement to provide active/non-residential frontages or verandahs along identified frontages. Retaining suitable ground level commercial space will ensure the CCZ and other CMUZ can continue to provide for business and commercial activities, as well as the range of other activities and services these centres provided. This will provide social benefits to the City and communities that the respective centres serve.</li> </ul> <p><i>Cultural</i></p> <ul style="list-style-type: none"> <li>No cultural benefits have been identified.</li> </ul>
<p><i>Effectiveness and efficiency</i></p> <p>Amending CCZ-P2.5 is an effective and efficient way of resolving the issue. The change will provide additional opportunities for residential activities at ground level in the CCZ where these are appropriately located. The change will also improve consistency between the CMUZ policies, providing clarity for Plan users.</p> <p>Amending the Permitted and Restricted Discretionary Activity rules as detailed is an effective and efficient way of resolving the issue. The change will provide alignment between the policy and rule framework and provide for residential activities at ground level in the CCZ where these are appropriately located away from identified frontages. The change will reduce the complexity associated with resource consent applications and improve consistency between the CMUZ rules, providing clarity for Plan users.</p> <p><i>Overall evaluation of Option 2</i></p> <p>The Sense Partners report identifies that there are benefits to providing both commercial and residential activities at ground floor. Amending the CCZ policy will provide for further adaptability of built development, enabling the use of a building to be responsive to market conditions.</p>	

Option 2 is recommended as it will assist to clarify how the CCZ policy and wider CMUZ rules are intended to be applied while retaining the underlying purpose of providing activation and pedestrian amenity at building edges and, as a result, vibrancy and vitality within the CMUZ. There are negligible costs associated with the change and it is an effective and efficient way to resolve the issue, and a range of benefits – most notably the environmental and economic benefits arising from having occupied buildings as opposed to vacant commercial tenancies. The changes will ensure that development throughout the CMUZ can be responsive to market conditions, creating vibrancy and vitality within the respective centres and contributing to well-functioning urban environments.

#### **Risk of acting/not acting**

There is sufficient information to analyse the appropriateness of acting or not acting.

Not acting (ie retaining the status quo) will mean that the issues identified with the CCZ policy and suite of Permitted Activity rules is not resolved. Retaining the status quo with respect to the matters of discretion does not involve any inherent risk, but is not the best outcome in terms of Plan implementation.

The risks of acting are primarily associated with the loss of ground floor commercial space in the CCZ.

#### **Overall evaluation of the issue**

To improve the implementation of the both the CCZ policy and the CMUZ Permitted and Restricted Discretionary Activity rules, improve consistency across the suite of CMUZ chapters, and for an improved Plan user experience, the changes are recommended. The identified benefits of the recommended changes are considered to outweigh any associated costs.

#### **Consultation**

The table below details feedback resulting from internal consultation on this issue.

<b>Resource Consents Team</b>	
<b>Urban Design Team</b>	The proposed changes are supported.  In particular, residential activities are supported at ground level behind active frontages as this provides for the adaptable and sustainable use of the ground level of a building.

It is envisaged that the development community will be interested in this amendment; however, no direct consultation has been undertaken. Feedback will be considered following the receipt of submissions.

#### **Recommendation**

For the reasons detailed in this assessment, Option 2 is recommended.

In summary, the following changes are recommended:

1. That CCZ-P2.5 is amended to refer to '*street edges*'. This will reinforce that the standards apply to the identified frontages only, and create consistency with the equivalent MCZ, LCZ and NCZ policies; and
2. That '*street*' is replaced with '*street edge*' at CCZ-R16.1.a.iii, MCZ-R12.1.a.iv, LCZ-R10.1.a.iv and NCZ-R10.1.a.iv. This will avoid further queries about CMUZ consistency arising in the future, when as noted above the intent is that the standard applies to '*street edges*'; and
3. That the matters of discretion at CCZ-R16.2, MCZ-R12.2, LCZ-R10.2 and NCZ-R10.2 are amended to reduce the level of complexity involved in assessing applications made under these rules; and
4. Consequential amendments, as detailed below.

### **Consequential Amendments**

#### CCZ-P9

The CMUZ '*Quality development outcomes*' policies also address residential activities. This suite of policies (CCZ-P9, MCZ-P7, LCZ-P7 and NCZ-P7) require development to positively contribute to the sense of place and distinctive form, quality and amenity of the respective CMUZ.

Clause CCZ-P7.3.g seeks to ensure that development, where relevant:

- g. Allows sufficient flexibility for ground floor space to be converted to a range of activities, including residential along streets that are not subject to active frontage and/or verandah coverage requirements; and...*

Clauses MCZ-P7.3.e, LCZ-P7.3.e and NCZ-P7.3.e are as follows:

- e. Allows sufficient flexibility for ground floor space to be converted for a range of activities, including residential.*

To reflect the proposed change to CCZ-R16.1, which will enable residential activities behind the street edge in the CCZ, it is recommended that the wording of the CCZ clause is amended as shown below:

- g. Allows sufficient flexibility for ground floor space to be converted to a range of activities, including residential ~~along streets that are not subject to active frontage and/or verandah coverage requirements~~; and...*

This change will also improve consistency within the CMUZ '*Quality development outcomes*' policies, for improved Plan user experience.

#### CCZ-S7

This assessment has identified that there is a discrepancy between the name of CCZ-S7 (Verandahs) and the equivalent titles of the equivalent standards MCZ-S4, LCZ-S4 and NCZ-S4 (Verandah control).

For Plan consistency it is recommended that CCZ-S7 is renamed as Verandah control.

## Recommended Changes

### 1. CCZ-P2 - Potentially incompatible activities

Only allow activities that are potentially incompatible with the purpose of the City Centre Zone, where they will not have an adverse effect on its vitality, vibrancy, amenity, resilience and accessibility. Potentially incompatible activities include:

1. Industrial activities;
2. Yard-based retail activities;
3. Carparking at ground level;
4. Demolition of buildings that result in the creation of vacant land; and
5. Ground floor residential activities on streets ~~edges~~ identified as requiring either an active frontage or verandah.

### 2. CCZ-P9 - Quality design outcomes

Require new development, and alterations and additions to existing development, at a site scale to positively contribute to the sense of place and distinctive form, quality and amenity of the City Centre Zone by:

1. Fulfilling the intent of the Centres and Mixed Use Design Guide;
2. Recognising the benefits of well-designed, comprehensive development, including the extent to which the development:
  - a. Reflects the nature and scale of the development enabled within the zone and responds to the evolving, more intensive identity of the neighbourhood;
  - b. Optimises the development capacity of the land, including sites that are large, narrow, vacant or ground level parking areas;
  - c. Provides for the increased levels of residential accommodation anticipated;
  - d. Provides for a range of supporting business, open space and community facilities; and
  - e. Is accessible for emergency service vehicles;
3. Ensuring that development, where relevant:
  - a. Responds to the site context, particularly where it is located adjacent to:
    - i. A scheduled site of significance to Māori;
    - ii. A heritage building, heritage structure or heritage area;
    - iii. An identified character precinct;
    - iv. A listed public space;
    - v. Residential zones;
    - vi. Open space zones; and
    - vii. The Waterfront Zone;
  - b. Responds to the pedestrian scale of narrower streets;
  - c. Responds to any identified significant natural hazard risks and climate change effects, including the strengthening and adaptive reuse of existing buildings;
  - d. Provides a safe and comfortable pedestrian environment;
  - e. Enhances the quality of the streetscape and the private/public interface;
  - f. Integrates with existing and planned active and public transport activity movement networks, including planned rapid transit stops;
  - g. Allows sufficient flexibility for ground floor space to be converted to a range of activities, including residential ~~along streets that are not subject to active frontage and/or verandah coverage requirements~~; and
  - h. Positively contributes to the sense of place and distinctive form of the City Centre where the site or proposal will be prominent.
4. Recognising the benefits of well-designed accessible, resilient and sustainable development, including the extent to which the development:
  - a. Enables universal accessibility within buildings, ease of access for people of all ages and mobility/disability; and
  - b. Incorporates a level of building performance that leads to reduced carbon emissions and increased climate change and earthquake resilience; and
  - c. Incorporates construction materials that increase the lifespan and resilience of the development and reduce ongoing maintenance costs.

3. CCZ-R16.1, MCZ-R12.1, LCZ-R10.1, NCZ-R10.1 - Residential activities	
<p>Activity status: <b>Permitted</b></p> <p>Where:</p> <p>a. The activity is located:</p> <ol style="list-style-type: none"> <li>Above ground floor level; or</li> <li>At ground floor level along any street edge not identified as an active frontage; or</li> <li>At ground level along any street <u>edge</u> not identified as requiring verandah coverage.</li> </ol>	<p>Activity status: <b>Permitted</b></p> <p>Where:</p> <p>a. The activity is located:</p> <ol style="list-style-type: none"> <li>Above ground floor level;</li> <li>At ground floor level along any street edge not identified as an active frontage;</li> <li>At ground floor level along any street edge not identified as a non-residential activity frontage;</li> <li>At ground <u>floor</u> level along any street <u>edge</u> not identified as requiring verandah coverage.</li> </ol>
4. CCZ-R16.2 - Residential activities	
<p>Activity status: <b>Restricted Discretionary</b></p> <p>Where:</p> <p>Compliance with the requirements of CCZ-R16.1.a cannot be achieved.</p> <p>Matters of discretion are:</p> <ol style="list-style-type: none"> <li><u>1.</u> The matters in CCZ-P2, CCZ-P4 and CCZ-P9;</li> <li><u>2.</u> The extent and effect of non-compliance with CCZ-S7 and CCZ-S8;</li> <li><del>3. Whether residential activities exceed 50% of the street frontage at ground floor;</del></li> <li><del>4. The extent to which an acceptable level of passive surveillance is maintained between the interior of the building and the street or area of public space;</del></li> <li><del>5. The extent to which the building frontage is designed and located to create a strong visual alignment with adjoining buildings;</del></li> <li><u>3.</u> The <del>effect on the visual quality of the streetscape and the</del> extent to which the <u>residential</u> activity contributes to, or detracts from, the surrounding public space;</li> <li><del>7. The continuity of verandah coverage along the identified street, informal access route or public space; and</del></li> <li><del>8. The extent to which non-compliance with verandah coverage will adversely affect the comfort and convenience of pedestrians.</del></li> </ol>	
5. MCZ-R12.2 - Residential activities	
<p>Activity status: <b>Restricted Discretionary</b></p> <p>Where:</p> <p>a. Compliance with the requirements of MCZ-R12.1.a cannot be achieved.</p> <p>Matters of discretion are:</p> <ol style="list-style-type: none"> <li><u>1.</u> The matters in MCZ-P4, MCZ-P6 and MCZ-P7;</li> <li><u>2.</u> The extent and effect of non-compliance with MCZ-S5 and MCZ-S6;</li> <li><del>3. Whether residential activities exceed 50% of the street frontage at ground floor;</del></li> <li><del>4. The extent to which an acceptable level of passive surveillance is maintained between the interior of the building and the street or area of public space;</del></li> <li><del>5. The extent to which the building frontage is designed and located to create a strong visual alignment with adjoining buildings;</del></li> <li><u>3.</u> The <del>effect on the visual quality of the streetscape and the</del> extent to which the <u>residential</u> activity contributes to, or detracts from, the surrounding public space;</li> <li><del>7. The continuity of verandah coverage along the identified street, informal access route or public space; and</del></li> <li><del>8. The extent to which non-compliance with verandah coverage will adversely affect the comfort and convenience of pedestrians.</del></li> </ol>	
6. LCZ-R10.2 - Residential activities	
<p>Activity status: <b>Restricted Discretionary</b></p> <p>Where:</p>	

- a. Compliance with the requirements of LCZ-R10.1.a cannot be achieved.

Matters of discretion are:

- ~~1.~~ 1. The matters in LCZ-P4, LCZ-P6 and LCZ-P7;
- ~~2.~~ 2. The extent and effect of non-compliance with LCZ-S4 and LCZ-S5;
- ~~3.~~ 3. Whether residential activities exceed 50% of the street frontage at ground floor;
- ~~4.~~ 4. The extent to which an acceptable level of passive surveillance is maintained between the interior of the building and the street or area of public space;
- ~~5.~~ 5. The extent to which the building frontage is designed and located to create a strong visual alignment with adjoining buildings;
- ~~6.~~ 3. The effect on the visual quality of the streetscape and the extent to which the residential activity contributes to, or detracts from, the surrounding public space;
- ~~7.~~ 7. The continuity of verandah coverage along the identified street, informal access route or public space; and
- ~~8.~~ 8. The extent to which non-compliance with verandah coverage will adversely affect the comfort and convenience of pedestrians.

## 7. NCZ-R10.2 - Residential activities

Activity status: **Restricted Discretionary**

Where:

- a. Compliance with the requirements of NCZ-R10.1.a cannot be achieved.

Matters of discretion are:

- ~~1.~~ 1. The matters in NCZ-P4, NCZ-P6 and NCZ-P7;
- ~~2.~~ 2. The extent and effect of non-compliance with NCZ-S4 and NCZ-S5;
- ~~3.~~ 3. Whether residential activities exceed 50% of the street frontage at ground floor;
- ~~4.~~ 4. The extent to which an acceptable level of passive surveillance is maintained between the interior of the building and the street or area of public space;
- ~~5.~~ 5. The extent to which the building frontage is designed and located to create a strong visual alignment with adjoining buildings;
- ~~6.~~ 3. The effect on the visual quality of the streetscape and the extent to which the residential activity contributes to, or detracts from, the surrounding public space;
- ~~7.~~ 7. The continuity of verandah coverage along the identified street, informal access route or public space; and
- ~~8.~~ 8. The extent to which non-compliance with verandah coverage will adversely affect the comfort and convenience of pedestrians.

## 8. CCZ-S7 - Verandahs control