



Memorandum

To: Policy/Planning Committee

From: Michael Hodder, Community & Regulatory Services Group Manager

Date: 12 September 2018

Subject: **Policy on incentivising residential development**

File: 3-PY-1-29

TABLED DOCUMENT

Tabled at: Policy/Planning
on: 13 September 2018

1 Background

- 1.1 Since April 2017, the Council has considered options for incentivising residential development so that more houses were available in the District. Cheaper land than in neighbouring districts offers a competitive advantage. In those discussions, Council expressed interest in finding mechanisms for both building new houses and creating subdivisions. For the latter, preliminary consideration was given to how development agreements under sections 207A-F of the Local Government Act could be applied. This is quite complex and the need for Council to negotiate a sharing of costs for any increased capacity in infrastructure up to the boundary of a new subdivision appears low at this time.
- 1.2 A recently adopted policy at Wellington City Council provides a helpful starting point. It focuses on first home builders, and limits the rates remission to a new build, to the original owner of the property, and deems trusts, businesses and companies not eligible. In addition, the policy is restricted to particular areas of the city. The remission is up to \$5,000 (GST inclusive).

2 Comment

- 2.1 At a workshop on 23 August 2018, there was general support for the concept behind Wellington City's approach, but a preference to remove the limitations. So, relocatable houses brought from outside the Rangitikei would be eligible and the remission could pass to a subsequent owner if not fully utilised. The first section of the attached draft policy addresses these considerations.
- 2.2 In addition, consideration was given at the workshop to incentivising residential subdivisions, both in their creation and subsequent successful marketing. The second section of the attached draft policy suggests how this could be achieved, both for wholly new subdivisions as well as those already created but not yet fully sold.
- 2.3 As this policy would become part of Council's rates remission policy, public consultation before adoption is mandatory¹. This might be most conveniently done in conjunction with other consultations such as the Animal Control Bylaw.

¹ Section 102(3) of the Local Government Act 2002. Use of the special consultative procedure is not mandatory, but regard is needed for Council's significance and engagement policy.

3 Recommendations

- 3.1 That the tabled memorandum 'Incentivising residential development' to the Policy/Planning Committee meeting of 13 September 2018 be received.
- 3.2 That, regarding the proposed policy on incentivising residential development, the Policy/Planning Committee recommends to Council that it be adopted [as amended/without amendment] for consultation coinciding with consultation on the revised Animal Control Bylaw.

Michael Hodder
Community & Regulatory Services Group Manager

Incentivising residential development in the Rangitikei

Objective

To increase the amount of housing stock in the Rangitikei.

Conditions and criteria

Rates remission on new or relocated dwellings

1. Council may grant a rates remission on a new residential building constructed anywhere in the Rangitikei District or a relocated dwelling if brought from outside the District.
2. The remission will be for a total of \$5,000 (GST inclusive), and available after the Council has issued a building code compliance certificate for the dwelling. The remission will end once \$5,000 of rates has been remitted. The remission applies to the property and is transferable to a subsequent owner.
3. If more than one qualifying new or relocated dwelling is constructed on a single rating unit, the remission is increased accordingly.
4. The remission is not available if the otherwise qualifying new or relocated dwelling is replacing an existing dwelling. However, Council will consider an application to waive internal building consent costs for such a dwelling.
5. The remission is not available retrospectively for otherwise qualifying new or relocated dwellings which have been completed before the commencement date of this policy.

Rates remission on residential subdivisions

1. If a residential subdivision receives resource consent approval *after* the commencement date of this policy, Council will continue to charge the owner of the subdivided property the rates last charged before subdivision for up to three years. When sections are sold, the rates will be reduced proportionately on the area not yet sold.
2. Where a residential subdivision received resource consent approval *before* the commencement date of this policy, Council will continue to charge the owner of the subdivided property the most recent rates charged for up to three years. When sections are sold, the rates will be reduced proportionately on the area not yet sold.
3. Any section sold from a residential subdivision during the three year period when a remission is being made over the whole site, will be rated for one year at the pre-subdivision rate (proportionately to the total area of the approved subdivision). Full rates will apply after that year.
4. A qualifying residential subdivision must have a minimum of three sections.
5. A qualifying residential subdivision may be anywhere in the District.