

Briefing Paper: Policy for Consultation

Reporting Officer: Angie Thomas

Date: 9 February 2023

Ngā whāinga | Purpose

To provide Elected Members with the R23/15 - Enabling Housing Development on Maori Freehold Land remissions policy.

Horopaki | Context

On the 8th February 2023, we held a Annual Plan workshop for the Council and senior leaders to discuss the upcoming Annual Plan budgets. Due to time constraints we were not able to table the Enabling Housing Development on Maori Freehold Land policy for discussion.

This is a requirement under section 114A of the Local Government Rating Act and this policy needs to be in place by 1 July 2024:

114A Remission of rates for Māori freehold land under development

- (1) The purpose of this section is to facilitate the occupation, development, and utilisation of Māori freehold land for the benefit of its owners.
- (2) A local authority must consider an application by a ratepayer for a remission of rates on Māori freehold land if—
 - (a) the ratepayer has applied in writing for a remission on the land; and
 - (b) the ratepayer or another person is developing, or intends to develop, the land.
- (3) The local authority may, for the purpose of this section, remit all or part of the rates (including penalties for unpaid rates) on Māori freehold land if the local authority is satisfied that the development is likely to have any or all of the following benefits:
 - (a) benefits to the district by creating new employment opportunities;
 - (b) benefits to the district by creating new homes;
 - (c) benefits to the council by increasing the council's rating base in the long term;
 - (d) benefits to Māori in the district by providing support for marae in the district;
 - (e) benefits to the owners by facilitating the occupation, development, and utilisation of the land.
- (4) The local authority may remit all or part of the rates—
 - (a) for the duration of a development; and
 - (b) differently during different stages of a development; and
 - (c) subject to any conditions specified by the local authority, including conditions relating to—
 - (i) the commencement of the development; or
 - (ii) the completion of the development or any stage of the development.
- (5) In determining what proportion of the rates to remit during the development or any stage of the development, the local authority must take into account—
 - (a) the expected duration of the development or any stage of the development; and
 - (b) if the land is being developed for a commercial purpose, when the ratepayer or ratepayers are likely to generate income from the development; and
 - (c) if the development involves the building of 1 or more dwellings, when the ratepayer or any other persons are likely to be able to reside in the dwellings.

Council already had Policy R23/13 – Incentivising Maori Economic Development, so as the above section references both economic development and housing, a separate policy to sit alongside the existing one seems to be the logical way forward.

The conditions have been created to reflect a period of construction with a view to easing the level if rate payments required over time. Service connections would remain payable as they are under all other policies.

Ngā kōrerorero | Discussion

Attached to this briefing is the policy (R23/15 - Enabling Housing Development on Maori Freehold Land). This policy will be in addition to Incentivising Māori Economic Development and is part of the overall Rating Relief Policies derived from the LTP 2021-31.

E whai ake nei | Next Steps

The need to have this policy is set by legislation, but we can change the suggested conditions if that is required.

Please peruse the policy and send through any feedback you have. If you have any comments or questions, can you please email these directly through to either Angie Thomas (angie.thomas@fndc.govt.nz) or Jo Boyd (jo.boyd@fndc.govt.nz)

Ngā tāpiritanga | Attachments

Enabling Housing Development on Maori Freehold Land policy

R23/15 - Enabling Housing Development on Maori Freehold Land

Background

The Local Government (Rating) Act 2002 S114A requires Council to recognise that there is a need to enable housing development on Māori Freehold Land. Enabling housing development through the remission of rates will see direct social benefits to landowners, as well as to Council from future rates contributions.

Policy Objectives

To provide a remission for Māori landowners to enable the development of housing opportunities on Māori Freehold Land.

Scope

This policy applies to Māori Freehold Land only and can be applied to any number of dwellings on a site. It will not apply to service connections, which will remain payable if the property is connected to Council reticulation.

Policy Statement

Council will remit rates on Māori Freehold Land for the purposes of enabling housing development.

Conditions and Criteria

1. Council will remit rates under this policy on an eight-year sliding scale as follows:
 - Years 1 - 3 - 100% remitted
 - Years 4 - 5- 75% remitted
 - Year 6 - 50% remitted
 - Year 7 - 25% remitted
 - Year 8 - 0% remitted
- Remission will apply from 1 July in the year of application.
2. The land, or portion of the land, for which relief is sought must be considered suitable for development and apply and be granted a resource consent.

3. Applications must apply for and be granted a building consent and a code of compliance certificate upon completion.
4. Notification of the above consents and certifications must be made to the Council rates team to ensure the continuation of the remission.
5. A meeting with Council staff will be required to determine any other necessary documentation.
6. Key considerations by Council will include:
 - a. Suitable professional advice has been obtained.
 - b. appropriate financial arrangements for the development of the land have been made.
7. Each application will be submitted to Council for review and assessment. The decision of Council to approve or not approve is final.
8. If the development on which the remission is based does not proceed or is unable to meet the requirements to be compliant with the Resource Management Act 1991 and the Building Act 2004, the remission will cease at the end of the rating year in which this is identified.