

ORDINARY MEETING

OF

REGULATORY PROCESSES COMMITTEE

AGENDA

Time: 1:00pm
Date: Wednesday, 14 March 2018
Venue: Committee Room 1
Ground Floor, Council Offices
101 Wakefield Street
Wellington

MEMBERSHIP

Mayor Lester
Councillor Calvert
Councillor Calvi-Freeman
Councillor Lee
Councillor Sparrow (Chair)

Have your say!

You can make a short presentation to the Councillors at this meeting. Please let us know by noon the working day before the meeting. You can do this either by phoning 803-8334, emailing public.participation@wcc.govt.nz or writing to Democratic Services, Wellington City Council, PO Box 2199, Wellington, giving your name, phone number and the issue you would like to talk about.

AREA OF FOCUS

The Regulatory Processes Committee has responsibility for overseeing the Council's regulatory functions.

The committee will have responsibility for:

- Resource Management Act (RMA) Commissioners – Approve List and Appointment Guidelines
- Dog Objections and Fencing of Swimming Pools
- Road Stopping
- Temporary Road Closures
- Liquor Ban Bylaw Appeals
- Development Contributions Remissions.
- Approving leases under the “Leases Policy for Community and Recreation Groups”

Quorum: 3 members

TABLE OF CONTENTS
14 MARCH 2018

Business	Page No.
1. Meeting Conduct	5
1.1 Apologies	5
1.2 Conflict of Interest Declarations	5
1.3 Confirmation of Minutes	5
1.4 Public Participation	5
1.5 Items not on the Agenda	5
2. General Business	7
2.1 Development Contributions remission for 124 Mark Avenue	7

1 Meeting Conduct

1.1 Apologies

The Chairperson invites notice from members of apologies, including apologies for lateness and early departure from the meeting, where leave of absence has not previously been granted.

1.2 Conflict of Interest Declarations

Members are reminded of the need to be vigilant to stand aside from decision making when a conflict arises between their role as a member and any private or other external interest they might have.

1.3 Confirmation of Minutes

The minutes of the meeting held on 14 February 2018 will be put to the Regulatory Processes Committee for confirmation.

1.4 Public Participation

A maximum of 60 minutes is set aside for public participation at the commencement of any meeting of the Council or committee that is open to the public. Under Standing Order 3.23.3 a written, oral or electronic application to address the meeting setting forth the subject, is required to be lodged with the Chief Executive by 12.00 noon of the working day prior to the meeting concerned, and subsequently approved by the Chairperson.

1.5 Items not on the Agenda

The Chairperson will give notice of items not on the agenda as follows:

Matters Requiring Urgent Attention as Determined by Resolution of the Regulatory Processes Committee.

1. The reason why the item is not on the agenda; and
2. The reason why discussion of the item cannot be delayed until a subsequent meeting.

Minor Matters relating to the General Business of the Regulatory Processes Committee.

No resolution, decision, or recommendation may be made in respect of the item except to refer it to a subsequent meeting of the Regulatory Processes Committee for further discussion.

2. General Business

DEVELOPMENT CONTRIBUTIONS REMISSION FOR 124 MARK AVENUE

Purpose

1. The purpose of this report is to provide advice on the development contribution fee remission application received from Craig and Roslyn Whitely, owners of 124 Mark Avenue.

Summary

2. The Owners of 124 Mark Avenue want to convert the ground floor of their house into a self-contained one-bedroom unit by installing a kitchenette and a ranch slider.
3. As outlined in the Development Contributions Policy (the Policy), a residential Equivalent Household Unit (EHU) is a household unit that has more than one bedroom. One-bedroom or studio households are charged 70% of an EHU.
4. Therefore based on the Policy the development will result in 70% of an EHU. The estimated development contributions charge for this additional EHU is \$7,545.30 (GST inclusive).
5. The Owners have applied to the Committee to remit this charge in full.
6. The Policy allows the Council to remit development contributions at its complete discretion. This authority is delegated to the Regulatory Processes Committee.
7. Officers recommend declining the request for the full remission.

Recommendation/s

That the Regulatory Processes Committee:

1. Receives the information.
2. Declines the application for a remission of development contributions and confirms that development contributions will be payable by the owners.

Background

Development

8. The Owners have made enquiries to convert the ground floor of their home into a self-contained one-bedroom unit. They are creating this unit by adding a kitchenette and a ranch slider. They are not increasing the floor area of the overall house (see floor plans in **Attachment 2**).
9. The Owners are creating the one-bedroom unit for their daughter, her partner and their grandchild who cannot afford to rent elsewhere.
10. The Owners have not yet applied for a building or resource consent. The outcome of this hearing will determine if the Owners can afford this project. The application has been initially assessed under the 2015/16 Development Contributions Policy; however,

the applicable policy will be determined based on the date the building consent is lodged.

Development Contributions Policy

- 11. The Policy provides Council with a method to obtain contributions to fund infrastructure required as a result of growth.
- 12. Council believes it is appropriate that development contributions fund additional capacity in infrastructure as the benefits of this additional capacity mainly accrue to new households (EHUs) and businesses generating the demand for that capacity.
- 13. The Policy provides that any development associated with an application for building consent, resource consent or service connection lodged on or after 1 July 2005, will be required to pay a contribution under the Policy (see clause 1.4.2 of the Policy).
- 14. The Committee can only consider exercising its discretion upon consideration of a remission application as described under section 2.6 of the Policy below.

2.6 Remission and Postponement

- 2.6.1 The Council may postpone payment or grant a remission on development contributions at its complete discretion.*
- 2.6.2 Applications made under this part will be considered on their own merits and any previous decisions of the Council will not be regarded as creating precedent or expectations.*
- 2.6.3 An application for remission must be made before any development contributions payment is due to the Council. The Council will not allow remissions retrospectively.*
- 2.6.4 An application must be made in writing and set out the reasons for the request*
- 2.6.5 Green Building Remission ... (not applicable in the instance)*
- 2.6.6 Other remissions - the Council will only consider exercising its discretion in exceptional circumstances. Other remissions will only be granted by resolution of the Council (or a Committee or Subcommittee acting under delegated authority).*

- 15. In terms of the Policy, residential development is assessed on the basis of the number of equivalent household units (EHUs) created by the development.
- 16. EHUs are applied as follows:

Type of development	EHU assessment based on
Residential development	1 EHU per household unit of two or more bedrooms 0.7 EHU per studio or one-bedroom household

- 17. A one-bedroom household unit means a household unit that has not more than two rooms excluding a kitchen, laundry, bathroom, toilet or any room used solely as an entranceway, passageway or garage . This includes studio apartments.

Development Contributions assessment

- 18. Council officers applied the current Policy to the development and assessed that the conversion of the house increases the current number of EHUs from 1 to 1.7 EHUs.
- 19. The development contribution charge for this additional 0.7 of an EHU was estimated as \$7,545.30 (GST inclusive). However it is important to note that this cost is dependent on when they apply for a building consent.

Discussion

Officers' assessment of remission application

20. The Owners have applied to have their development contributions waived in full (see **Attachment 1**). They have put forward two arguments, which are assessed below.

A. No additional demand on council services

21. The owners have stated that they believe their conversion will not increase the demand on Council infrastructure.
22. Their argument is that the property will house the same number of people as the existing house does, therefore there will be no increase in demand on council services.
23. The Policy defines a household as any self-contained unit that includes "kitchen and bathroom facilities of any nature". Further to the definition, section 11.1.2 of the Policy states "*EHUs will be applied uniformly for each lot regardless of size for reasons of administrative simplicity and lot size is not considered to have a material impact on demand*".
24. The consistent application of policy is central to good governance and equity. Given that the Policy does not determine household units by the number of bedrooms this application should not be treated any differently. In addition, it is important to note the cumulative impact of even seemingly minor infrastructure demand. As such it is recommended to decline the application.

B. Intention of use

25. The owners have stated that they do not intend to rent the flat out or generate income from it. The intention of the flat is to give their daughter and her family some independence.
26. Development contributions calculated under the policy reflect the fact that the development has created potential demand for growth related infrastructure investment and it is on the basis of this potential that the development contribution is calculated.
27. While the owner advises that the current intention is not to rent out the flat, this does not negate the potential demand that has been created by the unit. As such it is recommended to decline the application.

Options

28. The Policy enables remissions of development contributions to be granted in exceptional circumstances at the Council's discretion and states that these decisions will not be regarded as creating precedent or expectations.
29. The Regulatory Processes Committee has delegated authority and responsibility for making decisions on applications for remissions under the Policy.
30. The Committee has two options:
- To remit the development contributions estimated at \$7,545.30 in full or;
 - To decline the request for a remission and invoice the owner \$7,545.30 if the project goes ahead.
31. As stated above, the recommended option is Option B.

Next Actions

32. The Committee is to notify Council officers of their decision and the owner will be notified accordingly.

Attachments

- Attachment 1. DC Remission Request [↓](#) Page 12
- Attachment 2. Ground floor plans [↓](#) Page 15

Author	Nicole Tydda, Manager Cust Serv & BusSupport
Authoriser	David Chick, Chief City Planner

SUPPORTING INFORMATION

Engagement and Consultation

Not applicable

Treaty of Waitangi considerations

Not applicable

Financial implications

See paragraph 30 of the report above

Policy and legislative implications

The recommendations are considered to be compliant with the Development Contributions Policy.

Risks / legal

The Policy enables remissions of development contributions to be granted in exceptional circumstances at the Council's discretion and states that these decisions will not be regarded as creating precedent or expectations. However there is a risk that these decisions will set precedence.

Climate Change impact and considerations

Not applicable

Communications Plan

Not applicable

Health and Safety Impact considered

Not applicable

12 February 2018

Nicole Tydda
Business Services Manager | City Consenting & Compliance | Wellington City Council

Dear Nicole

Introduction:

I would be grateful for this submission, concerning a proposed development contribution fee, be forwarded to the Wellington City Council Regulatory Process Committee for consideration.

Project synopsis

My wife and I own, and reside, at 128 Mark Avenue, Grenada Village. This is a two-level property. The downstairs area consists of a living area, a separate bedroom, and an en-suite. We are intending to make this area self-contained, involving installation of tea and coffee making facilities (specifically a small bench top and a sink) and the addition of a ranch slider in the living room area.

Please see the attached draft plan to assist with the committee's consideration.

Background

My wife and I have our 20 year old daughter, her partner, and their 18 month old daughter (our grand-daughter) living with us. Both are working. They cannot afford to pay market rent at the current stages of their lives. We subsidise their living/accommodation. We like this arrangement because we can assist them financially, and support their parenting. We installed an en-suite for them approximately 2 years ago (consented).

My wife and I are both professionals, working for the same government department. We have two additional children together, aged 4 and 9. Our grand-daughter, and her partner, have been living with us since the birth of their daughter.

Situation

We initiated a project in November 2017 to install kitchen facilities in their living area to assist with their independence, and contracted a draughtsperson to prepare a draft plan which we intended to submit to the council for resource consent.

We consulted with a WCC Planning Technician, who advised that installation of kitchen facilities would constitute a classification of a new residential unit. We would also be subject to a development contribution of approximately \$7,500:00. I quote the advice:

The development contribution for Grenada is \$10,944 (plus GST) for the creation of a new residential unit in Grenada. If what is being created is a bedsit then the fee is 70% of the total.

The development contribution fee immediately rendered our project as unfeasible from a cost/affordability perspective.

Development Contribution

We were advised by the planning technician that the development contribution 'pays for community facilities and services that the other property owners in the region have already contributed towards via their rates'. I have no issue with this fee in respect of a new build situation, however in our case it makes very little sense because there is not going to be any increase in the number of people living in our house, nor is it going to create any additional demand for council services.

I think it is also pertinent to point out that we have no intentions of using the intended development as a rental or income-generating entity. To be clear, we envisage that our daughter, partner, and grand-daughter will be residing with us long term and the project is simply intended to foster their independence by allowing them to make a hot drink, or a sandwich, without having to use our kitchen, and to provide a separate entrance so they can come and go at their leisure.

Request

We respectfully request that the WCC waive the intended development contribution fee in respect of our project on the basis that no additional demand for council services will result. The project is not intended to generate revenue, but simply to create a small measure of independence for our daughter, her partner, and our grand-daughter.

We would be grateful for your consideration. We would also like to avail ourselves of the opportunity to appear before the Regulatory Process Committee to further our submission.

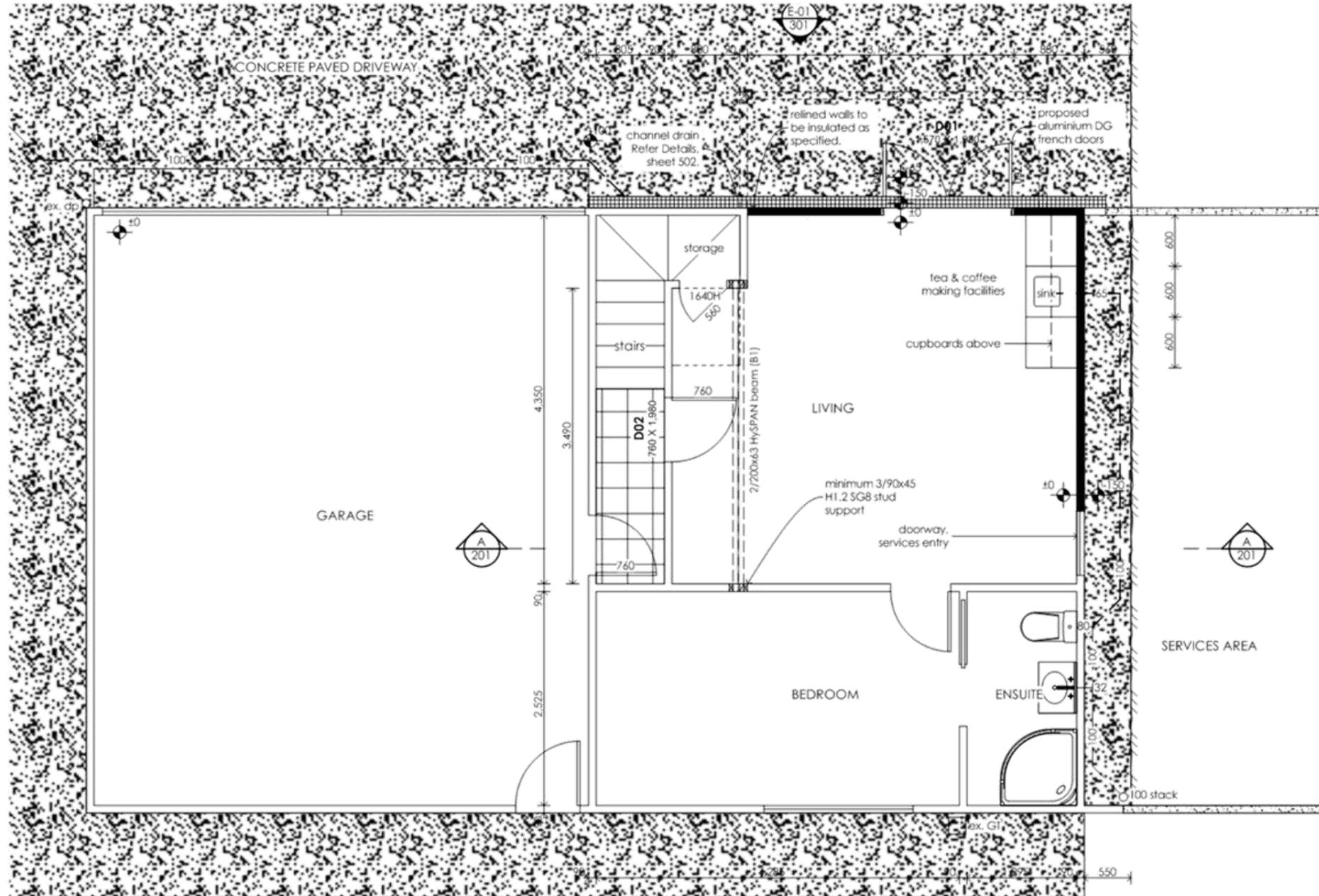
Regards

Craig and Roslyn Whitley

Phone: 021 924 563 (Craig)

Email: rozcraig@xtra.co.nz

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ZONES

WIND: **VH**
EXPOSURE: **C**
EARTHQUAKE **3**



Job: Unit renovation	Date: 12.02.18.	Plot date: 12/02/18
for: Craig & Roz Whitely		
at: 128 Mark Ave, Grenada, Wellington 6037	Drg. No: 1727-3	Sheet: 104
Title: Ground Floor - proposed		
Ian Wilson 9 Haven Grove Lower Hutt 5011 Wellington Email ianterrafirma@gmail.com Phone 027 6072434		
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