

FC - Koha pūtea - Financial Contributions

~~Section 108 of the Resource Management Act 1991 empowers a Council to impose financial contributions on resource consents in accordance with the purposes specified in a plan and at a level determined in a manner described by the plan.~~

~~Council is proposing to work through a review process to determine whether financial contributions will be required going forward. As part of this process Council will consult with key stakeholders and community, review funding options and look at amending this chapter at a later date as part of a variation to the District Plan.~~

Financial contributions are collected by councils to address adverse effects of development that cannot be otherwise avoided, remedied or mitigated. Financial contributions can be used to cover the proportioned cost of the provision of infrastructure, such as upgrading or replacement of infrastructure to service higher capacity; and/or to offset adverse effects on the environment.

Financial contributions may be imposed for the purpose of promoting the sustainable management of natural and physical resources. Section 77E of the RMA enables a council to require a financial contribution for any class of activity other than prohibited.

The general circumstances where financial contributions may be required include:

- to address the statutory exemption of the Crown from the provisions of the Local Government Act 2002 by taking financial contributions for subdivision and/or development by the Crown;
- To enable the ongoing collection of, and potential review, of existing consent conditions that require a financial contribution;
- To take financial contributions for reserves, other than esplanade reserves;
- To offset the adverse effects of subdivision and development on infrastructure not otherwise addressed by Council's Development Contribution Policy under the Local Government Act 2002; and
- To offset any adverse effects on the environment from intensive development and new subdivisions.

In section 108(9) of the RMA, financial contributions mean a contribution of:

- money; or
- land, including an esplanade reserve or esplanade strip (other than in relation to a subdivision consent), but excluding Maori land within the meaning of Te Ture Whenua Maori Act 1993 unless that Act provides otherwise; or
- a combination of money and land.

The provisions in this chapter are consistent with the matters in Part 2 — District Wide Matters - Strategic Directions and give effect to matters in Part 2 — District Wide Matters - Urban Form and Development.

Objectives	
FC-O1	Infrastructure Impacts
	<u>Residential intensification, new subdivision, and development equitably contribute towards remedying or mitigating effects on Council infrastructure.</u>
FC-O2	Environmental Effects
	<u>Residential intensification, new subdivision, and development contribute towards mitigating their impact on the environment.</u>
Policies	

FC-P1	<u>Provision of Infrastructure</u>
	<u>Financial contributions are required where housing intensification, subdivision, and development or both have an adverse environmental effect on existing infrastructure, which requires capacity increases, upgrades or other modification to the infrastructure ahead of the scheduled maintenance/replacement program, or outside the scope of scheduled maintenance/replacement programme.</u>
FC-P2	<u>Acquisition and Vesting of Land</u>
	<u>Consider the need for land to be acquired and vested for the purpose of road reserve, stormwater reserve, the location of council infrastructure, and to mitigate the effects on the environment.</u>

Activity Rules

FC-R1	<u>New Residential Units</u>	
<u>Medium Density Residential Zone</u>	<p>Activity status: PER CON¹</p> <p>Where:</p> <ol style="list-style-type: none"> there are more than two three² residential units per site; a financial contributions assessment has been completed in accordance with FC-S1; and all monies calculated under FC-S2 to FC-S4 are paid. <p>Matters of control</p> <ul style="list-style-type: none"> <u>SUB-MCD2 – Subdivision design</u> <u>SUB-MCD6 – Infrastructure³</u> 	<u>Activity status when compliance is not achieved: DIS</u>
FC-R2	<u>Subdivision</u>	
<u>All Zones except SPZ(KN)⁴</u>	<p>Activity status: PER CON⁵</p> <p>Where:</p> <ol style="list-style-type: none"> more than two three⁶ new allotments are created; a financial contributions assessment has been completed in accordance with FC-S1; and all monies calculated under FC-S2 to FC-S4 are paid. <p>Matters of control</p> <ul style="list-style-type: none"> <u>SUB-MCD2 – Subdivision design</u> <u>SUB-MCD6 – Infrastructure⁷</u> 	<u>Activity status when compliance is not achieved: DIS</u>
SPZ(KN)	Activity status: CON⁸	Activity status when

¹ Bellgrove Rangiora Ltd [V2 66.5], Kainga Ora [V2 77.6]. Variation 2 s42A Report.

² Kainga Ora [V2 77.6]. Variation 2 Reply Report.

³ Ngai Tūāhuriri V2 submitters [as set out in para 64 of the Variation 2 s42A]. Variation 2 Reply Report.

⁴ Ngai Tūāhuriri V2 submitters [as set out in para 64 of the Variation 2 s42A]. Variation 2 s42A Report.

⁵ Bellgrove Rangiora Ltd [V2 66.6], Kainga Ora [V2 77.7]. Variation 2 s42A Report.

⁶ Kainga Ora [V2 77.6]. Variation 2 Reply Report.

⁷ Page 7, Variation 2 Reply Report, in response to Ngai Tūāhuriri V2 submitters [as set out in para 64 of the Variation 2 s42A Report].

	<p><u>Where:</u></p> <ol style="list-style-type: none"> 1. <u>more than two three⁹ new allotments are created;</u> 2. <u>a financial contributions assessment has been completed in accordance with FC-S1; and</u> 3. <u>all monies calculated under FC-S2 to FC-S4 are paid prior to the issue of a completion certificate under s224c of the Resource Management Act 1991.</u>¹⁰ <p><u>Matters of control</u></p> <ul style="list-style-type: none"> • <u>SUB-MCD2 – Subdivision design</u> • <u>SUB-MCD6 – Infrastructure</u>¹¹ • <u>FC-SPZ(KN)-MCD1</u>¹² 	<p><u>compliance is not achieved:</u> <u>DIS</u>¹³</p>
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Matters of Control

<p><u>FC-SPZ(KN)-MCD1</u>¹⁴</p>	<ol style="list-style-type: none"> 1. <u>Decisions on financial contributions that apply to subdivision on Māori Land in the SPZ(KN) at Tuahiwi ensure that:</u> <ol style="list-style-type: none"> a. <u>Te Ngāi Tūāhuriri Rūnanga exercise kaitiakitanga in the use and development of ancestral land for their social, cultural and economic well-being; and</u> b. <u>Enable the use and development of Māori Land for a wide range of activities in accordance with tikanga Māori, including kāinga nohoanga and mahinga kai, to support the social, cultural and economic aspirations of mana whenua.</u>¹⁵
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Financial Contribution Standards

<p><u>FC-S1: Assessment Methodology</u></p>	
<ol style="list-style-type: none"> 1. <u>The District Council will issue a Financial Contribution Calculation Assessment (which will be valid for three years from the date of issue) that specifies:</u> 	<p><u>Activity status when compliance is not achieved: N/A</u></p>

⁸ Bellgrove Rangiora Ltd [V2 66.6], Kainga Ora [V2 77.7]. Variation 2 s42A Report.

⁹ Kainga Ora [V2 77.6]. Variation 2 Reply Report.

¹⁰ Ngai Tūāhuriri V2 submitters [as set out in para 64 of the Variation 2 s42A Report]. Variation 2 s42A Report.

¹¹ Bellgrove Rangiora Ltd [V2 66.6], Kainga Ora [V2 77.7]. Variation 2 Reply Report.

¹² Page 7, Variation 2 Reply Report, in response to Ngai Tūāhuriri V2 submitters [as set out in para 64 of the Variation 2 s42A Report].

¹³ Ngai Tūāhuriri V2 submitters [as set out in para 64 of the Variation 2 s42A Report]. Variation 2 s42A Report.

¹⁴ Page 7, Variation 2 Reply Report, in response to Ngai Tūāhuriri V2 submitters [as set out in para 64 of the Variation 2 s42A Report].

¹⁵ Page 7, Variation 2 Reply Report, in response to Ngai Tūāhuriri V2 submitters [as set out in para 64 of the Variation 2 s42A Report].

<ul style="list-style-type: none"> a. <u>all reasonable costs incurred or to be incurred in providing the service, utility or facility (including but not limited to; any legal, survey, design, planning, engineering costs and disbursements);</u> b. <u>any reasonable costs to avoid,¹⁶ remedy or mitigate any effects on the environment from intensification, and subdivision;</u> c. <u>the value of and/or the costs of acquiring any or interest in any land required for the service, utility, facility or reserve;</u> d. <u>an allowance or adjustment for inflation; and</u> e. <u>an allowance for the overhead costs of the Council and/or any costs associated with servicing Council expenditure in providing or upgrading a service or facility.</u> 	
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FC-S2: Financial Contribution Calculation for Water, Wastewater and Stormwater

<p>1. <u>As part of the District Council Financial Contribution Calculation Assessment for drinking water, wastewater and stormwater firstly an assessment will be undertaken to the following calculation methodology will be used¹⁷ assess whether the upgrade, extension or new infrastructure required already accounted for in growth component allowed for in the <u>Development Contributions policy and then</u>¹⁸:</u></p> <ul style="list-style-type: none"> a. <u>assess the increase in capacity of the upgrade, extension or new infrastructure required and only charge the proportion needed to service the proposed development;</u> b. <u>where required to be installed on Council land and agreed to by the Council, the 100% estimated cost of all materials, installation and commissioning of a water supply booster pump and associated infrastructure to maintain water pressure in any building three or more stories in height; and</u> c. <u>assess provision of on-site stormwater management, and if sufficient to manage a 10 year storm, either no or a</u> 	<p><u>Activity status when compliance is not achieved: N/A</u></p>
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¹⁶ 199 Johns Rd et al [V2 68.5], Eliot Sinclair and Partners [V2 69.4]. Variation 2 42A Report.

¹⁷ Bellgrove Rangiora Ltd [V2 66.11], Kainga Ora [V2 77.9]. Variation 2 s42A Report.

¹⁸ Bellgrove Rangiora Ltd [V2 66.11], Kainga Ora [V2 77.9]. Variation 2 s42A Report.

<u>reduced financial contribution will be required.</u>	
<u>FC-S3: Financial Contribution Calculation for Acquisition and Vesting of Land</u>	
<p>1. <u>As part of the District Council Financial Contribution Calculation Assessment for acquisition and vesting of land the following calculation methodology will be used:</u></p> <ul style="list-style-type: none"> a. <u>the extent of any land to be acquired or vested for use by Council shall be assessed and only the area necessary to provide the infrastructure, service or amenity will be acquired or vested;</u> b. <u>the location and area of the land shall be identified;</u> c. <u>the purpose for which the land is to be acquired or vested and it's classification under the Reserves Act 1977 will be specified;</u> d. <u>how the land is to be acquired or vested will be agreed, and the valuation of the land will be determined by a certified third party valuer:</u> <ul style="list-style-type: none"> i. <u>where the land value is more than the equivalent financial contribution value, the difference in value shall be a credit.</u> 	<u>Activity status when compliance is not achieved: N/A</u>
<u>FC-S4: Financial Contribution Calculation for Roothing</u>	
<p>1. <u>As part of the District Council Financial Contribution Calculation Assessment for roading firstly an assessment will be undertaken to the following calculation methodology will be used¹⁹: assess whether the upgrade of extension to or new roading infrastructure required is already accounted for in the growth component allowed for in the Development Contributions policy; and then:²⁰</u></p> <ul style="list-style-type: none"> a. <u>if not provided for in the Development Contributions policy, the cost of the upgrade extension or new roading infrastructure will be calculated by Council;</u> b. <u>the percentage contribution required to be paid by the development will be calculated as follows: vehicle movements per day generated by the development</u> 	<u>Activity status when compliance is not achieved: N/A</u>

¹⁹ Bellgrove Rangiora Ltd [V2 66.11], Kainga Ora [V2 77.9]. Variation 2 s42A Report.

²⁰ Bellgrove Rangiora Ltd [V2 66.11], Kainga Ora [V2 77.9]. Variation 2 s42A Report.

<p>divided by vehicle movements likely to be generated²¹ per day of the development plus vehicle movements per day of any potential additional lots that could develop²² plus average daily traffic: % contribution = $\frac{\text{vmpd development}}{\text{vmpd development} + \text{vmpd potential new lots} + \text{current average daily traffic}}$;</p> <p>c. where new roads are required, the financial contribution will be based on a unit rate per kilometre of new road multiplied by the number of new lots divided by the existing lots plus proposed new lots; and</p> <p>d. where land is required to be vested for roading purposes, the area of land, the value of the land, and its²³ proposed classification, shall be specified by Council.</p>	
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²¹ Eliot Sinclair and Partners [V2 69.5]. Variation 2 Reply Report.

²² Eliot Sinclair and Partners [V2 69.5]. Variation 2 Reply Report.

²³ Clause 16(2) minor error.