Development Contributions

Limited Remission Policy for Community Housing 2024

(Updated October 2026)

Kāpiti Coast DISTRICT COUNCIL
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Version Control

Version	Policy Title+	Date	Reason for change
1	Development Contributions Limited Remissions Policy for Community Housing	July 2024	New Policy
2	Development Contributions Limited Remissions Policy for Community Housing	October 2026	Security mechanisms introduced Policy clarification around government co-funding

Purpose and Policy Overview

1. This Policy outlines the Council's approach to providing for limited remission of development contributions required under its Development Contribution Policy for certain defined developments carried out by specified developers. In this case the remission policy relates to community housing and papakāinga housing.

2. The Council is required under section 102(2) of the Local Government Act 2002 (LGA) to adopt a policy on development contributions or financial contributions if it intends to charge either. In developing and adopting a development contributions policy, the Council decides the extent to which charges may be required under the policy as calculated on different classes or types of development. The purpose is to help fund new infrastructure and upgrades to existing infrastructure required as a result of growth.

3. The Council makes the assessment of the amount required to be paid when someone applies for resource consent or a building consent, a certificate of acceptance, or a new water or wastewater service connection. Based on the calculations for each asset/capital works class or type, an assessment works out how many 'units of demand' apply to a specific development, at a specific time, and therefore, how much is required to be paid in development contributions.

4. Under this limited remission policy, the Council has determined the circumstances where the Council may waive in part or in full, all the development contributions levied and required from a specified type of developer or type of development to the limits set in Table A (which may be reviewed and amended from time to time).

5. For the purposes of this policy, "developer" and "development" includes all the stages of development work covered variously by a resource consent, a building consent, a certificate of acceptance, or a new water or wastewater service connection.

6. Any remission of payment will not be added to or shared across development contributions paid by other developers or on other developments.

Commencement, Review, and Availability

7. This Policy (as amended) will take effect from 1 November 2026. The Policy will be monitored and reviewed at least once every three years, and it may be amended at other times. This policy and Council's Development Contributions Policy are included within the Council's Long-term Plan 2024-2034, and are available at Council offices, service centres and libraries, and on Council's website.

Purpose

8. Development contributions enable recovery from those persons undertaking development, of a fair, equitable, and proportionate portion of the total cost of capital expenditure necessary to service growth over the long term.

9. The purpose of this Policy is to support community housing and papakāinga housing within the district by reducing the upfront development contributions payable. This is to encourage the delivery of community housing and papakāinga housing development across the district, including on tangata whenua ancestral land.

Definitions

10. Where this Policy references words and phrases used in the Development Contributions Policy, those words and phrases are as defined in that Policy. For the purpose of this policy, the following definitions apply:

    Community housing – Community housing is defined as rental housing provided by registered community housing providers (CHPs). It is long-term rental housing, provided under the rules set out in the Residential Tenancies Act 1986. For remissions to apply, the community housing must be separated from the provision of support services by CHPs.

    Community Housing Provider (CHP) – a community housing provider registered with the Community Housing Regulatory Authority.

    Community Housing Regulatory Authority – regulates community housing providers and registers and maintains the register for qualifying providers.

    Council Housing Entity – A housing entity that is a Council Controlled Organisation or Council Organisation under Part 5 of the Local Government Act 2002.

    Papakāinga housing – is residential activities for tangata whenua on their ancestral land.

    Residential activity, residential use and residential development – are as defined in the Council's Development Contributions Policy.

When limited remission requirements may be applied for.

11. The Council may, at the request of an applicant, consider allowing a limited remission (to the extent outlined in paragraph 29 below) of some or all required

development contributions payable for a particular development that meets the conditions of one or more of the following categories:

a. a development that delivers not-for-profit community housing, where:

   i. the applicant on the resource consent or building consent, or application for a certificate of acceptance, or water/wastewater and/or stormwater service connection, is a registered community housing provider with the Community Housing Regulatory Authority, or is Council itself or a Council housing entity, or

   ii. the development is for papakāinga housing on tangata whenua ancestral lands.

b. where a development is staged, an application may be made for each stage provided that within that stage, one or more of the conditions outlined in 'a' above are met, and for the development as a whole (all stages), the mixed percentage of qualifying housing units is not less than 25% of the total number of housing units being provided. Should it eventuate, at the completion of all stages, that this percentage requirement has not been met, then all remitted development contribution will be required to be paid (see paragraph 35 below).

c. the mixed percentage assessment will be made when the resource consent for the last stage of development is lodged, and any further required contribution owing must be paid in full when normally due under the Development Contributions Policy, as outlined in Table 10 of that Policy.

d. a qualifying unit is a 'unit of demand' as defined by the Council's Development Contributions Policy and applies to developments developed by a housing provider as described in paragraph 11a (i and ii) above, for residential activities. (These may also include residential units on mixed-use and business zone land).

Limited Remission Criteria and Conditions

12. The development must deliver housing in one or more of the categories outlined in paragraph 11 above.

13. An application for limited remission must be lodged with the Council prior to any development contributions being paid. Development contributions paid prior to an application being lodged will not be eligible for a refund.

14. The Council may at its absolute discretion and on a case-by-case basis, approve in full or in part, or not approve, the application for limited remission of development contributions required for a development.

15. Rates of remission are as outlined in Table A below and apply to an application for limited remission as at the date that the application for limited remission is received by the Council.

16. Approval of limited remission of development contributions required for one development contribution class or type or one community or network infrastructure in an area of service (as defined by the Council's Development Contributions Policy), or on a district-wide basis, does not in any way commit the Council to approve remitting:

    a. development contributions for any other class or type of development contribution, or

    b. for any other community or network infrastructure, or

    c. for a different separate development or part of a development, or

    d. for a development in another area of service, or on a district-wide basis, or

    e. any applicable financial contribution assessed under Financial Contributions requirements of the Kāpiti Coast District Plan.

17. The percentage remissions stated in Table A, are maximums, and within the given circumstances of a development, the Council may assess the remission at a lower percentage, and/or for only some or for all the contributions required for the range of community and network infrastructure works applicable.

18. Limited remission of development contributions will only be considered and applied to the number of qualifying units of demand within the development or part of a development. Where the development is a mix of qualifying units and non-qualifying units, the required development contributions for the non-qualifying units will be calculated and payable as per the Council's Development Contributions Policy.

19. No remission may be applied for or granted under this Policy where a review of the contribution payable and grant of a remission or reduction of the development contribution required has been made under the Council's Development Contribution Policy's general provisions. This includes where the Council has considered an application for, and granted a remission or reduction of, any development contribution where the applicant has provided and/or funded the same infrastructure for which a development contribution has been required.

20. Limited remission of development contributions is not available to any works or development undertaken directly by central or regional government or by its agencies, including Kāinga Ora. Developments that benefit from full or partial funding from Government or its agencies (including funding in kind), but are developments undertaken by independent entities, are eligible as per the terms of this Policy.

21. For the avoidance of doubt, the Crown and Crown agents, including Kāinga Ora, are not eligible for limited remission of Development Contributions under this policy.

22. Remission of development contributions under this Policy for developments that have received other funding (including in kind) from Council is at Council's absolute discretion.

23. Limited remission of development contributions only applies to capital works included in Table 4 *Summary of total cost of capital expenditure to be funded by development contributions*, in the Council's Development Contributions Policy.

24. Should Council remit any or all of the development contributions payable on a development that is for community housing, it may, at its absolute discretion, require the development owner, at their own expense, to place a covenant against the title(s) associated with the development and its site, requiring that the development remain as community housing as defined in s.10 of this Remissions Policy for a minimum period agreed with Council.

25. For papakāinga developments, Council reserves the right to require a Memorandum of Understanding between it and iwi/hapū involved in the development safeguarding ongoing use of the housing units as papakāinga and an acknowledgement that the remitted development contributions would fall due should the land be sold and/or no longer used for papakāinga housing.

26. A decision by the Council to remit any or all of the development contributions normally payable on a development does not commit Council to provide any community facilities, community infrastructure, and/or network infrastructure, additional to the capital works which have been included in Table 3 *Community Infrastructure Assets that the Council has already built*, and Table 4 *Summary of total cost of capital expenditure to be funded by development contributions*, in the Council's Development Contributions Policy.

27. A decision by the Council to remit under this limited remission policy, any or all of the development contributions normally required on a development does not commit Council to any approval or otherwise of the development under the Resource Management Act 1991 or Building Act 2004 or require the Council to commit to any service connection.

28. This policy does not apply to financial contributions levied on a development under the financial contributions provisions of the Kāpiti Coast District Plan and the Resource Management Act 1991.

Remission rates

29. Remission rates are as outlined in Table A. These rates are reviewed every three years as part of this policy's review.

Table A:

Housing category	Maximum Remission (%)	Development Contributions Covered
CHP Housing	50	Contributions listed in Table 8 of the Council's Development Contributions Policy
Papakāinga	50	

Application process

30. A request for limited remission of development contributions otherwise due on a development must be made within 10 working days of receipt of the notice from the Council of the amount of development contribution that the Council proposes to require.

31. A request for limited remission of development contributions required may be made either:

    a. on Council's Development Contribution Limited Remission Application form; or

    b. via email or other digital forms of communication providing the request includes all the same information as if it was made using the form.

32. The Council will acknowledge receipt of the request for limited remission of required development contributions within three working days by responding in writing or by email.

33. The Council may, within 10 working days of receiving the request for limited remission, request further information from the applicant to support compliance with the Limited Remission Policy's eligibility and remission criteria.

34. Once the Council has received all the required information relating to the request or the applicant has advised that they will not provide any further information, the Council will consider the application for limited remission and advise the applicant of the outcome within 15 working days.

35. While an application for limited remission is being processed, due dates for the payment of any required development contribution will be suspended. Should the application for limited remission be declined, or approved in part, all remaining required development contributions will be payable in accordance with the timeframes in the Council's Development Contributions Policy (see Table 10) with the periods beginning from the date the application for remission was declined.

36. The Council will follow the process below in assessing a request for limited remission of required development contributions:

    a. On receipt of an application, staff will prepare a report reviewing the:

i. eligibility of the applicant to receive a limited remission under the policy, and

ii. the eligibility of the development to have required development contributions remitted, and

iii. the classes or types of development contribution that could be remitted,

iv. the number of qualifying units to which limited remission may apply, and

v. recommendation as to whether the application should be approved or declined, and, if approved on what terms.

b. The request for limited remission and report will be reviewed by the relevant Group Manager(s), in line with their financial delegation(s).

c. The applicant will be advised of the outcome of the request within 15 working days after the date that the:

i. application for limited remission is received with all required information, or

ii. further information is received from the applicant, and the application is complete.

iii. application for limited remission is received, and the applicant advises that they will not provide further information, or

d. The application for limited remission of development contributions may be:

i. approved as applied for, or

ii. approved for some classes or types of development contributions required, or

iii. approved at a lesser percentage value to the maximums outlined in Table A above, or

iv. approved in some mix of ‘i’ to ‘iii’.

e. There will be no fee for lodging an application for limited remission of required development contributions under the Council’s Development Contributions Policy.