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Consultation: Making it easier to build Granny Flats
Building System Performance
Building, Resources and Markets
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Submission to "making it easier to build granny flats" discussion document

Thank you for the opportunity to comment on Government's preliminary considerations on "making it easier to build granny flats" (Minor Residential Dwellings (MRUs).

Council supports initiatives that aim to increase the level of new and more affordable housing to help meet the needs of communities across the country.

Here in the Kāpiti District, we see granny flats or MRUs as providing a viable, affordable contribution to alleviating our housing crises, which has some particular characteristics less common in other areas of the country. For example, granny flats can provide an opportunity for aging in place, close to family, friends and social connections for those who cannot afford the costs of retirement villages, or struggle with the upkeep of large standalone houses and sections. MRUs also provide opportunity for intergenerational living, allowing parents to provide a stepping stone for family to move to greater independence.

However, it is also important that increasing housing provision ensures housing options are safe, dry and warm.

We support any new regulatory framework being easy to navigate and with the least barriers possible. However, we believe that any system also needs to provide sufficient checks and balances to maintain the confidence of homeowners, prospective buyers, the finance and insurance industry, and the building industry itself. Of note:

- There is no reference made to the consumer protections cover provided in the Building Act[1], and Council is concerned that removing the requirement for a building consent will undermine these assurances, unless alternatively provided for. This would be a step back for consumer protection for the building and construction sector and could leave future buyers of these MRUs significantly exposed should the building subsequently fail in some way. The right checks and balances must be provided to ensure we do not create another 'leaky homes' type legacy particularly in the context of changing quality of materials coming in from overseas.
- While recognising the ability of the proposals to help meet the diverse housing needs of our communities, the potential impact on Tier 1 councils more widely may actually be counterproductive. The planning changes brought in by the National Policy Statement for Urban Development (NPS-UD) and the Medium Density Residential Standards (MDRS) deliver permitted activity status for additional dwellings on the same lot already. Allowing the unfettered spread of granny flats on residential sites may actually hinder the push for greater density that the NPS-UD aims to deliver for these councils, through compromising development potential across residential areas. A more nuanced approach, and some thoughtful planning provisions to ensure these two approaches don't work against each other are required.
- The proposals make no mention of the Healthy Homes Standards. As these new MRUs are likely to house vulnerable populations (our older people) or provide rental accommodation sometime during their life cycle, ensuring they meet the Healthy Homes Standards is a quality bottom-line that must be safeguarded. The proposals suggested in the Discussion document in conjunction with proposals for removing barriers to using overseas building products/systems increases the potential for inappropriate materials choice and/or installations. This could lead to future building failure issues and needs to be specifically addressed in any new provisions of both proposals.

Council would also like to note that it fully supports the submission from Taituarā. Our submission below provides further response to the specific question of the Discussion document. This includes the benefits, but also the challenges and potential options for getting the balance right with making it easier to build granny flats with growing well.

Problem definition, proposed outcomes and principles

Q1. Are there other problems that make it hard to build a granny flat? Please explain your views.

Yes, we note the following concerns:

- The Discussion document identifies consenting costs as an impediment to the development of granny flats. Council recognises consenting cost contribute towards the cost of a development, but that these costs only typically form a small proportion of overall development costs. In our district plan, MRUs are permitted activities providing performance

[1] Building Act 2004 Consumer Protection provisions: Requirements for written contracts for work over $30,000; a set of implied warranties that run for up to 10-years; a 12-month defect repair period.

criteria are met. Building Consent costs for MRUs typically sit around 1- 2% of total build cost[2], a small investment to ensure quality buildings in safe locations.

- The Discussion document also identifies consenting timeframes as a contributing factor to discouraging the building of granny flats. Consents have statutory timeframes which are required to be met, with consents (both building and RMA) for MRUs often processed well within timeframe requirements. Under the RMA, councils are financially penalised if a timeframe is missed. In practice, the quality of applications for development often has a significant bearing on consenting timeframes, with poor applications with insufficient design and specifications leading to time delays while additional information is sought in order to meet requirements. This frequent paucity in design and specification is a serious warning signal to taking the quality assurance provided by consenting requirements out of the process.

If more certainty in cost and timeliness of consenting processes is desired, reducing statutory processing times, the number of inspections required, capping of fees or incentivising the use of standardised designs provide alternative approaches to achieve this, and are elaborated on further under question 5.

Reason for delays with MRU projects are many, with consenting issues being the least likely and having the lowest impact. Design issues, building product availability and cost, availability of tradespeople, coordination of sub-services, weather issues, and finance can each play a much greater role in holding a project up and spinning out cost. Removing consenting requirements will do nothing to mitigate these issues and may indeed exacerbate them or cause costly and difficult future remediation.

Q2. Do you agree with the proposed outcome and principles?

Council agrees with the proposed outcome to increase the supply of small houses for New Zealanders through creating more affordable housing options and services. However, Council has reservations that the proposals put forward in the Discussion document will actually deliver affordable housing solutions in the near- and long-term. While reductions in costs and time will be achieved by removing consenting requirement, Council is unsure that in the life-cycle costs of the resulting houses, those saving will not be lost to future issues arising from poor construction and/or connection to public services.

Minor amendments to current consenting processes can support the outcomes desired without the significant risks that the new proposals bring to the housing system both in the near- and longer-term. The safeguards proposed in the Discussion document add complexity to the building control system and rely on levels of Licensed Building Practitioners (LBP) competence and owner knowledge that are at best inconsistent. Council believes there are more straightforward solutions to the problem as defined (see Question 5 below).

With respect to outcomes proposed, we recommend including Section 3 of the Building Act 2004 to ensure buildings are safe to use in all respects. Having safe and healthy buildings to domicile our people in must be the primary outcome.

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[2] Based on a 60sqm build at $4,000/sqm, overall build cost of $240,000:

- Building consent: $2,400 - $4,800.
- Resource consent: $0 when permitted activity.

Land stability and strength to support a building also needs to be confirmed; the proposals remove concern for these matters entirely.

Q3. Do you agree with the risks identified?

As noted, Council supports this initiative and agrees with the high-level risks identified in the Discussion document.

However, their high-level nature masks a number of significant risks "hidden" in the detail. Examples include:

- The exemption of certification for plumbing and drainlaying work: without consenting oversight, plumbing and drainlaying work could be carried out without any checks and balances, potentially putting those using the MRU, close neighbours, and the wider Council network at risk of insanitary contamination and/or a noxious (sewerage overflows) or nuisance environment (nuisance flooding).
- Unintended non-compliance leading to future liability: compliance with the Building Code requires an ability to traverse a complex, technical document. More broadly and related to this, there are issues relating to contracting, finance, insurance, and site suitability that have not been adequately addressed in the proposals. Put simply, what can a bank rely on when assessing the structure as safe and soundly constructed, likely to meet its 50-year plus life, and good collateral to a mortgage. It is unclear how a new Schedule to the Building Act with additional criteria to Schedule 1 will help with these matters. (A quick Google search comes up with numerous offerings of minor dwellings with cooking and sanitary facilities that already breach Schedule 1 requirements although claiming that no building consent is required).

To reiterate from above as crucial, the framework adopted for facilitating MRUs must ensure that the Purposes set out in section three of the Building Act, the requirements of the Building Code, and the Healthy Homes Standards are met, even if work is exempt from usual consenting requirements or are subject to an amended process.

Building system proposals

Q4. Do you agree with the proposed option (option 2: establish a new schedule in the Building Act to provide an exemption for simple, standalone dwellings up to 60 square metres) to address the problem?

Of the three options outlined in the Discussion document, we agree that Option 2 seems the better approach, although combined with the preferred option for handling resource management issues, makes for a complex and clumsy solution.

With respect to the options, we note:

- There are also options missing because the problem definition is inadequate. For example, the more straightforward option of streamlining the building consenting process for MRUs is not considered, which is a missed opportunity.
- Under Option 2 there will likely be a shift of costs from the owner to the wider ratepayer base for 'permitted activity' monitoring and/or enforcement. For example, compliance officers will need to check the site coverage standards, and distance to boundary. The system will become complaint-based which is not cost recoverable for councils. As with the

Fencing of Swimming Pools Act, the potential for councils to need to proactively monitor will increase over time in response to identified issues, which will introduce a vicarious liability on councils, and through them the ratepayer.

Q5. What other options should the government consider achieving the same outcomes (see Appendix 1)?

The outcome of this policy change is to get more small, affordable dwellings built more cheaply, and more quickly. Removing compliance checks may help this, but does so at significant risk, as the coming together of reduced regulation and new products demonstrated in the leaky building legacy. The emphasis of the policy should be how to make it easier for people to do the right thing, rather than setting up a framework that removes checks and balances.

These other approaches include:

- incentivising greater use of MultiProof designs and the BuildReady Scheme for off-site construction, and differentiating the consenting process between these prefabricated dwellings and on-site spec builds,
- adapting section 401A of the Building Act, *Regulations: building consents and consent completion certificates,* to more specifically define construction of MRUs as simple building work, or
- re-introducing a Simple House Acceptable Solution, along with shortening consenting times to 10-days and/or restricting the number of building inspections, and
- Setting fee limits and/or funding such consents from MBIE's $71M excess from building levy, and
- Requiring Certificates of Guarantee from builders and other tradespersons, backed by personal liability insurance.

Q6. Do you agree with MBIE's assessment of the benefits, costs and risks associated with the proposed option in the short and long term?

Overall, we do not agree. While Council is supportive of the Outcomes sought by the proposals, we believe the benefits are over-stated and when weighed against potential future costs and risks, and do not align to the Outcomes proposed. Council considers the alternative approaches outlined under Question 5 (for streamlining builder consents for MRU) and existing NPS-UD and MDRS requirements, already provide for MRUs across residential areas. A modified version of these could be developed for Tier 2 and 3 authorities and for application to rural situations.

Q7. Are there any other benefits, costs or risks of this policy that we haven't identified?

Yes, our view is that the following benefits, costs, and risks should also be included:

Benefits:

Community benefits:

- Meets need for diversity in housing, providing an affordable housing options,
- Facilitates intergenerational living and living in place.

System benefits:

- Building Consent Authorities will be able to focus time and resources on building work that presents the highest risk to people and property,
- Establishing a direct link to the Licensed Building Practitioner regime, recognising the competence of some of these professionals to manage some risks.

Homeowner benefits:

- Improved savings of up to 1-2% of build costs for dwellings up to 60m2. Although, these savings must be weighed up against the increased risk to people and property of reducing safety controls for new buildings,

Costs:

Community costs:

- Building work for new dwellings involve higher risk work (e.g. weathertightness, plumbing and drainage issues). Failures of exempted building work could cost more to remediate than was initially saved by the exemption,
- Additional health (including public health) and safety risks to building users and risks of damage to other property, including council infrastructure, in the event of non-compliance with the Building Code and or building work failure (especially from plumbing and drainlaying issues),
- Potential loss of development and financial contributions to Council to cover cost of reduced network capacity if new MRUs are not 'captured' by efficient notification system,
- Costs to community of spare infrastructure capacity and equitable funding concerns (free-riding and funding growth) issue),
- Cost to council and community of 'permitted activity' monitoring and regulation by investigating complaints.

Homeowner costs:

- There is no requirement for owners to inform councils about work that has been undertaken under an exemption which would mean that there is no formal record of that work. This could lead to financing and insurance risk for future owners, and
- costs if building work not compliant with Building Code and has to be redone.

Risks:

Community risks:

- Risks associated with connecting sub-standard development into Council's three water's network could remain hidden for some time. Drainage will need to be designed to prevent backflow and ensure suitable discharge from the site. Any remedial works will be more expensive once driveways and landscaping are established on a site and may exceed the initial savings of building consent/inspections,
- The proposals suggested in the Discussion document to mitigate this risk are inadequate to ensure unwitting owners and builders don't create future problems for the people that will live in these small homes and the communities that surround them.

System risks:

- New Zealand is exposed to many types of natural hazards such as flooding, slope stability and liquefaction to name a few (in Kāpiti we have them all). For exempt work the local authority will not have the ability to assess these risks as part of a consent,
- Previous limitations under Schedule 1 were restricted to low risk works. Any conditions and criteria developed under Schedule 1 are unlikely to adequately mitigate risk for medium to high-risk building works (such as a standalone dwelling),
- NZS3604 currently shows how to construct timber-framed buildings up to a maximum of three storeys where there is 'good ground'. If an engineer's report is not required for this process who will determine if good ground exists on a site,
- Council already sees developments that stretch the intent of exemptions, (e.g. building multiple small buildings as a Schedule 1 exemption and then connecting them by small, enclosed walkways to, in effect, achieve a larger standalone house with a building consent only obtained for a living/kitchen/bathroom area). Under the proposal, the new schedule exemptions will continue to be used in creative ways but will carry more risk for future owners,
- poor application of Healthy Homes Standards leading to poor housing stock in the future.

Homeowner risks:

- Risks associated with non-compliant work (such as the accumulation of moisture inside a wall cavity) could remain hidden from current and future homeowners and cause critical damage to the structure of the house years down the track.

Q8. **Are there additional conditions or criteria you consider should be required for a small standalone house to be exempted from a building consent?**

Whilst Council believes that all necessary criteria are covered as outlined in the table on pages 9-11 of the Discussion document, we do wish to see additional criteria related to:

- Height to Boundary: Council believes that option 2 is preferable as it provides a clearly quantifiable measure without extraneous considerations like true ground level etc.
- Notification requirements need to be strengthened: A $1000 infringement fine is not sufficient when not notifying a council can save tens of thousands in development/financial contributions. Prior notification of intent to build and a request for a PIM must be mandatory. At the end of the build, the homeowner must also supply back to council signed LBP certificates for structure, weathertightness, plumbing and drainlaying, and electrical works. This record could then be available through future LIMs providing future owners with limited opportunity for redress should something go wrong with the building. These certificates should be backed by personal guarantee and liability insurance.

Q9. Do you agree that current occupational licensing regimes for Licensed Building Practitioners and Authorised Plumbers will be sufficient to ensure work meets the building code, and regulators can respond to any breaches?

No, we do not agree. Council foresees that there will be difficulties in meeting conditions and criteria due to:

- The complexity of the Building Code and the ability for a homeowner to navigate its requirements and implications.
- New Zealand's licensed building practitioners' scheme is not yet mature enough to support these proposals. For these proposals to work, one LBP would need to take lead and assume overall site and build responsibility. This is the LBP the homeowner engages. The homeowner should not be able to hire in different LBPs for different parts of the job as the homeowner lacks familiarity with licences and licence grades. LBPs will need to be required to obtain professional liability insurance up to a set amount.
- LBP's needing to be able to ensure that the products used in builds will perform to site specific wind zone, seismic zone, and fire rating requirements. This will be particularly difficult to determine if the unit is a prefabricated building or multi-proof modular unit, built in another part of the country or in a different country (as our concern expressed above over the intersection of these proposals with removing barriers to using overseas building products).

Careful consideration will need to be given as to whether owner-builder exemptions can apply, in what situations, and how this is recorded.

Q10. What barriers do you see to people making use of this exemption, including those related to contracting, liability, finance, insurance, and site availability?

As proposed, Council notes the following barriers:

- Issued LIM's will show no record of the works and no Certificate of Compliance for the building works. This will increase uncertainty for property purchasers, solicitors, finance and insurance companies. We would anticipate Council will receive Certificate of Acceptance applications at the time of a future sale/purchase to formally recognise these buildings. These are likely to be refused due to insufficient information being available (although the suggestions made in Question 8 above could help mitigate this).
- The Council will not be a party to joint and several liability rule in civil proceedings if a person suffers a loss on a dwelling that has been built under the proposed exemption. This will increase the proportion of the losses that are allocated to the remaining responsible parties (usually builder and owner). Based on observations from the leaky building crisis, how many builders will be around in the future to help resolve these problems is problematic. With the ability of builders to avoid responsibility through company structures for their businesses, full liability will likely fall on previous owners. They may not have been the ones that commissioned the building, but a subsequent owner that is on-selling. In circumstances where the homeowner that built the MRU is the one selling the property, realistically holding them to account for supervising the build to the requirements of the Building Code is a big ask.

Q11. What time and money savings could a person expect when building a small, standalone dwelling without a building consent compared to the status quo?

It is not clear to Council that there would be a 'net' saving, when one considers the potential future costs that could emerge from unintended consequences of inadequate quality of work progressed:

- Estimates of building consent/inspection fees are around 1-2% ($2,400 to $4,8000 at $4000/sqm) of total building cost of a project,

- However, assuming these estimated savings are passed on, the potential 'net' financial position from increased risk to people and property of reducing safety controls for new buildings may not break even. Subsequent loss in confidence in the New Zealand building sector will also be a potential unquantifiable cost.

In contrast, time savings for consents could be reduced by simple mandate reducing consenting times. Likewise, a maximum number of inspections could be mandated, as well as a maximum consent fee.

Q12. Is there anything else you would like to comment on regarding the Building Act aspects of this proposal?

Building consents and their associated fees are not the major barrier to MRUs being built in greater numbers. Rather the slow uptake of prefabrication and the attendant need for spec-housing for even small dwelling units, the high cost of building materials and high designer and builder fees are the real cost drivers, and barriers to uptake.

In moving forward with these proposals, care needs to be taken that in reducing overall costs by a few thousand dollars, the unconsented minor dwelling with no construction oversight and no attested quality and code compliance doesn't become a value negative feature to the overall property, rather than a significant positive enhancement.

Resource management system proposal

Q13. Do you agree that enabling minor residential units (as defined in the National Planning Standards) should be the focus of this policy under the RMA?

Yes, we agree that MRUs, as defined in the National Planning Standards, should be the focus of this policy as they are not available for subsequent subdivision from the parent site. We propose that this needs to be explicitly noted in the proposal. Subdivision would alienate the dwelling from the ownership chain and further muddy liability should there be subsequent failure of the building.

In properties that initially have large lots, successive MRU builds, and retrospective subdivisions could lead to complications around infrastructure and service connections, legal and emergency access, and adequate outdoor space etc. The proposals need to strongly emphasise that any future subdivision proposals around an MRU should be by exception and must meet all relevant district plan requirements for subdivision.

Q14. Should this policy apply to accessory buildings, extensions and attached granny flats under the RMA?

Unless the proposals in the Discussion document can be amended to provide greater oversight and guarantee of quality workmanship and use of building materials and systems, Council does not agree that the policy should be extended.

The risk of poor-quality workmanship or incorrect materials use negatively impacting an existing structure if assessed from a risk matrix perspective has both too great a likelihood, and too significant a consequence. Such an extension could be significantly problematic.

Q15. Do you agree that the focus of this policy should be on enabling minor residential units in residential and rural zones?

and

Q16. Should this policy apply to other zones? If yes which other zones should be captured and how should minor residential units be managed in these areas?

In relation to Q15, Council thinks this focus is appropriate.

In relation to Q16, Council doesn't think this should apply to other zones. The proliferation of small standalone buildings in other zones could place them in inappropriate environments (eg near noxious or noisy activities) or lead to growing reverse sensitivity issues, compromising commercial and industrial zones.

Q17. Do you agree that subdivision, matters of national importance (RMA section 6), the use of minor residential units and regional plan rules are not managed through this policy?

and

Q18. Are there other matters that need to be specifically out of scope?

In relation to Q17, if by "not managed through the Granny flat policy" it is meant that compliance with these higher-level instruments should not be provided for in this policy, then Council agrees.

In relation to Q18, and matters that should remain out of scope:

- Councils should retain discretions on section 6 matters and for subdivision. The policy requires MRUs to only be built on sites in association with a main dwelling. If in the future, there is a desire to subdivide off the MRU, then this should rightfully occur through resource consent.
- We note that, if there are no subdivision territorial authorities as consenting authorities will not be aware these MRUs are being established. Who would then have the opportunity to assess the development against section 6 matters or refer to regional council for regional plan rules? The reality would be that regional councils will need to set up monitoring regimes, or rely on complaints, which would shift the cost burden from the beneficiary of the dwelling to the ratepayer.

Q19. Do you agree that a national environmental standard for minor residential units with consistent permitted activity standards (option 4) is the best way to enable minor residential units in the resource management system?

No, we do not agree. It is not clear from the proposals how the proposed national environmental standard (NES) would interact with other rules and standards in the district plan. In particular:

- Earthworks and vegetation clearance rules, noise sensitive zones/standards (i.e. airport, noise or transport corridor overlays), and transport and access standards. The concern is that a homeowner ensuring they comply with the NES may inadvertently be in non-compliance with other important district plan requirements,
- Discovering this after a build is completed would require the need for a resource consent, undermining the purpose of the exemption, and if remedial work is required to achieve

compliance, could be an additional expense that may not have occurred if designed correctly in the first place.

If consistency is the desired goal, then the National Planning Standards framework could be utilised. The planning standards are an opportunity to standardise the basic elements of RMA plans and policy statements. The national planning instrument used could be the NPS-UD with a granny flat amendment, adding a maximum 60m^2 to the MRU definition to provide the required standardisation and consistency. This approach could provide for district plans to continue to manage constraints unique to each locality such as natural hazards, character and amenity, access and service connections, among other things.

Q20. Do you agree district plan provisions should be able to be more enabling than this proposed national environmental standard?

Yes, we agree. District plan provisions should be able to be more enabling than the proposed national environmental standard (NES), and for Kāpiti as a tier 1 council under its recent Plan Change 2, we already are. Plan Change 2 introduced the Medium Density Residential Standards allowing for the construction of up to three three-storey residential units on most sites in the General Residential Zone. While this can provide for granny flats, the concern as noted elsewhere, is that a proliferation of granny flats could compromise intensification targets, and in the long run reduce the potential for more housing where services and amenities already exist.

Q21. Do you agree or disagree with the recommended permitted activity standards? Please specify if there are any standards you have specific feedback on.

We have specific feedback on:

- Code of Practice[3]: Councils have a code of practice that developers need to adhere to if they want to connect to Council's infrastructure network. This code of practice requires minimum standards to be met and compliance with the standards is checked through the building and resource consent processes (it is a permitted activity standard). The ability to undertake these safeguard checks means that Council's networks are protected from the risk of damage from sub-standard development connecting into the network and associated on-going network maintenance costs are minimised, site coverage: Increasing permitted site coverage will mean an increase in stormwater that will need to be collected and treated by the Council's infrastructure network. Council is planning for the effects of climate change – and finding a way to live with more water. Increasing site coverage percentages through a national environmental standard (NES) will increase this challenge and potentially alter stormwater upgrades and future capacity planning. It could also potentially compromise on-site retention option.
- Stormwater management: for some time, the Kāpiti Coast District Council has taken a conservative approach to managing development in relation to stormwater. New development is required to achieve hydraulic neutrality. This is where the water that is no

[3] In Kāpiti we have a Land Development Minimum Requirements document which contains the minimum design and construction requirements for all new developments within the Kāpiti Coast District – both permitted and consented that Council is willing to accept.https://www.kapiticoast.govt.nz/media/j25m4vrg/council_s-land-development-minimum-requirements-document-april-2022.pdf

longer able to be absorbed on site because of new hard surfaces must be disposed of on-site or stored on-site to be released at a rate that does not exceed the peak storm water of the pre-development situation for a specific design event. Hydraulic neutrality calculations are checked at building consent and resource consent stage for additional dwellings. Removing any consenting requirements means that the ability to check for compliance is also removed. This would increase the risk of adverse effects of poor stormwater management for the occupiers of these small homes and their neighbours.

Q22. Are there any additional matters that should be managed by a permitted activity standard?

Yes, as noted in the response to previous questions, some particular matters such as earthworks and vegetation clearance rules, noise sensitive zones/standards (i.e. airport, noise or transport corridor overlays), and transport and access standards.

Q23. For developments that do not meet one or more of the permitted activity standards, should a restricted discretionary resource consent be required, or should the existing district plan provisions apply? Are there other ways to manage developments that do not meet the permitted standards?

If a NES is to be used, Council believes it would be neater if the NES was a one-stop shop and included a restricted discretionary resource consent pathway. Otherwise, councils will probably need a plan change to create the right fit – knitting the two could be complicated and add costs to council.

Q24. Do you have any other comments on the resource management system aspects of this proposal?

As alternative to the NES, Council believes that resource management issues can be dealt with within Council's permitted activity framework for residential areas. For the Kāpiti district this is mostly covered by Medium Density Residential Standards. This could be supported by a simple change to the National Planning Standards through adding a maximum floor area of 60m^2 to the definition of MRU. As discussed above in Question 19.

Local Government Infrastructure Funding

Q25. What mechanism should trigger a new granny flat to be notified to the relevant council, if resource and building consents are not required?

Service connections requests are the only other mechanism. However, if the homeowner piggybacks connection to the main dwelling, then there would not be any opportunity for council to be informed. This makes the requirement for a mandatory notice all the more important.

Q26. Do you have a preference for either of the options in the table in Appendix 3 and if so, why?

Councils being made aware that a new MRU has been built on a site is vital for the purposes outlined in the discussion document. Whatever mechanism used to ensure this information is brought to council's attention must also trigger the charging of development contributions to cover the cost of the additional dwelling unit on council's infrastructure **and** financial

contributions payable to both the TLA and the regional council to mitigate adverse environmental effects.

Council believes that both a 'Permitted Activity Notice' under the RMA or a 'Property Information Memorandum' under the Building Act, as set out in Appendix 3, should be available as an either/or to fit differing situations. Such mechanisms will only work if they are either incentivised, or non-performance is sufficiently penalised. Relying on voluntary notification which will lead to substantial costs for development contributions (potentially in the tens of thousands) is problematic, even with an infringement fee of $1000. This is unless it is reoccurring for every set period of non-compliance and enforceable through a charge on the land (in which case it has to be paid/discharged at any change of ownership).

Q27. Should new granny flats contribute to the cost of council infrastructure like other new houses do?

Yes, in relation to the impact of the residential unit equivalent (RUE). Specifically, new granny flats should contribute to council infrastructure, although as with ancillary dwellings, as a percentage portion of the RUE. Council's will experience difficulties when forward planning for infrastructure capacity constraints/upgrades without this additional funding for further capacity, and because infrastructure connection requests will pop up without any planning or notification.

Further, we raise a concern that for rural properties with on-site wastewater disposal systems there will be no opportunity to ensure that the on-site wastewater system being connected to has sufficient capacity and no opportunity to take financial contributions to mitigate potential adverse effects, for example a potential increased ground water and freshwater contamination. This would place an unbudgeted mandate onto rate payers and council over time

Māori land, papakāinga and kaumātua housing

Q28. Do you consider that these proposals support Māori housing outcomes?

Council's iwi partner, Ngā Hapū o Ōtaki, has requested that Council note in this submission, that it is supportive of making granny flats more affordable and able to go ahead without consent.

Q29. Are there additional regulatory and consenting barriers to Māori housing outcomes that should be addressed in the proposals?

Yes, Council notes that:

- We support any proposal that will make it easier for Māori to build housing on their ancestral land. However, consenting costs under either the Building Act or the RMA are the least of the barriers to this happening.
- Encouraging councils or subsidising fees would remove these cost barriers without also removing the protections of the Building Act. If the land is zoned residential or rural it will have the same rights to housing development as other housing under a district plan, unless it is envisaged that in rural areas multiple 60m^2 dwellings are to be erected. In this case the issue of wastewater disposal arises and needs to be properly regulated for the health of the community to be established. As noted above, plumbing and drain laying are not self-certifying, which raises concerns if there is no oversight at all.

We trust the issues raised and solutions offered from across local government will be used to develop a robust, and in the long-term, safe pathway for more easily establishing granny flat type (MRU) dwellings.

Council is keen to be further engaged on these proposals as they are developed and refined.

Yours sincerely

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Mayor