

Thursday, 1 February 2024

Te Hui o Te Kaunihera ā-Rohe o Heretaunga
Hastings District Council
Council Meeting

Kaupapataka

Agenda

Te Rā Hui:
Meeting date: **Thursday, 1 February 2024**

Te Wā:
Time: **1.00pm**

Te Wāhi:
Venue: **Council Chamber
Ground Floor
Civic Administration Building
Lyndon Road East
Hastings**

Te Hoapā:
Contact: **Democracy and Governance Services
P: 06 871 5000 | E: democracy@hdc.govt.nz**

Te Āpiha Matua:
Responsible
Officer: **Chief Executive - Nigel Bickle**

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Hastings District Council

Council Meeting

Kaupapataka

Agenda

Tiamana

Chair: Mayor Sandra Hazlehurst

Mematanga:

Membership:

Ngā KaiKaunihera

Councillors: Ana Apatu, Marcus Buddo, Alwyn Corban, Malcolm Dixon, Michael Fowler, Damon Harvey, Henry Heke, Kellie Jessup, Tania Kerr (Deputy Mayor), Eileen Lawson, Renata Nepe, Simon Nixon, Ann Redstone, Wendy Schollum and Kevin Watkins

Tokamatua:

Quorum:

8 members

Apiha Matua

Officer Responsible:

Chief Executive – Nigel Bickle

*Te Rōpū Manapori me te
Kāwanatanga*

Democracy and

Governance Services:

Louise Stettner (Extn 5543)

Te Rārangi Take

Order of Business

1.0 Opening Prayer – *Karakia Whakatūwheratanga*

2.0 Apologies & Leave of Absence – *Ngā Whakapāhatanga me te Wehenga ā-Hui*

An apology from Councillor Nepe has been received.

At the close of the agenda no requests for leave of absence had been received.

3.0 Conflict of Interest – *He Ngākau Kōnatunatu*

Members need to be vigilant to stand aside from decision-making when a conflict arises between their role as a Member of the Council and any private or other external interest they might have. This note is provided as a reminder to Members to scan the agenda and assess their own private interests and identify where they may have a pecuniary or other conflict of interest, or where there may be perceptions of conflict of interest.

If a Member feels they do have a conflict of interest, they should publicly declare that at the start of the relevant item of business and withdraw from participating in the meeting. If a Member thinks they may have a conflict of interest, they can seek advice from the General Counsel or the Manager: Democracy and Governance (preferably before the meeting).

It is noted that while Members can seek advice and discuss these matters, the final decision as to whether a conflict exists rests with the member.

4.0 Confirmation of Minutes – *Te Whakamana i Ngā Miniti*

Minutes of the Council Meeting held Thursday 14 December 2023.

(Previously circulated)

5.0 Amendment to Category 3 Buy-Out Policy

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6.0 Proposed Plan Change 6- Category 3 Lifestyle Subdivision Provisions for Displaced Owners

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7.0 Hearings Committee Composition - Oderings Application RMA20230145 - appointment of independent commissioner as alternative panel member and chairperson

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8.0 The Story of Hastings Place Based Housing Approach Four Year Check In 35

9.0 Proposed Amendments To Schedule Of Meetings 43

10.0 Minor Items – *Ngā Take Iti*

11.0 Urgent Items – *Ngā Take Whakahihiri*

12.0 Recommendation to Exclude the Public from Items 13 and 14 45

13.0 Puketapu Bridge Replacement - Stage One Tender Award

14.0 Commercial Transaction

Thursday, 1 February 2024

Te Hui o Te Kaunihera ā-Rohe o Heretaunga
Hastings District Council: Council Meeting

Te Rārangi Take

Report to Council

Nā: Gus Charteris, Manager - Recovery & Special Projects
From: David Elliott, Operations Manager - Category 3 Voluntary Buyout Office

Te Take:
Subject: Amendment to Category 3 Buy-Out Policy

1.0 Executive Summary – *Te Kaupapa Me Te Whakarāpopototanga*

- 1.1 The purpose of this report is to consider amending the Category 3 Buy-out Policy (the Policy) to enable the Council to recover a contribution from property owners, in certain cases, towards the cost of demolishing a dwelling (if relocation is not an option), and to enable minor changes to allow for a more efficient offer process.
- 1.2 The cost of demolishing dwellings and other residential improvements falls on the Council, as the Government decided not to contribute to these costs as part of the Cost Share Agreement. In total, demolition costs are likely to exceed \$6 million.
- 1.3 In the development of the Policy the issue of whether to seek a contribution from property owners towards demolition costs became a vexed issue because of the wide range of circumstances that applied and matters of equity, and it was decided, at that time, that no specific contribution would be sought.
- 1.4 Since the Policy's implementation it has come to light that, in some cases, the insurance proceeds a property owner has received have far exceeded the market valuation of the residential improvements, sometimes nearly double. In addition to this, these property owners are also eligible to receive an offer from the Council for the market value for their land (for properties under 2ha), or a Relocation Grant (for properties over 2 ha) which compensates property owners for the residential-use rights associated with the property.
- 1.5 This raises a question as to whether these property owners, having been well compensated, should make some contribution to the demolition of the dwelling(s). Currently, where property owners are fully insured, the insurance proceeds are likely to include an allowance for demolition. Under the current Policy, the property owner retains that allowance, yet the cost for demolition falls on the Council and ratepayers. This is considered to be inconsistent with the Policy's objective of affordability to ratepayers and with the principle of acting in good faith as between all parties, including those funding offers made under the Policy.

- 1.6 There are two situations where the Voluntary Buy-out Office (VBO) believe it would be fair and equitable for the Council to seek a contribution from property owners, being:
- Where a property owner's insurance proceeds exceed the market valuation of the residential improvements. It seems fair that since property owners are likely being compensated for the cost of demolition (which they will not incur the costs for) that some of this benefit should pass to the Council. This would be achieved by seeking a contribution from those property owners to demolition costs, and thereby reducing the Council's offer by that amount.
 - Where property owners are uninsured. In the interests of equity between property owners, the Council's offer should be reduced by a contribution towards demolition. This would be consistent with the approach taken under the Policy to deduct an amount that would have been recoverable from EQC if the property had been insured. This approach was well-considered in the policy design process and officers believe this would still be consistent with the intent of the Policy to provide pathways for people living on Category 3 land, enabling them to move to areas that have lower risk of flooding associated with them i.e. it would still allow uninsured property owners with enough money to resettle elsewhere.
- 1.7 Because of the widely varying circumstances that exist it is proposed that a contribution is sought rather than the amount of the insurance proceeds received relating to demolition (which aren't always clearly identifiable), or by way of seeking quotes for demolition. It is proposed that the contribution is set based on square metre rate of the dwelling (including attached garages). That will probably see most contributions in the order of \$20,000-\$30,000 per property depending on the size of the dwelling.
- 1.8 It is estimated that approximately 80-90 properties will be impacted by an Amended Policy, this could see Council's costs reduced by \$1,800,000 – \$2,000,000. This would help to reduce the financial burden on the Council and ratepayers. Affordability to ratepayers is one of the Policy's objectives. Through the policy design process it was estimated that around 10-12 properties could be uninsured. Revised VBO estimates suggest the number of uninsured properties at around 6.
- 1.9 Should the amendment to the Policy be adopted it would be effective immediately from date of adoption and would apply to all offers made after 1 February 2024 (for Hastings District Council), with no retrospective application. All affected property owners will be advised of the amendment and the amended Policy will be circulated.
- 1.10 The current Policy applies to Hastings District Council (HDC) and Napier City Council (NCC). It is recommended that both Councils adopt the Amended Policy. NCC will consider the recommendation at its next Council meeting in March 2024 (at time of writing the exact date was to be confirmed). The VBO will continue to progress NCC offers over this period but would flag the demolition contribution remains subject to the policy change being adopted by NCC.
- 1.11 Two other minor policy changes are also proposed for consideration at this time:
- 1) A change to better support the Council offer process. Once the valuation part of the process is complete an offer letter is constructed that includes - the outcome of the valuation/s; any considerations worth noting from the initial meeting with property owners; and the calculated offer options that are available to the property owner. This letter, rather than a full sale and purchase agreement (as noted in the Policy), is presented to the owners at this point and we are recommending that this mark the commencement of the 3-month period in which property owners can consider the offer options. This minor policy change would facilitate a more efficient offer process.
 - 2) A change to the language on GST. This would provide flexibility for Council to consider whether a specific offer should be made plus GST, if any, in very specific situations, while considering the policy objective of affordability for ratepayers.

2.0 Recommendations - Ngā Tūtohunga

- A) That Council receive the report titled Amendment to Category 3 Buy-Out Policy dated 1 February 2024.
- B) That Council resolves to amend the Category 3 Buy-out Policy and inserts replacement clauses for Clauses 4.4 (b), 4.4 (c) (ii), 4.5 (d) and 4.5 (e) (ii), and adds a new definition of Demolition Contribution, as follows (amendments in bold italics):

Clause 4.4(b)

Where the property is not insured, payment for the market value of the Residential Property as at 13 February 2023, less a deduction equivalent to what would otherwise have been payable under the Earthquake Commission Act 1993 for damage to the land had the property been insured, **and less a Demolition Contribution.**

Clause 4.4 (c) (ii)

To retain any Insurance Proceeds related to the Dwelling, in which case payment shall be made for the market value of the land as at 13 February 2023, less

- any payment under the Earthquake Commission Act 1993 for damage to the land that have not been spent, in good faith, on repairs to the land, **and**
- **a Demolition Contribution.**

Clause 4.5 (d)

Where the property is not insured, payment under clause 4.5(a)(i) is for the market value of the Dwelling and Residential Improvements as at 13 February 2023, **less a Demolition Contribution.**

Clause 4.5 (e) (ii)

To retain any Insurance Proceeds related to the Dwelling and Residential Improvements, in which case the Owner will be eligible for the Relocation Grant only. **In such cases, the Relocation Grant will be reduced by a Demolition Contribution.**

New Definition - Demolition Contribution

Demolition Contribution means an amount representing the Owner's contribution to demolishing the Dwelling(s) and is calculated at a rate of \$125 per square metre of floor area of the Dwelling(s) including the garage where attached, plus \$500 for asbestos testing. The Demolition Contribution will be limited to a maximum of 10% of the Council offer OR \$50,000, whichever is lower.

- C) That Council resolves to amend the Category 3 Buy-out Policy and inserts replacement clauses for Clause 4.12

Clause 4.12

Offers will include GST, if any, **unless Council determines that a specific Offer should be made plus GST, if any, while considering the Policy objective of affordability for ratepayers.**

- D) That Council resolves to amend the Category 3 Buy-out Policy and inserts replacement clauses for Clauses 5.1(b)(i), 5.1(c)(i), and 5.1(c)(ii)

Clause 5.1(b)(i)

The Council will prepare an Offer **Letter summarising the outcome of the Valuation Process and relevant buy-out options under sections 4.4 and 4.5 of the Policy.**

Clause 5.1(c)(i)

The Council's Representative will present the Owner with **the Offer Letter for the Owner's consideration.**

Clause 5.1(c)(ii)

The offer will remain open for 3 months after the owner receives the Offer **letter and the owner shall advise Council whether they wish to proceed to receiving a formal sale and purchase agreement from Council within that time.** Agreements to an extension of time will not be

unreasonably withheld where, in the Council's reasonable opinion, substantive progress is being made towards an agreement.

- E) That Council resolves that the amended Policy is effective on 1 February 2024 and applies to offers made thereafter.

3.0 Background – *Te Horopaki*

- 3.1 The Council approved the Category 3 Voluntary Buy-Out Policy (the Policy) at its meeting on 14 September 2023, and the Voluntary Buy-out Office (VBO) has been established to implement the Policy.
- 3.2 It was not until very late in the Crown negotiations that it became clear that the Crown was not going to contribute to the cost of demolishing dwellings and that the full cost would fall to the Council, and ratepayers, which was initially estimated to exceed \$6 million.
- 3.3 Throughout the Policy's development the issue was raised whether property owners should contribute to the demolition costs. Positions changed over time about how that matter should be treated. It was decided that because of the wide range of varying circumstances and complexities that no specific contribution would be sought from property owners towards the cost of demolition, albeit that some demolition costs would be indirectly recovered where Insurance Proceeds that included payment for demolition was deducted off the market value of the property when an offer was calculated.
- 3.4 Implementation of the Policy is proceeding well, with over 100 initial meetings held with property owners and the first offers being made prior to the end of December 2023. One property has settled with another imminent.
- 3.5 Since the Policy's implementation it has come to light, in some cases, that insurance proceeds have far exceeded the market valuation of the residential improvements, in some cases nearly double. In addition to this the property owner is also eligible to receive an offer from the Council for the market value for their land (for properties under 2ha), or a Relocation Grant (for properties over 2 ha) which compensates property owners for the residential-use rights associated with their property.
- 3.6 This raises a question as to whether these property owners, having been well compensated, should make some contribution to the demolition of the dwellings. Currently, where property owners are fully insured, the insurance proceeds are likely to include an allowance for demolition. Under the current Policy, the property owner retains that contribution, yet the cost for demolition falls on the Council and ratepayers. This is considered inconsistent with the Policy's objective of affordability to ratepayers and with the principle of acting in good faith as between all parties, including those funding offers made under the Policy.
- 3.7 In order to be consistent between the insured and the uninsured, officers feel it is appropriate that a similar contribution should be sought and deducted from offers made for uninsured property owners. This would be consistent with the approach taken under the Policy to deduct an amount that would have been recoverable from EQC if the property had been insured. This approach was well-considered in the policy design process (Sections 5.2.3 and 6.2.3 of the '*Category 3 Voluntary Buy-out Policy Summary Evaluation Report, 13 September 2023*¹ (Summary Evaluation Report)' refer).
- 3.8 Given the overarching objective of removing risk to life from Category 3 areas, making no offer to uninsured properties would fail to achieve the purpose of the offer. However, policy consideration was given to whether insurance status might be relevant to the content of an offer. The '*Summary*

¹<https://www.hastingsdc.govt.nz/assets/Document-Library/Cyclone-Land-Categorisation-Documents/Category-3-Voluntary-Buy-out-Policy-Summary-evaluation-report.pdf>

Evaluation Report notes that “where there is no insurance recovery, there is no EQC payment that can pass to the Council. In the interests of equity between owners, we consider an assessment should be made as to the amount that would have been recoverable from EQC if the property had been insured, and that amount should be deducted from the price to be paid.” Seeking a deduction for demolition from uninsured property owners would be consistent with this principle and approach. Officers believe this would still be consistent with the intent of the Policy to provide pathways for people living on Category 3 land, enabling them to move to areas that have lower risk of flooding associated with them i.e. it would still allow uninsured property owners with enough money to resettle elsewhere. Revised VBO estimates suggest the number of uninsured properties at around 6 (around 3 in Hastings District and potentially around 3 in Napier).

- 3.9 Two other minor policy changes are also proposed for consideration at this time: 1) a change to better support the Council offer process with the Offer letter marking the commencement of the 3-month period in which property owners can consider the offer options; and 2) a change to the language on GST which would provide flexibility for Council to consider whether a specific offer should be made plus GST, if any, in very specific situations.

4.0 Discussion – *Te Matapakitanga*

- 4.1 It is proposed that the Policy is amended, as follows:

- Where a property owner elects to retain the insurance proceeds relating to the residential improvements and accept an offer from the Council for their land or the residential use rights relating to their land then the Council’s will deduct from its offer an amount that equates to a contribution towards demolition. This will likely be in the order of \$20,000 - \$30,000 per dwelling.
- For uninsured properties, the contribution will be deducted from the market value offer the Council makes to the property owner.
- The provision of the Offer letter, rather than the full sale and purchase agreement, mark the commencement of the 3-month period in which property owners can consider the offer options.
- That the language relating to GST be amended to provide flexibility for Council to consider whether a specific offer should be made plus GST, if any, in very specific situations.

Impacts for Property Owners

- 4.2 If changes are made it will see both uninsured property owners and those fully insured contributing towards demolition costs. This would see the offer to these owners being slightly reduced from what they could expect under the current Policy. This would reflect that insurance proceeds are expected to include a contribution for demolition, but the Council is effectively undertaking that demolition on their behalf. In other words, the proposal is to prevent the owner being paid for demolition but the Council undertaking the demolition at no cost to the owner.
- 4.3 There would be no additional contribution sought from property owners that are either underinsured or where there was little damage to the residential improvements. These owners are expected to elect the “market value less insurance” option where any insurance received, including any demolition component, is essentially paid over to Council. In this scenario:
- For those underinsured, where the dwelling is a write-off, they will most likely accept an offer based on the market value offers for their property, less any insurance proceeds they have received. If a demolition allowance was included in the insurance settlement, then effectively that benefit will be passed to Council to cover the costs of carrying out the demolition;
 - Where a property has had little damage, insurance will not include a contribution for demolition. In these circumstances the owner has not received payment for something the Council carries out, so there is no reason for a demolition contribution to be deducted.

- 4.4 There will be no real impact for property owners if the Policy is amended to reflect that the Offer letter, rather than provision of the full sale and purchase agreement, marks the commencement of the 3-month period in which property owners can consider the offer options. This minor policy change would facilitate a more efficient offer process.
- 4.5 In terms of the proposed change to the language relating to GST, we sought GST advice from PWC. This followed questions raised around GST practice for valuations. The PWC advice noted the following:
- “We are satisfied with the Policy stating that the offer will include GST. This reflects that Council will be wanting to cap the price being paid. It will not alter the approach taken for the valuations, nor does it determine or have any bearing on the final GST treatment.”*
- 4.6 The PWC advice, however, noted that they would anticipate that the current clause 4.12 of the Policy could create challenges in the situations outlined below. The proposed amendment to the GST language in the Policy would provide the VBO the flexibility to deal with these specific situations:
- *“Where the property owner was GST registered and used the property for making taxable supplies. In this case, the property is likely to have been valued as “\$ plus GST if any” and it would be up to Council to consider uplifting this or using the valuation provided, i.e. whether it is, say, \$100k or \$115k inclusive of GST, as the transaction will be subject to Compulsory Zero-rating (CZR).*
 - *Where the property is mixed use or requires the deemed separate supply rule to apply. In these cases, we recommend that specific advice is sought.”*

Financial Impacts

Demolition Contribution

- 4.7 The VBO has engaged with Council’s Solid Waste team and demolition contractors to obtain a range of demolition estimates for the cost to demolish a dwelling in Category 3 areas. Given the wide range of circumstances experienced it is likely to result in a wide range of potential costs.
- 4.8 It is recommended that a square metre rate be used rather than a fixed dollar value contribution. This better reflects the size of dwelling, and therefore the likely relative cost of demolition. Those with large dwellings would make a larger absolute contribution to demolition costs than smaller dwellings.
- 4.9 Demolition cost data has been collected from a range of sources (e.g. local demolition contractors, quotes for demolition work undertaken or considered, and reputable online insurance calculators). This information has been used to establish a broad mid-point of square metre costs. We have additionally discounted this mid-point by 10% to allow for potential lower cost contractors and to provide confidence to property owners that the square metre demolition contribution is fair and reasonable.
- 4.10 The rate recommended as reasonable by the VBO is \$125 per square metre. This rate would see demolition costs per property likely falling between \$20,000 and \$30,000. We feel this rate strikes the right balance between being fair and reasonable to both impacted property owners and ratepayers. We want impacted property owners to have the ability to move on with their lives and establish themselves in safer areas. We also need to be fair to ratepayers who are helping to fund this important work.
- 4.11 Two related matters have been identified.
- 1) Testing for asbestos is mandatory for properties constructed before 1 January 2000. The VBO has identified that approximately 84% of homes fall in this category. Further, contractors advise that asbestos may still be present in homes constructed after that date and there is a need to test all properties to ascertain the presence of asbestos. The VBO advises that a flat rate \$500 fee per property to cover the cost of asbestos inspections for each property is reasonable. This

is at the lower end of price ranges advised by each of the three demolition contractors and is considered equitable to cover this cost.

- 2) In a small number of cases (around 10-15) it is possible that the value of the demolition contribution could represent a large portion of the voluntary buy-out offer (for example, a split category or a property with low land values), or an unreasonable figure that has resulted from specific factors (for example multiple dwellings or large sheds). In these situations, we are recommending that the demolition contribution be the maximum of 10% of the Council offer OR \$50,000, whichever is lower.

Overall Financial Impact

- 4.12 There are over 120 properties that will be subject to an offer that have dwellings on them. If all dwellings and residential improvements are demolished, it is estimated that demolition costs will exceed \$6 million. All costs fall on the Council as the Crown has resolved not to contribute to this element of the voluntary buy-out on the basis the Council will benefit from future sales of vacant properties it has acquired as a result of the voluntary buy-out programme.
- 4.13 It is estimated that approximately 80-90 properties will be impacted by the Amended Policy, this could see Council’s costs reduced by an estimated \$1,800,000 – \$2,000,000.

Risks and Benefits

- 4.14 The key risks relating to giving effect to the proposed amended Policy are:
 - Some confusion about the amended Policy and the need for any change – the amendment and the reasons for it will need to be communicated well.
 - Perception of unfairness regarding the insurance status of different property owners. It could be seen as penalising the well insured and uninsured, and letting those who are underinsured to get off lightly. It is a matter for Council’s judgment as to relative fairness of the Policy amendment.
 - Perception of unfairness in that those who have had offers made already have not had to make a demolition contribution. There is one property that has had an offer under the current Policy to which these circumstances would have applied.
- 4.15 The main benefit of amending the Policy is that it will strike a better balance between being fair and reasonable to both impacted property owners and ratepayers. We want impacted property owners to have the ability to move on with their lives and establish themselves in safer areas. We also need to be fair to ratepayers who are helping to fund this important work.
- 4.16 The main benefit of implementing the amended Policy will be a lower cost to the Council and ratepayers. This is reflected in the objectives of the Policy where affordability to ratepayers is a matter that the Council should take account of when setting its Policy.

5.0 Options – Ngā Kōwhiringa

5.1 The options available to the Council include:

Option	Description	Advantages	Disadvantages
1 Status Quo -Council retains the current Policy.	No specific contribution for demolition is sought from property owners.	No change and implementation unaffected.	Council and ratepayers pay all demolition costs. Somewhat inconsistent with the objective of affordability to ratepayers, and principle of acting in good faith (in that

			owners are receiving and retaining the insurance payment for demolition, while Council /ratepayers bear the full costs of demolition).
2 Amend the Policy (as is recommended)	Demolition contributions would be specifically sought from fully insured and uninsured property owners reducing the direct cost to the Council and ratepayers.	Lower overall cost to the Council and ratepayers Consistent with the Policy Objective related to Ratepayer Affordability	Some property owners receive less than they would under the current policy. Some under insured may not contribute as much as to demolition as the fully insured or uninsured.
3 Amend the Policy so it only applies to those fully insured and not uninsured.	Only fully insured property owners make a contribution, and uninsured owners are not required to make a contribution. (Note: option included for the sake of completeness)	Increases an uninsured property owner's recovery compared to the recommended option.	Would seem inconsistent where those fully and prudently insured are 'penalised' for their position compared to uninsured.
4 Amend the Policy so all property owners make a demolition contribution, whether fully insured, underinsured or uninsured.	All property owners irrespective of their circumstances are required to make a demolition contribution.	Sees equal treatment of all property owners. Probably generates the highest level of contributions to the Council / best achieves the objective of affordability to ratepayers.	For those underinsured and where little damage was caused to the dwellings it may seem inequitable. Does not address the underlying issue which is that owners retaining insurance for the Dwelling are effectively retaining a payment for demolition which is then carried out at ratepayer cost – that issue does not arise where insurance is deducted. Administratively difficult to determine the extent to which contributions should be altered by any demolition allowance already contained in under insured insurance proceeds.

6.0 Next steps – *Te Anga Whakamua*

- 6.1 If the Policy Amendment is adopted it will have effect immediately and all offers made after 1 February 2024 (for HDC) would reflect the new Policy, although it would not be retrospectively applied.
- 6.2 All Category 3 Property Owners will be written to informing them of the Policy amendment. There will be a media release prepared as well. The rationale for the change will be clearly explained.
- 6.3 The VBO will need to amend its practices to ensure the amended Policy is implemented correctly. This change will be subject to review by the Independent Advisory Panel (IAP).

Attachments:

- 1 [↓](#) Proposed Amended Category 3 Residential Property Purchase Policy as at 16012024 CG-17-1-00702

Summary of Considerations - *He Whakarāpopoto Whakaarohanga*

Fit with purpose of Local Government - *E noho hāngai pū ai ki te Rangatōpū-ā-Rohe*

The Council is required to give effect to the purpose of local government as set out in section 10 of the Local Government Act 2002. That purpose is to enable democratic local decision-making and action by (and on behalf of) communities, and to promote the social, economic, environmental, and cultural wellbeing of communities in the present and for the future.

[Link to the Council's Community Outcomes](#) – *Ngā Hononga ki Ngā Putanga ā-Hapori*

The Council has, following its LTP Amendment deliberations, decided to create a new activity to make offers for Residential Properties in Category 3. The matters considered in this report give further effect to those decisions.

Māori Impact Statement - *Te Tauākī Kaupapa Māori*

There is a separate Kaupapa Māori pathway that the Government is leading for the resolution of 33 Whenua Māori properties that are within Category 3. The Council's Policy does not apply to Whenua Māori.

Sustainability - *Te Toitūtanga*

The intention of the Policy's implementation is to remove residential use within Category 3 which provides better long-term outcomes for the community and helps remove people from high-risk areas, given that climate change is likely to see the recurrence of extreme weather events. Future land management practices should ensure Council's waste minimisation objectives are being given effect to, and that the future use of land is put to productive use and is undertaken in the most cost-effective way possible.

Financial considerations - *Ngā Whakaarohanga Ahumoni*

Addressed in the report.

Significance and Engagement - *Te Hiranga me te Tūhonotanga*

The decisions contained in this report have been assessed under the Council's Significance and Engagement Policy as not being significant.

Consultation – internal and/or external - *Whakawhiti Whakaaro-ā-roto / ā-waho*

No specific consultation has occurred in respect of the decisions in this report. However, the matter has also been discussed with NCC staff and NCC will consider the matter at its next Council meeting in March 2024 (exact date to be confirmed).

Risks

This has been addressed in the report.

Rural Community Board – *Te Poari Tuawhenua-ā-Hapori*

The matter has not been discussed with Board.



HASTINGS DISTRICT COUNCIL AND NAPIER CITY COUNCIL

CATEGORY 3 VOLUNTARY BUY-OUT POLICY

1. INTRODUCTION

- 1.1 In February 2023, Te Matau a Māui Hawke's Bay faced devastation and loss from Cyclone Gabrielle – one of the largest natural disasters in the history of Aotearoa New Zealand. Across the region, our communities have endured significant impact to their lives, livelihoods, whānau, homes, farms, orchards, vineyards, commercial enterprises and neighbourhoods.
- 1.2 In May 2023, the Government announced three risk categories for Cyclone affected land, with the most at-risk areas, referred to as Category 3, being identified as areas “*not safe to live in because of the unacceptable risk of future flooding and loss of life*”. As part of a wider package to assist the recovery of Hawke's Bay, the Crown entered into an agreement with the local authorities which include a 50:50 cost share for the purchase of Category 3 residential properties or any relocation grant paid for mixed-use properties.
- 1.3 On 14 September 2023, Hastings District Council and Napier City Council resolved separately to adopt changes to their Long Term Plans to provide for the new activity of undertaking the purchase of Category 3 Residential Property and Residential Property Rights. They also separately adopted this Policy which sets out how those purchases will be undertaken.
- 1.4 Hawke's Bay Regional Council has carried out a process of assessing and categorising all flood affected land. Category 3 applies to land where “*Future severe weather event risk cannot be sufficiently mitigated. In some cases some current land uses may remain acceptable, while for others there is an intolerable risk of injury or death*”.
- 1.5 The purchase of Category 3 properties is a response to Cyclone Gabrielle and the major flooding event that it caused, which had a significant impact on Hawke's Bay individuals and communities. The Councils have chosen to undertake these purchases in recognition of the substantial impact that the Cyclone had on people's lives and the risk associated with people continuing to live in these Category 3 areas. The Councils recognise that there is significant loss and damage beyond what is covered by the Policy, however its scope is limited by the terms of the agreement with the Crown and is targeted at achieving the objectives below.
- 1.6 They also recognise that there are likely to be events in future which will not be covered by the Policy. There are various statutory and planning provisions which will supersede this type of approach in the future, and the Councils do not intend that the Policy will set an expectation for responses to any future events.
- 1.7 Some of the land classified as Category 3 in Hastings District is Whenua Māori, where land is held in Māori Freehold title. Two marae and 31 Whenua Māori land holdings, some with papakāinga housing, have been severely impacted by the Cyclone. The Crown has undertaken to consult directly with affected mana whenua and tangata whenua and there will be a separate Kaupapa Māori parallel pathway in respect of Whenua Māori. The separate pathway is intended to enable recovery and recognise and take account of the importance of the whenua, and how any settlement gives effect to Te Tiriti o Waitangi and

Amended Category 3 Voluntary Buy-out Policy (effective 2 February 2024 – Hastings District Council; effective TBC Napier City Council)

1



previous Treaty settlements. As such, while Hastings District Council is supporting hapū, marae and Māori entities where it can in the process of Crown negotiations, the Policy is not intended to apply to Whenua Māori.

2. OBJECTIVES AND PRINCIPLES OF THE POLICY

2.1 The Councils have identified objectives and principles that have been used to develop the Category 3 Voluntary Buy-out Policy (**the Policy**) and will be relevant to any issue of interpretation or situation where special circumstances may arise.

Objectives

(a) Overarching objective - The removal of risk-to-life associated with people living on Category 3 land.

(b) Further objectives:

(i) Residents have clear pathways and certainty about the offer.

(ii) Long term positive outcomes for the whole community and the environment.

(iii) Affordability for ratepayers. **Principles**

2.2 In achieving the Objectives, the Councils will apply the following principles:

(a) Acting in good faith.

(b) Treating people with respect.

(c) Working to achieve timely outcomes.

(d) Communicating clearly.

3. ELIGIBILITY FOR OFFER

3.1 An offer under this Policy will be made where the following criteria are met:

(a) Land:

(i) Is, or includes, Category 3 land; and

(ii) Is a Residential Property or a Mixed-Use Property; and

(iii) One or more Dwelling was, as at 13 February 2023, located within the part of the land classified as Category 3.

(b) The Owner has signed and adhered to the preliminary agreement described at clause 5.1(vi).

3.2 The offer will be made to the Owner(s) of the Residential Property or Mixed-Use Property and is subject to clause 5.5.

Thursday, 1 February 2024

Te Hui o Te Kaunihera ā-Rohe o Heretaunga
Hastings District Council: Council Meeting

Te Rārangi Take

Report to Council

Nā:
From: Rowan Wallis, Environmental Policy Manager

Te Take: Proposed Plan Change 6- Category 3 Lifestyle Subdivision
Subject: Provisions for Displaced Owners

1.0 Executive Summary – *Te Kaupapa Me Te Whakarāpopototanga*

- 1.1 At the District Planning and Bylaws Subcommittee meeting of 29 November 2023, some recommendations were made to the Council needing to be ratified (under item 5 “Application for Streamlined Planning Process for Category 3 Residential Plan Change” from that meeting) – the relevant recommendations (“B” and “C”) are set out below.
- B. That the District Planning and Bylaws Subcommittee approve the concept behind the plan change and instruct staff to draft the detailed plan provisions in accordance with the concept and the guidance given to officers at the meeting.*
- C. That in the new year, following consultation with the Post Settlement Governance Entities and hapū, the plan change be forwarded to Council for adoption and notification under the Streamlined planning process under the Severe Weather Emergency Recovery (Resource Management - Streamlined Planning Process) Order 2023.*
- 1.2 The recommendations above are in response to meeting a need for landowners whose houses have been identified as Category 3, meaning that the land is no longer safe to live on. Council is currently working with category 3 landowners with respect to buy-out agreements. The proposed plan change would provide a new subdivision rule which would enable a new lifestyle lot to be created as a replacement for the residential rights lost on Category 3 land in a location outside hazard areas.
- 1.3 The government has enacted an Order in Council (Severe Weather Emergency Recovery (Resource Management - Streamlined Planning Process) Order 2023) which has an objective of providing for permanent housing for persons displaced by a severe weather event. The proposed plan change will assist in meeting this objective.
- 1.4 The rules associated with the plan change rely on one residential right to be forfeited to provide for another one. This would ensure that it would only benefit those people that are involved in the Category 3 buy-out process. It would also allow each affected person to seek out a replacement that best suits their own individual needs.

- 1.5 Council approval is sought for the adoption of Plan Change 6 (Attachment 1) and Section 32 Evaluation Report (Attachment 2) and its notification under the streamlined planning process as provided for in the Severe Weather Emergency Recovery (Resource Management - Streamlined Planning Process) Order 2023.

2.0 Recommendations - Ngā Tūhunga

- A) That Council receive the report titled Proposed Plan Change 6- Category 3 Lifestyle Subdivision Provisions for Displaced Owners dated 1 February 2024.
- B) That the Council ratify the following recommendations from the District Planning and Bylaws Subcommittee at its meeting on 29 November 2023;
- *The District Planning and Bylaws Subcommittee approves the concept behind the plan change and instruct staff to draft the detailed plan provisions in accordance with the concept and the guidance given to officers at the meeting.*
 - *That in the new year, following consultation with the Post Settlement Governance Entities and hapū, the plan change be forwarded to Council for adoption and notification under the Streamlined planning process under the Severe Weather Emergency Recovery (Resource Management - Streamlined Planning Process) Order 2023.*
- C) That Council adopt Plan Change 6 and notify it after advising the Minister of Environment of its intention to notify it under the Severe Weather Emergency Recovery Resource Management - Streamlined Planning Process Order in Council 2023.
- D) That Council approve that application be made to the Environment Court under Section 86D of the Resource Management Act for the rules associated with Plan Change 6 to have legal effect from a date of notification rather than the date on which the decision on submissions relating to the rule is made and publicly notified under clause 10(4) of Schedule 1.

3.0 Background – Te Horopaki

- 3.1 On 14th February 2023 Cyclone Gabrielle followed a path down the east coast of the north island resulting in devastating flooding for the Tairāwhiti and Hawke’s Bay regions. There were a significant number of people forced from their homes and as a result the Government’s three risk categories were to be applied to flood and landslide affected properties The three categories were:
- a. Low Risk – Repair to previous state is all that is required to manage future severe weather event risk. This means that once any flood protection near the property is repaired, the home can be rebuilt at the same site.
 - b. Managed Risk – Community or property-level interventions will manage future severe weather event risk. This could include the raising of nearby stop banks, improving drainage or raising the property.
 - c. High Risk – Areas in the high risk category are not safe to live in because of the unacceptable risk of future flooding and loss of life. Homes in these areas should not be rebuilt on their current sites.
- 3.2 In the months since the cyclone the Hawke’s Bay Regional Council in consultation with government have developed a categorisation of the properties impacted by Cyclone Gabrielle identifying which communities are safe to return to and which ones are unable to have measures put in place to

mitigate against future flooding and risk to life. These are ranked Category 1-3 with 3 being the highest risk to life, where dwellings should no longer be permitted.

- 3.3 Category 3 properties have been identified at Eskdale, Tāngoio, Rissington, Dartmoor and Pākowhai. The majority of the category 3 affected properties are zoned Rural with only the Pākowhai properties zoned Plains Production in the District Plan. It is largely in the river valleys where it may be difficult to achieve residential options for those category 3 landowners who wish to stay in their community.
- 3.4 Throughout the process of identifying category 3 properties one of the major questions for these landowners has been around the options that would be available to them to allow them to stay in their community, especially for larger blocks that they may continue to farm.
- 3.5 The Proposed Plan Change (Plan Change 6) has been drafted in response to this question, meeting demand for sites, and providing an option for remaining in their community of interest, without opening up a wider opportunity for speculation by others not directly impacted by the floods.

4.0 Discussion – *Te Matapakitanga*

- 4.1 The new policy and rule structure would apply to Category 3 land on which there was a residential dwelling as 13 February 2023 (immediately before Cyclone Gabrielle). Where land is under 2ha the owner is entitled to an offer to buy the full property and where land is over 2ha to an offer to compensate for the value of not being able to use the land for residential purposes.
- 4.2 Obstacles to people accepting buy-out offers include uncertainty as to whether and where they can move to if they accept an offer. It has been signalled by all involved in the recovery process that it would be most beneficial to be able to offer some options to landowners for replacement residential land in close proximity when entering into buy-out discussions.
- 4.3 One of the matters of particular discussion among the District Planning and Bylaws Subcommittee members was around how the extent of “community of interest” would be identified. Officers were asked to consider the options of how the community of interest might be identified and report back to the subcommittee.
- 4.4 Officers met informally with subcommittee members on Tuesday, 12 December 2023 to discuss the matters outlined in 4.3 above.
- 4.5 As part of the discussion on community of interest, queries were also raised on the likely level of demand for sites. It was agreed that the best course of action would be to survey all Category 3 property owners where the houses were also within the categorised area. The survey was subsequently done and the feedback showed that over 60 percent of respondents still required permanent replacement and of those people 75 percent of them wished to remain in the community from which they have been displaced.
- 4.6 Officers have been working on the plan change and section 32 evaluation report which now leads to the need to present a further recommendation to Council to adopt and notify Proposed Plan Change 6 following the streamlined planning process provided for under the Severe Weather Emergency Recovery (Resource Management - Streamlined Planning Process) Order 2023. This will also involve the need to advise the Minister that the streamlined planning process provided for under the SWERLA Order in Council is to be adopted for the Plan Change.
- 4.7 It is also proposed that application be made to the Environment Court under Section 86D of the Resource Management Act for the rule to have legal effect from a date of notification rather than the date on which the decision on submissions relating to the rule is made and publicly notified under clause 10(4) of Schedule 1. The reasoning behind using Section 86D of the RMA, giving legal effect from the date of notification is to provide greater certainty and allow those that have been bought out to move on and make a decision with their lives, if they wish to stay in their community.

5.0 Options – Ngā Kōwhiringa

Option One - Recommended Option - Te Kōwhiringa Tuatahi – Te Kōwhiringa Tūtohunga

5.1 The recommended option is to undertake the plan change to provide for replacement residential lifestyle sites for displaced Category 3 landowners through the streamlined planning process under the SWERLA Order in Council process:

Advantages

- Provides certainty for the landowners as they enter into the buy-out process.
- Allows for a fast-tracked process through the RMA to get the rules in place as quickly as possible.

Disadvantages

- Does not give any ability for appeals to the Environment Court.

Option Two – Status Quo - Te Kōwhiringa Tuarua – Te Āhuetanga o nāianeī

5.2 The alternative option is to adopt the standard Schedule 1 process under the Resource Management Act.

Advantages

- Allows wider participation into the process.

Disadvantages

- Slows the process with additional submission steps over option 1 and appeal opportunities.
- Reduces certainty for displaced property owners.
- Additional cost and resource implications for Council.

6.0 Next steps – Te Anga Whakamua

6.1 The next steps will be;

- to publicly notify Plan Change 6 under the streamlined planning process;
- advise the Minister for the Environment that we are adopting the streamlined planning process under the SWERLA Order in Council 2023 for permanent housing; and
- apply to the Environment Court under section 86D of the Resource Management Act.

Attachments:

1⇒	Plan Change 6 - 30.1 Subdivision & Land Development	ENV-17-5-24-1	Under Separate Cover
2⇒	Plan Change 6 - Section 32 Evaluation Report	ENV-17-5-24-2	Under Separate Cover

Summary of Considerations - *He Whakarāpopoto Whakaarohanga*

Fit with purpose of Local Government - *E noho hāngai pū ai ki te Rangatōpū-ā-Rohe*

The Council is required to give effect to the purpose of local government as set out in section 10 of the Local Government Act 2002. That purpose is to enable democratic local decision-making and action by (and on behalf of) communities, and to promote the social, economic, environmental, and cultural wellbeing of communities in the present and for the future.

[Link to the Council's Community Outcomes](#) – *Ngā Hononga ki Ngā Putanga ā-Hapori*

This proposal promotes the social wellbeing of communities in the present and for the future.

Māori Impact Statement - *Te Tauākī Kaupapa Māori*

A number of Māori communities were considerably impacted by the Cyclone flooding effects and particularly those in the Tāngoio area which has been identified as a Category 3 area. The outline of the proposed plan change was considered by the Heretaunga Takoto Noa Māori Standing Committee at its meeting on 15 November 2023. It was pointed out that this plan change would be in addition to the work that is being done with the Crown under the Land Categorisation Kaupapa Māori pathway. It could therefore offer an alternative to whanau whose properties have been identified as Category 3. They were supportive of the initiative and the option that it provided. In addition, the Post Settlement Governance Entities have also been consulted.

Sustainability - *Te Toitūtanga*

The proposed plan change meets the sustainability principles of the Resource Management Act by ensuring that the category 3 affected landowners will have residential options that are outside of flood prone areas.

Financial considerations - *Ngā Whakaarohanga Ahumoni*

The financial considerations associated with the plan change are twofold. The first is around the cost for the affected landowners. The streamlined planning process will ensure that the plan change can be given effect to as quickly as possible which provides a greater level of financial certainty to the affected landowners.

For Council the financial considerations are principally around assisting in the buy out process by providing a pathway for the affected landowners and achieving a smoother process. The financial costs are principally around staff time in the preparation of the plan change.

Significance and Engagement - *Te Hiranga me te Tūhonotanga*

This decision/report has been assessed under the Council's Significance and Engagement Policy as being of high significance.

Consultation – internal and/or external - *Whakawhiti Whakaaro-ā-roto / ā-waho*

Under the streamlined planning process Order in Council consultation is required with affected landowners and also the PSGE's. This consultation has been undertaken and feedback incorporated. The streamlined planning process is also publicly notified and there is the ability for any member of the public to submit on the plan change. The narrow scope of the plan change (i.e. it can only be taken up by affected landowners) means that the scale of submission should not be significant.

Risks

REWARD – <i>Te Utu</i>	RISK – <i>Te Tūraru</i>
<p>The benefits of the proposed plan change are that it will assist in removing a risk to life situation should future floods eventuate in the Category 3 areas.</p> <p>It will assist with providing further options for those affected category 3 landowners who are yet to find a permanent housing solution.</p>	<p>The risks associated with not acting are to the reputation of Council in not providing appropriate levels of assistance to affected Category 3 landowners.</p> <p>There is also a risk to the cohesion of Category 3 affected communities if affected landowners are unable to find permanent housing in their community.</p>

Rural Community Board – *Te Poari Tuawhenua-ā-Hapori*

Due to the need to proceed with the plan change as quickly as possible to assist with the buy-out process there has not been time to report to the Rural Community Board. However, the Chair of the Rural Community Board is a member of the District Planning and Bylaws Subcommittee and is supportive of the Plan Change.

Thursday, 1 February 2024

Item 7

Te Hui o Te Kaunihera ā-Rohe o Heretaunga
Hastings District Council: Council Meeting

Te Rārangi Take

Report to Council

Nā: John O'Shaughnessy, Group Manager: Planning & Regulatory Services
From: Caleb Sutton, Environmental Consents Manager

Te Take: Hearings Committee Composition - Oderings Application
Subject: RMA20230145 - appointment of independent commissioner as alternative panel member and chairperson

1.0 Purpose and summary - Te Kaupapa Me Te Whakarāpopototanga

- 1.1 The purpose of this report is to deal with two matters regarding the upcoming hearing to address a resource consent application (Ref: RMA20230145) relating to the Oderings site at 55 – 57 Brookvale Road, Havelock North, which will amend Council's previous decision on 14 December 2023.
- 1.2 The first matter is to obtain a Council resolution to amend the Terms of Reference of the Hearings Committee to accommodate up to a maximum of five members, specifically for the upcoming Oderings publicly notified resource consent hearing (no change to previous report).
- 1.3 The second matter is to consider the appointment of Mr Bill Wasley to sit on the Hearings Committee as chairperson considering the Oderings medium density housing development (in place of Mr Kitt Littlejohn who was appointed to this panel by Council on 14 December 2023).

2.0 First Matter (Hearing Committee Composition)

- 2.1 The applicant for the Oderings site has requested public notification and there is significant public interest in this medium density housing development.
- 2.2 The reason for this proposed amendment to the Terms of Reference regarding the maximum number of members sitting on this panel is to provide members of the Hearings Committee, particularly those who have recently become qualified, with actual hearing experience. This will also help build capacity into this field of activity.
- 2.3 A requirement of being on a Hearings Panel is that members shall hold a valid certificate of accreditation under section 39A of the Resource Management Act.

On a matter of financial equity, the applicant will only be charged as though the original maximum of three members were undertaking this hearing.

The appointment of members to sit on this Hearings Panel, excluding the external Independent Commissioner, has been delegated to the Chair and staff, and the Council will be advised once these appointments have been confirmed.

3.0 Second Matter (External Independent Commissioner)

- 3.1 Council has received a memorandum from Mr Gardner-Hopkins, as Project Manager for the applicant at 55-57 Brookvale Road (appended as Attachment 1), setting out in his view, circumstances that give rise to an issue of perceived bias by Mr Littlejohn as Chair of the Hearings Panel.
- 3.2 This matter has been discussed between Council's Chairman of Hearings (Mr George Lyons), the Group Manager of Planning & Regulatory (John O'Shaughnessy), Shane Lambert (acting as Environmental Consents Manager in Caleb Sutton's absence) and Mr Littlejohn.

The outcome of these discussions resulted in Mr Littlejohn preparing a minute (attached as Attachment 2) in essence confirming Mr Littlejohn does not consider he has a 'grudge' against Mr Gardner-Hopkins, but in the circumstances, agrees that the appropriate course of action is for Mr Littlejohn to step aside as Chair of the Panel, essentially at the applicant's request.

- 3.3 As a result, there is a need to appoint an alternative independent commissioner as a panel member and chairperson for this notified hearing. Also, it is necessary to reschedule the hearing date to start in late June or mid-July depending on availability of other panel members. Following discussions between Mr Lyons and Council staff, it was agreed to approach Mr Wasley to act as a Commissioner Chair. Mr Wasley has indicated he is available.

Mr Wasley has extensive experience and expertise which means that he is well placed to undertake this role. Mr Wasley's profile is set out below:

Bill Wasley is a Director of Wasley Knell Consultants Ltd which he established in 1996, where he undertakes a range of work relating to spatial planning, growth management, policy formulation, and independent governance chairing primarily in collaborative / partnership frameworks, and an experienced hearings commissioner. He has a professional planning background. He has a strong interest in governance and collaborative approaches to effectively develop and implement policy initiatives across a spectrum of organisational, agencies and sectors, including local government.

Bill is Independent Chair of the SmartGrowth Leadership group (since 2000, which is the spatial planning partnership, chairs the greater Christchurch Partnership Committee which includes earthquake recovery matters; and also is Chair of the FutureProof Implementation Committee, a growth management partnership in the Waikato and Waipa river catchments. He has also been involved in the development of the various urban development strategies, spatial plans and economic development strategies in Napier/Hastings, Taupō, Bay of Plenty Waikato and greater Christchurch. Bill has had previous senior management roles in local government and the private sector. He has been a Ministerial appointee to the Bay of Plenty District Health Board and former member of the Bay of Plenty Polytechnic Council.

2.0 Recommendations - Ngā Tūtohunga

- A) That Council receive the report titled Hearings Committee Composition - Oderings Application RMA20230145 - appointment of independent commissioner as alternative panel member and chairperson dated 1 February 2024.
- B) That Council resolve to amend the Terms of Reference for the Hearings Committee, on a one-off basis, to allow for up to a maximum of five accredited members of the Committee to consider and decide on the Oderings resource consent application at 55 Brookvale Road, with this specific hearing composition being:
- Two external Independent Commissioners (with one acting as the Chair for this hearing)
 - 3 accredited members of the Hearings Committee
- C) That Council appoint Mr Bill Wasley as an alternative external independent commissioner and chairperson, to the Hearings Panel addressing medium density housing at 55-57 Brookvale Road.

Attachments:

1 ⇄	Memo from James Gardner-Hopkins regarding composition of Hearings Panel for Oderings Hearing RMA20230145	CG-17-1-00689	Under Separate Cover
2 ⇄	Minute from Kitt Littlejohn regarding Hearings Panel for Oderings Hearing RMA20230145	CG-17-1-00690	Under Separate Cover

Thursday, 1 February 2024

Te Hui o Te Kaunihera ā-Rohe o Heretaunga
Hastings District Council: Council Meeting

Te Rārangi Take

Report to Council

Nā:
From: **Nigel Bickle, Chief Executive**

Te Take: **The Story of Hastings Place Based Housing Approach Four Year**
Subject: **Check In**

1.0 Purpose and summary - *Te Kaupapa Me Te Whakarāpopototanga*

- 1.1 In early 2019 the Hastings District Council and its Mayor Sandra Hazlehurst were increasingly concerned about what appeared to be a housing crisis. The public housing register was growing rapidly, more people were being housed in motels as emergency housing, Recognised Seasonal Employees (RSE) workers were putting stress on housing and the demand for Council's senior housing places was growing. There was a small but growing homeless population. Ngāti Kahungunu were concerned that the housing situation was having a disproportionate impact on Māori whānau and were advocating that the Government's "kiwi build" needed to be more "Iwi build".
- 1.2 On the 18th April 2019 the Council and the Iwi presented a proposal to the then Prime Minister, Dame Jacinda Ardern at Waipatu Marae about a new approach to tackling the housing crisis.
- 1.3 At its heart it was a proposal to take a place-based approach in a collaborative partnership between central and local government, Iwi, mana whenua and community.
- 1.4 Council outlined what it saw as some of the potential problems and opportunities and asked to combine our collective resources to develop a plan. The Council executive committed to develop a plan and present it to government, Council and Iwi within 8 weeks.
- 1.5 The Prime Minister agreed and Council and its partners got to work.

2.0 Understanding the Problem and Developing the First Version Plan

- 2.1 A key decision that was made at the outset, that proved critical was the need to avoid "paralysis by analysis" but ensure we had evidence of the problem to ensure the actions/solutions were addressing the problems and not the symptoms.
- 2.2 A number of accumulated facts were established through this work in 2019:
 - The housing market was not functioning well.

- The Council had been part of the problem because in the years leading up to 2019 had not zoned enough land for residential housing.
- The Government had not been building public homes and the public housing register grew from less than 50 to over 600 between 2015 and 2019.
- Demand for Council's senior housing had grown exponentially. In 2014 Council lowered the qualifying age for senior housing to 55 years as it had vacancies in its stock of 221 homes. In 2019 the senior housing was fully occupied with a waiting list in the hundreds.
- There were 450 individuals being housed in motels as emergency accommodation and the government was spending nearly \$10m per annum in Hastings on motels.
- Housing 5,000 RSE workers for seven months of every year was also putting pressure on the housing market with motels, backpackers and homes being used for worker accommodation.
- The combination of Government's use of motels for emergency housing and RSE worker accommodation meant two thirds of visitor accommodation was being used for these purposes.
- In a strong tourist/visitor economy we had seen over 700 homes converted to Air BnB offerings.
- There were high levels of overcrowding and presenting health issues associated with substandard housing.

3.0 What was the Plan (1st Version)

3.1 Vision

- A housing market that works for everyone delivering homes for our people across the housing continuum. (rental, affordable first homes, rent to buy, market).

3.2 Principles

- A collaborative partnership between government, local government, Iwi and mana whenua that collectively owned delivery and outcomes.
- Led from place and enabled by central government.
- Iwi/Māori led housing solutions.

3.3 Partners

- Hastings District Council (lead)
- Ngāti Kahungunu Iwi Incorporated (NKII)
- Te Taiwhenua o Heretaunga (TToH)
- Tamatea Pōkai Whenua
- Ministry of Housing & Urban Development (MHUD)
- Kāinga Ora (KO)
- Ministry of Social Development
- Te Puni Kōkiri
- Hawke's Bay District Health Board

3.4 Mission

- To eliminate emergency motel accommodation within three years.

3.5 Key Actions

- Build more public and transitional homes.

- Back Māori led housing solutions and papakāinga housing.
- Target at-risk tamariki with health issues in substandard housing.
- Enable the delivery of purpose built RSE accommodation.
- Develop a long term housing strategy.
- Address land use issues.

3.6 The plan was endorsed by Council and Iwi and was presented to Government. After consideration by Cabinet, Minister Hon. Megan Woods (Housing) and Hon. Nanaia Mahuta (Associate Housing/Local Government) came back to Waipatu Marae on 12 December 2019 and announced Hastings would be the pilot for a place-based housing approach.

3.7 The Ministers announced:

- 200 homes would be built over 18 months across public (Kāinga Ora) and papakāinga.
- \$8.7m of new funding to deliver 22 affordable rental papakāinga and infrastructure for a further 17 papakāinga sites.
- \$1m investment between Te Puni Kōkiri and Hawke's Bay Health Board for critical repairs programme.

4.0 Delivery of the Programme

4.1 In early 2020 the housing delivery programme got underway and was overseen by an executive governance board which was supported by a housing network (programme control group).

4.2 The Executive Governance Group was chaired by the Hastings District Council Chief Executive and included the CEO of MHUD, Chair Ngāti Kahungunu Iwi, CE Te Taiwhenua o Heretaunga, CE Tamatea Pokai Whenua, head of Public Health, Regional Commissioner of MSD and the regional directors of Te Puni Kōkiri, Kāinga Ora and Ministry of Education.

4.3 An independent advisor and "critical friend" Brian Donnelly is also on the Executive Governance Group. Brian is a respected leader in the housing field who formed the NZ Housing Foundation, numerous housing trusts and the Tāmaki regeneration project.

4.4 Supported by a secretariat funded by the Hastings District Council, the board meets 6 weekly with RAG (Red, Amber, Green) rated dashboard reporting against the housing delivery programme.

4.5 Reporting also occurs formally to Ministers and the Council's Performance and Monitoring Committee through the quarterly Performance and Monitoring report.

5.0 Challenges and Opportunities in 2020

5.1 Early 2020 brought the challenges of COVID-19 and lockdowns with corresponding impacts on supply chains and delays to the delivery programme.

5.2 It also brought opportunities through stimulus funding and in 2020, the Government announced:

- \$30m co-investment with Council to unlock developments. Council received \$13m in grant funding for infrastructure to develop 244 Flaxmere Avenue, Flaxmere town centre and Caernarvon Drive.
- \$1.2m infrastructure funding through the Provincial Growth Fund to develop Tarbet Street in Flaxmere.
- \$2.5m funding assistance to Te Taiwhenua o Heretanga to accelerate the development at Waingākau.

5.3 **Subsequent funding approvals included:**

- \$20m infrastructure funding to Hastings District Council to upgrade wastewater capacity to enable residential growth, including up to 50 homes being developed as Wairatahi by Tamatea Pokai Whenua at 238 Stock Road, Flaxmere (2022).
- \$22m in funding to Te Taiwhenua o Heretaunga and Hastings District Council to deliver 66 affordable rental homes in Flaxmere (2023) through the Affordable Housing Fund.

5.4 Four Years on from the Pilot – What’s been delivered?

- 414 homes built
- 208 homes under construction
- 509 homes in various stages of resource management and building consent processes.

5.5 Programme Specifics

5.6 Kāinga Ora (Rebuilds and Acquisitions):

- 257 public houses completed
- 115 public houses under construction
- 35 homes in consenting processes

5.7 Transitional/Affordable rental housing:

- 60 completed (Tomoana Road/Plunket Street/Tarbet Street)
- 30 under construction (Maraekakaho/ Caernarvon Drive)
- 66 Affordable rental homes funded to be built in 2024/25 (40 x1 bedroom seniors HDC) and 26 (3-4 bedrooms by Te Taiwhenua o Heretaunga)

5.8 The 462 public and transitional houses completed and under construction are spread as follows:

Suburb	Public Housing (Kāinga Ora)	Transitional Housing	Total
Akina Park	3		3
Camberley	9		9
Cornwall Park	31		31
Flaxmere South/Park	1	12	13
Flaxmere West	6	18	24
Hastings Central	8		8
Havelock North-Central	8		8
Mahora	51	28	79
Mayfair	107		107
Parkvale	14		14
Queens Square	11		11
Raceway Park	6		6
Raureka	72		72
St Leonards	39	32	71
Tomoana Crossing	6		6
	372	90	462

*Kāinga Ora and Transitional Housing Delivery Programme map attached as **attachment 1**.

5.9 Affordable First Homes:

- 17 Completed (Tarbet Street)

5.10 Waingākau:

- 21 Complete
- 37 Under construction

- 5.11 Papakāinga Housing:
- 59 homes completed across 11 sites
 - 26 under construction across 8 sites
- 5.12 **Progress across other programme delivery areas**
- 5.13 Critical repairs programme – critical repairs programme fully completed that covered essential repairs to 40 homes comprising 117 at risk tamariki.
- 5.14 **RSE Worker Accommodation**
- 5.15 Changes to Council’s operative District Plan made in 2021 enabling RSE worker accommodation to be built on orchard and industrial zones. Over 1500 purpose build RSE beds have been delivered since 2019.
- 5.16 **Consenting**
- 5.17 509 homes in consenting process.
- 5.18 34 Kāinga Ora homes and 475 homes Wairatahi (238 Stock Road) currently being considered through Fast Track consenting process by Environmental Protection Authority (EPA) with a decision expected February 2024.
- 5.19 **Infrastructure / Wastewater Upgrade**
- 5.20 Design work completed, contracts let and work commencing 2024.
- 5.21 **Land Availability**
- 5.22 The following land is now zoned with infrastructure at different stages of enablement for build ready affordable and market homes.

Howard Street – 350	Zoned and infrastructure works nearing completion
Brookvale – 400	First stages underway
Iona – 350	Ground works underway and Stage 1 consent granted Stage 2-4 consent being processed.
Lyndhurst – 500	Underway
Te Awanga – 130	First stage underway with 45 homes
244 Flaxmere Ave – 46	Build ready/titles issued
Flaxmere Town Centre – 42	Build ready 2024
72 Caernarvon Drive – 125	Build ready 2024

- 5.23 Plan Change 5 to the Operative District Plan enabling greater density development post public consultation and scheduled for hearing in 2024.
- 5.24 **Structure Planning**
- 5.25 As per decisions made by Council, structure planning is also underway for Havelock hills. Kaiapo Road, and Lyndhurst Stage 3. Any decision to progress these to plan changes will be decisions to be taken in the future by Council.
- 5.26 **Homeless**
- 5.27 Whilst not in the original scope of work as part of the Place Based pilot, significant work has been undertaken to understand and put in place actions to tackle the growing homeless problem.
- 5.28 The following key homeless actions were identified and achieved:

- Homeless study completed in 2021 by Hasting District Council.
- Government funding of Te Taiwhenua o Heretanga to provide accommodation for up to 10 homeless per night. House secured and now operational (2023).
- Homeless trust was established on a joint venue between Council, Hastings Church and Waiapu Social Services. A fully funded homeless hub opened in 2022 to provide wrap around integrated services – meals, health care and welfare.

5.29 Outcomes

5.30 At the end of the third quarter in 2023, the numbers of people living in emergency accommodation was down to 66 people (39 households) from 285 people in 117 households (77% decrease from March 2022 when MSD began formally reporting the numbers which we assessed as 450 in 2019 when we did the original work).

5.31 Clearly Council has made significant progress against the housing strategy and can be proud of what has been delivered over the past 4 years. The record of delivery is substantive, and the work is widely recognised. There has been consistent media coverage both regionally and nationally of this work and we often have requests from other Councils and housing organisations to visit and understand how we have delivered this programme. We have been proactive in sharing this work across the Local Government sector and in 2021 held a briefing and housing tour that was attended by over 90 people from across New Zealand. We are often asked to present at housing conferences and held the national Māori Housing Conference in Hastings in 2021.

5.32 Our place Based Housing work

- Won the Collaborative Government Action Award at the 2021 Taituarā Excellence Awards.
- Won the Social Wellbeing Excellence Award at the LGNZ Excellence Awards in 2021.
- Our homeless collaboration “Kuhu Mai” won both the collaboration and supreme excellence awards at the 2023 LGNZ Excellence Awards.

6.0 Reflections and Looking Ahead

6.1 Good

- A commitment to genuinely partner across government, Local Government and Iwi.
- Strategy led.
- Place led with strong ownership and leadership by the Hastings District Council.
- System leadership by MHUD.
- Effective and sustained Governance and a functioning housing network.
- Multi-year funding commitments to house build programme and finding support for infrastructure.
- Iwi/Māori led housing developments – Waingākau, Papakāinga, and Wairatahi.

6.2 Not so good

- At the heart of the Housing Strategy is building communities of mixed tenure (Kāinga Ora , rental, rent to buy, ownership) and typologies (density, single, double story, duplex). Whilst the short-term strategy was to get whānau out of motels, we have not delivered mixed developments with some exceptions such as Tarbet Street and Waingākau. There has been no progressive home ownership product and little or no Kiwi Build delivered through the government housing investment.
- One of the Mayors mantras that is consistent with the strategy is “we need houses, but houses become homes and homes shape communities”. We don’t consider that there has

been across the majority of the housing developments a deliberate approach to building neighbourhoods and communities and have some questions about the effectiveness of Kāinga Ora's neighbourhood development/tenancy management.

- Navigating the number of siloed housing appropriations across multiple Ministers and agencies is hugely time consuming and expensive.

6.3 Looking Ahead

- There are opportunities to integrate existing and future funding streams to better deliver mixed tenure communities across Hastings. In the next 24-36 months this could occur across 7 zoned and serviced land holdings owned by the Crown, Council and Te Taiwhenua o Heretaunga comprising up to 400 homes.
- Investigate moving funding and decision rights to Hastings through a performance and outcome-based funding model.
- Determine the best model and providers to ensure neighbourhood/community development and tenancy management.

7.0 Recommendations - *Ngā Tūtohunga*

- A) That Council receive the report titled The Story of Hastings Place Based Housing Approach Four Year Check In dated 1 February 2024.
- B) That Council note the progress and results of the Place Based Hastings Housing Strategy.
- C) That Council note a copy of this report will be forwarded to the appropriate Government Ministers and Sir Bill English who is currently leading the Government review of Kāinga Ora.
- D) That Council note the outcomes of the housing strategy will be publicly communicated through a series of media channels and updates to our community.

Attachments:

1 [↓](#) Hastings KO and TH Delivery Programme

CG-17-1-00701

Thursday, 1 February 2024

Te Hui o Te Kaunihera ā-Rohe o Heretaunga
Hastings District Council: Council Meeting

Te Rārangi Take

Report to Council

Nā:
From: Louise Stettner, Manager, Democracy & Governance Services

Te Take:
Subject: Proposed Amendments To Schedule Of Meetings

1.0 Purpose and summary - *Te Kaupapa Me Te Whakarāpopototanga*

1.1 The purpose of this report is to consider amendments to the schedule of Council and Committee Meetings for the 2024 Meetings Calendar which was adopted by Council on 2023.

This report recommends that the 2024 Meeting Schedule as amended below be adopted.

The Local Government Act 2002, Schedule 7, Clause 19 states:

“A local authority must hold meetings at the times and places that it appoints”.

If a local authority adopts a schedule of meetings-

a) The schedule-

i) may cover any future period that the local authority considers appropriate, and

ii) may be amended.

Although a local authority must hold the ordinary meetings appointed, it is competent for the authority at a meeting to amend the schedule of dates, times and number of meetings to enable the business of the Council to be managed in an effective way.

1.2 It is proposed that the meeting schedule be amended as outlined in the recommendations of this report.

2.0 Recommendations - *Ngā Tūtohunga*

- A) That Council receive the report titled Proposed Amendments To Schedule Of Meetings dated 1 February 2024.
- B) That Council adopt changes to the 2024 Schedule of Meetings as follows:

Tuesday, 20 February 2024 at 2.00pm	New meeting	Ōmarunui Refuse Landfill Joint Committee
Tuesday, 5 March 2024 at 10.00am	New meeting	HB Crematorium Committee

Attachments:

There are no attachments for this report.

HASTINGS DISTRICT COUNCIL

COUNCIL MEETING

THURSDAY, 1 FEBRUARY 2024

Item 12

RECOMMENDATION TO EXCLUDE THE PUBLIC

SECTION 48, LOCAL GOVERNMENT OFFICIAL INFORMATION AND MEETINGS ACT 1987

THAT the public now be excluded from the following part of the meeting, namely:

13 Puketapu Bridge Replacement - Stage One Tender Award

14 Commercial Transaction

The general subject of the matter to be considered while the public is excluded, the reason for passing this Resolution in relation to the matter and the specific grounds under Section 48 (1) of the Local Government Official Information and Meetings Act 1987 for the passing of this Resolution is as follows:

<i>GENERAL SUBJECT OF EACH MATTER TO BE CONSIDERED</i>	<i>REASON FOR PASSING THIS RESOLUTION IN RELATION TO EACH MATTER, AND PARTICULAR INTERESTS PROTECTED</i>	<i>GROUND(S) UNDER SECTION 48(1) FOR THE PASSING OF EACH RESOLUTION</i>
13 Puketapu Bridge Replacement - Stage One Tender Award	Section 7 (2) (h) The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities. Section 7 (2) (i) The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations). Section 7 (2) (j) The withholding of the information is necessary to prevent the disclosure or use of official information for improper gain or improper advantage. Currently active contract tender.	Section 48(1)(a)(i) Where the Local Authority is named or specified in the First Schedule to this Act under Section 6 or 7 (except Section 7(2)(f)(i)) of this Act.

14 Commercial Transaction

Section 7 (2) (h)

The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities.

Section 7 (2) (i)

The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).
Commercial Sensitivity.

Section 48(1)(a)(i)

Where the Local Authority is named or specified in the First Schedule to this Act under Section 6 or 7 (except Section 7(2)(f)(i)) of this Act.