

NAPIER PEOPLE AND PLACES COMMITTEE

Open Minutes

Meeting Date: Thursday 3 February 2022

Time: 9.00am

Venue Via Zoom and livestreamed on Council's Facebook page

Present Councillor Boag (In the Chair), Mayor Wise, Deputy Mayor Brosnan, Councillors Browne, Chrystal, Crown, Mawson, McGrath, Price, Simpson, Taylor and Wright

In Attendance Chief Executive (Steph Rotarangi)
Director City Services (Lance Titter)
Director Community Services (Antoinette Campbell)
Director Corporate Services (Adele Henderson)
Director Programme Delivery (Jon Kingsford)
Acting Director Infrastructure Services (Debra Stewart)
Manager Communications and Marketing (Julia Atkinson)
Pou Whakarae (Mōrehu Te Tomo)
Chief Financial Officer (Caroline Thomson)
Manager Property (Bryan Faulknor)
Manager Community Strategies (Natasha Mackie)
Team Leader Community Strategies (Emma Morgan)
Community Funding Advisor (Belinda McLeod)
Senior Advisor Policy (Matt Adamson)
Team Leader Parks, Reserves & Sportsgrounds (Jason Tickner)
Māori Partnership Manager - Te Kaiwhakahaere Hononga Māori (Beverley Kemp-Harmer)
Māori Partnership Manager - Te Kaiwhakahaere Hononga Māori (Hilary Prentice)
Manager Water Strategy (Russell Bond)
Manager Regulatory Solutions (Rachael Horton)

Also in Attendance Hawke's Bay Civil Defence Emergency Management Group, Group Manager/Group Controller (Ian Macdonald)
Hawke's Bay Civil Defence Emergency Management Group, Team Leader Hazard Reduction (Lisa Pearse)
GNS Science, Senior Scientist (Dr Graham Leonard)
Joint Centre for Disaster Research, Postdoctoral fellow

(Dr Marion Tan)
Massey University, Director of Disaster Management
(Professor David Johnston)
Price Waterhouse Cooper (PwC), Associate Director Kirstyn
McKeefry

Administration Governance Advisors (Anna Eady and Carolyn Hunt)

Karakia

The Committee opened the meeting with a karakia.

Apologies

Councillors Browne / Price

That the apologies from Councillor Taylor, for lateness, and Councillor Tapine be accepted.

Carried

Conflicts of interest

Nil

Public forum

Nil

Announcements by the Mayor

Due to red traffic light setting Napier City Council (NCC) are holding meetings online. 2022 will be a busy year, and there are a number of projects already underway. As a nation we are experiencing challenges due to the Covid situation, such as supply chain issues and rising inflation. NCC are constantly reassessing what the Covid situation impacts are on our busy capital programme, as well as to ourselves as individuals, and to Napier's residents. Also the continued tourist restrictions are having a financial impact on Napier's tourist facilities.

The continued roll-out of Central Government reforms, such as the Three Waters reform, the Local Government review, and the Resource Management Act reform, apply additional pressure on NCC's work programme, as well as creating huge uncertainty for our staff and community. We will continue to advocate on behalf of our community across all of the reforms, to ensure local voice and representation remains at the core of local decision making.

On behalf of all of Council, we look forward to working together with the community to ensure Napier is a vibrant, resilient city, that honours the people who live in it.

As the anniversary of the 1931 Napier Earthquake is today, we pay tribute to the earthquake survivors. It was a defining moment for the city. There will be an online livestreamed memorial service held this Saturday which all are welcome to attend. There will be a link to join the service on the Napier City Council and the Waiapu Cathedral Facebook pages.

Announcements by the Chairperson

Condolences were extended to the Waaka Family for the recent passing of Marion Waaka.

Announcements by the management

Nil

Councillor Graeme Taylor joined the meeting at 9.05am

Confirmation of minutes

Councillors Wright / Chrystal

That the Minutes of the meeting held on 4 November 2021 were taken as a true and accurate record of the meeting.

Carried

AGENDA ITEMS

With the permission of the Committee item 2 was taken out of order.

2. STRATEGIC HOUSING REVIEW

Type of Report: Operational

Legal Reference: N/A

Document ID: 1412891

Reporting Officer/s & Unit: Natasha Mackie, Manager Community Strategies

2.1 Purpose of Report

This report summarises the Strategic Housing Review findings and seeks approval to undertake a Special Consultative Procedure on the three options outlined.

At the Meeting

The Council Officer and Kirstyn McKeefry spoke to a PowerPoint presentation and the report. In response to questions from the Committee it was noted:

- Conversations have been had with central government about councils not having access to the Income Related Rent Subsidies (IRRS) that Community Housing Providers (CHP) and Kāinga Ora have access to. This will not change at this stage.
 - Consultation requirements are driven by legislation, and the Council needs community feedback to make informed decisions. The community's preferred option for this project can either be consulted on via the Annual Plan process in 2023, or if the preferred option is the transfer or sale of the assets it would be consulted on as part of Long Term Plan process.
 - Consultation materials based on the Statement of Proposal are being worked on currently by officers. There will be a range of interactions with the community about the options available. Also tenants will also receive individualised direct communication addressing their particular situation.
 - As part of a standard consultation process, the Council would not normally receive the detailed consultation plan and consultation materials for consideration. Councillor Boag as the Housing portfolio holder would however be included in the development process.
 - The original Morrison Lowe report in 2019 did not recommend the continuation of the status quo, only selling or leasing some or all of the portfolio. This option was subsequently added by Council and further investigated for the PwC report.
 - If the status quo option is selected and the funding for the housing activity is going to come from rental income, then that could be implemented by Council immediately. Alternatively if the funding is going to be from rates, or partly by rates, this decision would need to be part of an Annual Plan process.
 - The transfer option is a sale of the buildings and land. It is possible to put a condition on the sale that if the buyer decides to sell, or use the property for a
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different purpose other than community housing, the Council will have the first option to buy the properties back under the same conditions of sale the buyer acquired them under.

- The rental income received since 2007 has gone back into maintaining the housing portfolio, and in due course council officers will provide insight into what that maintenance was. Previously surplus rental income was put in the Housing Reserve Fund (a savings account for council housing). This fund has been used to pay for significant maintenance such as replacing roofs. There is no evidence that rental income has been used for anything but housing. To ensure this continued, in 2018 the rental income was deliberately ring-fenced so it could not be used for any other council project.
 - Council owned vacant land blocks attached to the villages would be included in the sale or transfer. These will make the properties more appealing to a housing provider or buyer as they will be able to grow their investment.
 - If the transfer option is chosen, new valuations will be undertaken prior to a sale price being agreed.
 - All feasible options must be presented for consultation; the option to sell the portfolio on the open market is a feasible option which should be considered, alongside transferring to another housing entity. For the community feedback, council will outline the pros and cons of each sub-option which make up the Transfer option.
 - The Regional Housing Trust idea came up late in the review process. It would be a similar option as transferring the portfolio to a CHP. Initial conversations are underway with other councils about the viability of this. Council officers will provide further information on this as soon as it comes to hand. If this option was progressed, it is understood it would take a minimum of twelve months for the Trust, once established, to be registered as a CHP, but clarity will be sought on this.
 - There is no standard formula to work out the discounted sale price of a housing portfolio from its book value when transferring ownership to a CHP. The purchase would be affected by covenants council put on the sale of the portfolio. If the housing had to stay as low income housing, for example, the purchaser would make an offer based on market value balanced with the rental income expected from it within the bounds of the covenant. The rental income would be significantly less than if the houses could be rented at market rate, and as such the offer is likely to be significantly less than an open market sale.
 - Restrictions on property titles and the sale of council housing portfolios have been used successfully before by Tauranga and Hamilton. Tauranga also specified current tenants and rental conditions remained the same. These conditions would have had an impact on sale price though.
 - At this stage of the consultation process council is just seeking community feedback with the best information it has to hand. It is not locked into the options stated in this report and could discount options for feedback if it wanted to. Also if there are further developments during the feedback process the options can be modified.
 - Currently the housing activity is running at a loss. If you sell the assets with the condition the same service is provided buyers will see the portfolio as having a negative value. To get a good sale price the portfolio would need to be sold without conditions, so a buyer can get best and highest use from it. If Council want to keep the assets in the affordable housing space there will be a trade-off
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on sale price. CHPs and Kāinga Ora will be able to get better cash flow from the portfolio than Council can with the additional government funding available to them.

- A CHP cannot apply for IRRS for existing tenants in properties newly acquired, it would only be available for new tenants who meet the criteria. However Kāinga Ora can get IRRS for existing tenants in newly acquired property.

Officer's Recommendation

The Napier People and Places Committee:

- a. Resolve to undertake a Special Consultative Procedure based on the Statement of Proposal on all three options with no preferred option identified.
- b. Note that further consultation may be required dependant on the decision made following this consultation.

Committee's Amended Recommendation

Councillors Brosnan / Browne

The Napier People and Places Committee:

- a. Approve Council consult on three options, being the status quo, part retain/part sell, and transfer (CHP, Regional or local community housing provider, or Kāinga Ora) options.
 - i. Note the removal of the open market sale, as it is not likely to achieve the affordable housing outcomes the council is looking to achieve through its housing portfolio.
- b. Note that further consultation may be required dependant on the decision made following this consultation.
- c. Resolve that Council approve the detailed consultation plan and consultation document.

Carried

Attachments

- 1 Strategic Housing Review Napier.pdf
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1. NAPIER CIVIL DEFENCE SIREN NETWORK REMOVAL

<i>Type of Report:</i>	Operational
<i>Legal Reference:</i>	N/A
<i>Document ID:</i>	1311200
<i>Reporting Officer/s & Unit:</i>	Antoinette Campbell, Director Community Services Ian MacDonald, Hawke's Bay Civil Defence Emergency Management Group, Group Manager/Group Controller

1.1 Purpose of Report

To approve the decommissioning of Napier's siren system and removal of the siren infrastructure.

At the Meeting

The authors of the paper spoke to the report and a PowerPoint presentation, with support from Dr Graham Leonard.

In response to questions from the Committee the following points were clarified:

- If a large Tsunami is triggered from a local source it could occur within minutes. The most important alert is a long and strong earthquake. People should evacuate inland or to higher ground immediately if that occurs, and not wait for an Emergency Mobile Alert (EMA). When a tsunami is coming from further away the EMA will emit a loud noise on a person's smart phone, with words saying evacuate now with greater detail of the event.
 - Resourcing would be required to educate community groups, walking them through evacuation procedures on an ongoing basis. A rough estimate of need is a NCC resource per 25,000 residents.
 - The Hawke's Bay Civil Defence Emergency Management group (HBCDEM) have educational documentation which is being worked on. They want to take a very deliberate approach to the community education, and have already started preparing communications for a response to the decision being made by the Committee today.
 - The EMA can be activated at specific cell phone tower sites, but some site's coverage overlaps with others. For example an alert for the Napier Hill would reach Taradale. New Zealand has been split into 20km domains for the EMA initial alert, there are about 2 domains in Napier. From that initial alert more specific information could be sent via particular cell phone towers.
 - In the case of a local earthquake which triggers a tsunami an automatic message could not, and should not be relied upon. In that situation it would be a very strong quake no one could sleep through, and residents should evacuate as soon as possible.
 - For residents who do not have a cell phone to receive EMA the community education will be encouraging friends and family to make a plan to alert these
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people in the case of an emergency. For any system there are always going to be people who are hard to reach, in the case of the sirens it was the hearing impaired. There is a possibility that other systems will be able to support the EMA, for example Police and Fire can be deployed with lights and sirens to alert people in some emergency situations.

Meeting adjourned at 11.15am and reconvened at 11.25am

Officer's Recommendation

The Napier People and Places Committee:

- a. Approve the decommissioning and removal of the remaining Napier City Council-owned siren warning system infrastructure.

Committee's Amended Recommendation

Councillors Simpson / Browne

The Napier People and Places Committee:

- a. Approve the decommissioning and removal of the remaining Napier City Council-owned siren warning system infrastructure from the remaining locations, and support the Emergency Management Alert (EMA) system and continue to support the Hawke's Bay Civil Defence Emergency Management Group education and public information campaigns.
- b. Request CDEM group provide to Council, for information, their proposed public education programme, including the frequency and outreach components.

Carried

Attachments

- 1 Siren Removal - Ian Macdonald (Doc Id: 1429157)
 - 2 Hawke's Bay Alert System - Dr Leonard (Doc Id: 1430238)
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3. COMMUNITY GRANTS AND FUNDING OVERVIEW

Type of Report:	Information
Legal Reference:	N/A
Document ID:	1374940
Reporting Officer/s & Unit:	Belinda McLeod, Community Funding Advisor Matt Adamson, Senior Advisor Policy

3.1 Purpose of Report

To provide an update on the activities of the Community Grants and Funding Programme.

At the Meeting

The Council Officers took the report as read. There will be a workshop for the Elected Members and staff later in February to discuss in detail some the points raised in this report.

Committee's Recommendation

Mayor Wise / Councillor Chrystal

The Napier People and Places Committee:

- a. Receive the report titled "Community Grants and Funding Overview".

Carried

The meeting closed with a karakia at 11.43am

Approved and adopted as a true and accurate record of the meeting.

Chairperson

Date of approval