

[In Confidence]

Office of the Minister of Housing

Cabinet Extreme Weather Recovery Committee

Taking a coordinated and place-based approach to housing recovery

Proposal

- 1 This paper provides an initial overview of the impact of the recent weather events on housing in Tai Tokerau, Auckland, Hawke's Bay, Wairoa and Tairāwhiti, what agencies are already doing to respond and next steps. It also sets out key system issues that will affect housing recovery and seeks decisions to accelerate elements of a post-disaster housing recovery framework.

Relation to government priorities

- 2 Housing recovery will require alignment with the broader recovery process, including any directions issued by the Extreme Weather Recovery Committee, the Cyclone Recovery Taskforce (the Taskforce) and other recovery-related workstreams led by other agencies and partners. For example, it is important for housing recovery to be:
 - 2.1 supported by appropriate intervention to assist those that may face financial hardship (Cabinet paper: *Future of locations severely affected by recent flood events*);
 - 2.2 aligned with increased resilience objectives, in a way that also enables housing supply and affordability (Cabinet paper: *Advancing climate adaptation through the recovery*); and
 - 2.3 cognisant of possible labour constraints (Cabinet paper: *Labour market implications of recovery from extreme weather events*).
- 3 The Taskforce has identified climate resilience, and the avoidance of maladaptation as core objectives in the recovery process. The proposed approach to housing recovery will prioritise incorporating climate resilient measures and considering where and how to build back better.
- 4 The proposed approach to housing recovery aligns with the key objectives outlined in the Government Policy Statement on Housing and Urban Development (GPS-HUD). It will also ensure that the Te Tūāpapa Kura Kāinga - Ministry of Housing and Urban Development's (HUD) place-based and Māori and Iwi Housing Innovation (MAIHI) approaches are integrated from the start.

Executive Summary

- 5 Central government already has strong place-based partnerships in the regions most affected, where there were already high levels of housing deprivation. Key agencies involved in these partnerships are Te Tūāpapa Kura Kāinga - Ministry of Housing and Urban Development, Kāinga Ora, Ministry of Social Development (MSD) and Te Puni Kōkiri (TPK).
- 6 Locally led recovery plans are being developed in each region through the agreed regional structures. Central government will build on existing place-based partnerships to support implementation of these plans.
- 7 Appendix A summarises the impact and progress on the recovery plans for the five worst affected regions; Tai Tokerau, Auckland, Hawke’s Bay, Wairoa and Tairāwhiti.
- 8 The paper also sets out relevant issues on the ground for housing recovery, including the diverse range of household needs for temporary housing. There is an opportunity through the recovery to address long-standing housing issues in rural and deprived communities, as well as employment and training.
- 9 There are four system-level issues that are significant dependencies for housing recovery:
 - 9.1 making appropriate decisions on whether to rebuild in place or initiate managed retreat;
 - 9.2 setting clear Government expectations for what building back “better” means;
 - 9.3 sharing the costs associated with housing recovery; and
 - 9.4 sequencing infrastructure planning and funding to best support housing recovery.

s 9(2)(f)(iv)

- 11 I expect the proposed work will inform upcoming decisions that relate to the current housing recovery. It will also increase resilience and government preparedness in the long term, so we are better placed to respond to future natural disasters.

The existing strong housing and urban system will support recovery from the recent weather events

Work progressed to date means we have strong foundations to support housing recovery

- 12 Government is already taking a place-based approach to housing and urban development, including in most of the worst affected regions. Government has strong existing relationships, priorities and delivery plans through the Urban Growth Partnership in Auckland and place-based housing partnerships in Te Tai Tokerau, Hastings and Tairāwhiti. Appendix A provides an overview of the housing impact in each of these places.
- 13 Building on these partnerships and the Regional Public Service Commissioners, central government is well-placed to work collectively in each affected region, and to work with the regional recovery structures.
- 14 Prior to the recent disaster, the most affected communities already had high levels of housing need and have seen significant rent and house price increases, due to population growth and limited new housing supply. Isolated Māori communities that already face severe deprivation have been disproportionately affected and the number of those experiencing homelessness is likely to increase.
- 15 Over the past three years, government has put in place tools and programmes that will support housing recovery. For example, the Whai Kāinga Whai Oranga “by Māori for Māori” housing prototypes will be an important part of recovery in Hawke’s Bay, Tairāwhiti and Te Tai Tokerau. Land for Housing, the Affordable Housing Fund and the Build Ready Development pathway are all tools that can also enable new permanent housing options for households who have lost their home.
- 16 Government has also made significant investment to unlock housing through the Infrastructure Acceleration Fund, including in the most affected regions.

Work is underway to further pivot towards effective housing recovery

- 17 I am also seeking agreement from Cabinet Economic Development Committee to some initial, tactical responses to support ongoing delivery of affordable housing where it is most needed, in the context of shifting economic conditions and recent extreme weather events. s 9(2)(f)(iv), s 9(2)(j)
s 9(2)(f)(iv),
s 9(2)(j)
- 18 The proposals focus on the areas of greatest housing need, which include areas impacted by the extreme weather events. These initiatives could play an important role in:
 - 18.1 ensuring an adequate supply of developable land where it is not possible to rebuild in situ; and
 - 18.2 moderating the risk of displaced residents and incoming rebuild workers crowding lower income households out of the private rental market, as we saw following the Canterbury earthquakes.

s 9(2)(j), s 9(2)(f)(iv)

- 20 The Construction Sector Accord will also support recovery, by focusing on construction sector capacity, labour coordination and supporting local government procurement/contracting. MSD already has strong industry partnerships with the construction sector, particularly in Hawke’s Bay and Tairāwhiti.

s 9(2)(f)(iv)

Relevant on the ground issues for housing

- 22 Many of the communities most affected are rural/semi-rural and are on whenua Māori. Intelligence suggests that between 25-50% of some affected communities are uninsured or underinsured. This is a higher proportion than for other events and will require a different approach.
- 23 In addition to addressing immediate housing need through temporary options, there is an opportunity for the housing recovery to help address long-standing housing issues, and support communities to deliver better permanent housing solutions. The Whai Kāinga Whai Oranga iwi-led prototypes in Tai Tokerau, Napier-Hastings, and Tairāwhiti are a good example of this.
- 24 Moving quickly on the right temporary housing options is important for household and community well-being. The Temporary Accommodation Service (TAS) within the Ministry of Business, Innovation, and Employment has significant experience in supporting communities through disaster responses. But the recent events require a different approach from previous responses.
- 25 In each affected region, Te Tūāpapa Kura Kāinga, MSD, TPK, and TAS are working closely with local government, and local iwi/hapu leaders to:
 - 25.1 provide appropriate temporary housing options and ensure households are accessing support such as civil defence payments. Response hubs at local marae are also delivering support services directly to whānau and centred around the needs of the whānau. This whānau-centred focus has enabled bespoke solutions.
 - 25.2 work towards longer-term temporary accommodation. Commercial accommodation is a first response in areas where it is available (and may be needed for longer than in previous TAS responses), but there needs to be a clear exit plan. Work underway includes a Budget bid for additional portacabins s 9(2)(f)(i)

s 9(2)(f)(iv)

26

s 9(2)(g)(i)

- 27 Local government has an important regulatory role with regard to housing options. Agencies are engaging on proposed urgent legislation which will support an Order in Council process to amend a range of legislation temporarily as required (modelled on the Kaikoura/Hurunui earthquake legislation). This will include the Resource Management Act. Agencies are seeking advice from affected councils on what specific amendments might be needed to support recovery.
- 28 Estimating likely demand for temporary housing is challenging. Some households are currently staying with family or friends but cannot do so for an extended period. Others have returned to homes with yellow placards, but may need housing support over winter. Some households have a strong preference to remain on their land.
- 29 Iwi and local providers have emphasised that they are best placed to identify and assess housing need. Some households are reluctant to engage with government, and some have no phone or Internet access. To support this, TAS has agreed that needs assessment will be led locally, with MSD support.
- 30 Displaced households often need psycho-social support as well as accommodation. Agencies are working with Te Whatu Ora and Te Aka Whai Ora to support these households. Some households with high needs have been unable to remain in commercial accommodation, and agencies are supporting them into other options with support services. These services are already under pressure and the additional weather events are likely to further increase the number of people experiencing homelessness.
- 31 TAS is also prioritising work on an equitable and affordable part-payment system which recognises the wide range of circumstances of affected households.

Key system-level issues are critical dependencies for housing recovery

- 32 Central government needs to work quickly but carefully through a number of complex decisions and weigh up trade-offs and tensions. Communities are seeking certainty around where and whether to rebuild and where managed retreat may be needed, but there are also risks of these decisions being made too quickly and without the right information.
- 33 There is a need to increase future resilience, without overly restricting development and exacerbating existing housing supply and affordability issues. Enabling more housing supply in places where risks are lower, or can be managed through adaptation and resilience measures, will be key to achieving this.
- 34 Te Tūāpapa Kura Kāinga has identified four system-level issues that are key dependencies for housing recovery, which are set out in the following table:


System-level issue	Key barriers and required action
Making decisions to rebuild in place, or to initiate managed retreat	<ul style="list-style-type: none"> • Fast decisions needed to start recovery with a coordinated and consistent approach across Government to identify risks. • Set clear thresholds on how to determine whether a risk is acceptable (to rebuild in place) or unacceptable (which would require managed retreat). • Establish a mechanism to initiate and plan managed retreat. • Regions have varying levels of planning capability and resources.
Setting clear Government expectations for what building back “better” means	<ul style="list-style-type: none"> • Develop clear expectations or standards on what is meant by building back ‘better’. Rebuild decisions will need to consider a range of options, including to protect/adapt housing in place or restrict development if risk is too high, and enable development where risk can be managed. <p>s 9(2)(g)(i)</p> <ul style="list-style-type: none"> • Clear decisions on the role of central government in overseeing, directing, or monitoring repairs. • The pace of housing recovery could be constrained by workforce and skill shortages. <p>s 9(2)(g)(i)</p>
How to share the costs associated with housing recovery	<p>s 9(2)(g)(i)</p> <ul style="list-style-type: none"> • Clear decisions are needed on how costs should be shared amongst central and local government, insurance, private interests (e.g. repair costs or possible compensation for managed retreat). • Risk to create moral hazard or set a precedent.
How to sequence planning and funding of infrastructure to best support housing recovery	<ul style="list-style-type: none"> • Determine how to best sequence infrastructure and housing recovery to achieve the best outcomes. • Decisions needed on what infrastructure to repair/rebuild and how. • Further investment will be needed in infrastructure and housing over multiple years, for recovery from the recent events and also to mitigate/adapt to ongoing impacts of climate change. <p>s 9(2)(g)(i)</p>

Initial proposals for a post-disaster housing recovery framework

35 Experience from previous disasters, including the Canterbury earthquakes, is that there is often a ‘vacuum’ between immediate response and housing recovery. We need to learn from this.

- 36 In 2020 the Public Inquiry into the Earthquake Commission identified a lack of central government preparedness for housing recovery to respond to a large-scale disaster. Key recommendations in the report include setting clear expectations for roles and responsibilities following a disaster, and whether, when and how a Canterbury-style residential managed repair programme may need to be conducted. Analysis also revealed a need for strong coordination and communication between stakeholders, and quality standards to avoid botched repairs.

s 9(2)(f)(iv)



s 9(2)(f)(iv)

s 9(2)(f)(iv)

- 42 Successful housing recovery will require aligning decisions across multiple portfolios and work programmes, for example in relation to infrastructure, building and construction, resource management, funding and financing or emergency management. My officials will work closely with relevant agencies to support and influence work programmes across government.

Next steps for housing recovery plans

s 9(2)(f)(iv), s 9(2)(j)

Financial Implications

- 45 There are no direct cost or financial implications arising from this paper.

Legislative Implications

- 46 There are no legislative implications arising from this paper.

Impact Analysis

47 A regulatory impact statement is not required for the proposals in this paper.

Population Implications

48 This paper acknowledges the impacts that recent severe weather events have had on communities in affected regions. The framework's principles focus on accommodating and supporting all population groups found within communities across Aotearoa, including iwi/Māori and different cohorts along the housing continuum (ranging from people experiencing homelessness, through tenants in the public and private market; as well as insured and uninsured homeowners).

Human Rights

49 There are no human rights implications from the proposals in this paper.

Consultation

50 When developing this paper, input was sought from other agencies: Kāinga Ora, Ministry of Business, Innovation and Employment Temporary Accommodation Service, Ministry for Social Development, Te Puni Kōkiri.

51 A range of agencies were only consulted on the initial content of a post-disaster housing recovery framework (Appendix B), including the Ministry for the Environment, Ministry of Business, Innovation, and Employment, the Treasury, National Emergency Management Agency, the Earthquake Commission, Ministry of Social Development, Te Waihangā, Ministry of Transport, Waka Kotahi, Department of Internal Affairs.

Communications

52 This work is in progress and does not require public announcements or communications.

Proactive Release

53 This Cabinet paper will be released proactively, subject to any redactions as appropriate under the Official Information Act 1982.


Recommendations

The Minister for Housing recommends that the Committee:

- 1 **note** that broader system decisions on managed retreat (including cost-sharing) and insurance are key dependencies for housing recovery;
- 2 **note** that recovery plans are being developed in each region through the agreed regional structures and there should be more clarity on the details of these over the next four to six weeks, including any further investment needed;
- 3 **note** that central government agencies will build on existing place-based partnerships to support implementation of these recovery plans;


- 4 **note** that effective housing recovery will also require government to enable locally led solutions, including by working closely with iwi and Māori partners in affected regions;
- 5 **note** the development of a new policy framework (Appendix B) to support and guide post-disaster housing recovery, including initial work to define government principles and outcomes for housing recovery, roles and responsibilities, and an overview of key policy issues and barriers;
- 54 **note** that successful housing recovery will require aligning decisions across multiple portfolios and work programmes, for example in relation to infrastructure, building and construction, resource management, funding and financing or emergency management.
- 6 **agree** that Te Tūāpapa Kura Kāinga, in collaboration with relevant agencies, will accelerate work on key elements of the framework, to feed into the broader recovery process:

s 9(2)(f)(iv)



- 7 **note** that effective housing recovery will require alignment of tools and levers across government, including in relation to infrastructure, building and construction, resource management and funding and financing.

s 9(2)(f)(iv)



Authorised for lodgement

Hon Dr Megan Woods

Minister of Housing

Appendices

- Appendix A: Overview of the impact and response to the extreme weather events in affected areas
- Appendix B: Initial proposals for a post-disaster housing recovery framework

Appendix A: Overview of the impact of and response to the extreme weather events in affected areas

Te Tai Tokerau
Situation before the extreme weather events
<ul style="list-style-type: none">• At the 2018 census Te Tai Tokerau had the second-highest rate of severe housing deprivation in the country, and the highest number of people living without shelter.• In December 2022 there were 1089 people on the Housing Register (down 11% on the previous year) and 251 EHSNG grants. Official figures underestimate true housing need.• Rents have risen 5.6% over 2022 with the number of tenancies only increasing 0.6% despite growing population.• Construction of new dwellings has started increasing but only in some parts of Tai Tokerau (5.3% higher in 2022 than in 2021).• Despite falling house prices (median sales price down 5.6% to \$715,000 over 2022), homes remain unaffordable for many, particularly in Māori communities.
Impact
<ul style="list-style-type: none">• Cyclone Gabrielle has significantly exacerbated existing housing supply/quality and infrastructure issues in Te Tai Tokerau• Across the region 43 buildings have been red stickered and 57 yellow stickered• There are likely to be additional households impacted who are not included in official statistics (eg unconsented dwellings). Previous information on substandard dwellings identified 1600 dwellings affecting more than 6000 people.• Councils have a low rating base so will struggle to fund infrastructure repairs.• 15 marae/hāpori/trusts received immediate emergency support from the Te Pu Harakeke Fund totalling \$120,000 during Tranche 1.
Initial housing response
<ul style="list-style-type: none">• As at 28 March: 50 households registered with TAS, 3 are in TAS supply*.• Commercial accommodation is highly constrained.• One Kāinga Ora house was affected to the extent the customer had to move out. <p>*TAS encourages households to register if they may have a potential future need, not only for immediate accommodation needs.</p>
Next steps
<ul style="list-style-type: none">• s 9(2)(f)(iv)• Te Pouahi prototype (funded through Whai Kainga Whai Oranga) is under development and will address some of the issues with Māori housing in the medium term.• TAS are currently assessing longer term needs in the region.• s 9(2)(f)(iv)

Auckland

Situation before the extreme weather events

- Auckland has experienced strong construction activity with 21,163 consents issued in the year to January 2023.
- Strong housing supply has limited rental price growth compared to other regions (1% over 2022).
- Auckland has seen a 15.2% decline in house prices over 2022, with the median sales price down to \$1,009,000, but still above pre-Covid levels.
- Over two-fifths of Aotearoa's severely housing deprived population were living in the Auckland region in 2018 (44,743 or 43.9%), particularly in the Māngere-Ōtāhuhu and Ōtara-Papatoetoe local board areas.
- There were 7,494 applicants on the Housing Register in December 2022, 11% down on the previous December with 14,251 EHSNG grants issued in December 2022.

Impact

- Auckland Council has assigned red stickers to 697 buildings and yellow stickers to 2351 buildings.
- Parts of the west coast at Karekare, Muriwai and Piha have significant land instability and still remain isolated or severely impacted with have a high proportion of red and yellow stickered homes. Road access is yet to be reinstated to Karekare. Muriwai is without a public water supply and relying on interim arrangements.
- Vulnerable communities in west and south Auckland were significantly impacted by the flooding, which is likely to exacerbate existing disadvantage.
- Many marae were impacted by flooding and may not have adequate insurance.
- There is likely to be high demand for (and possible shortages of key subcontractors and specialists).

Initial housing response

- As at 28 March: 1,155 households have registered with TAS* and 420 are in TAS supply. A further 152 rooms/units are available. TAS has estimated likely future demand to be up to 2000 households.
- Significant majority of accommodation is hotel/motel.
- 612 Kāinga Ora properties are affected across the Auckland region (as at 24 March 2023), 27 will definitely be demolished, further decisions on demolitions may be made in future.
- 268 Kāinga Ora customers will either be required to move or receive an offer to move.
- Kāinga Ora has indicated likely limited ability to take additional people from the housing register in the short term.

*TAS encourages households to register if they may have a potential future need, not only for immediate accommodation needs.

Next steps

- Auckland Council is in the process of appointing a longer-term Group Recovery Manager, setting up a Recovery Coordination Office, and developing a Group Recovery Plan.
- Government agency engagement in the Recovery Plan is being led through the agencies in the Auckland Policy Office and the Regional Public Sector Lead, as is support for the Minister for Auckland.
- Te Tūāpapa Kura Kāinga will play a lead role in the Natural and Built Environment pou of the Auckland Council's recovery structure, utilising the existing Urban Growth Partnership with Auckland Council at an officials level to make progress.
- TAS are making progress on potential land options for medium/long term cabins/housing. 25 portacabins in Auckland currently. s 9(2)(f)(iv)

s 9(2)(f)(iv)

Tairāwhiti and Wairoa

Situation before the extreme weather events

- Tairāwhiti had the highest prevalence of severe housing deprivation in 2018, (people living in uninhabitable housing and people sharing accommodation).
- Tairāwhiti also has the lowest consents per capita of any region in the country. Although new consents were starting to grow, they have dropped back again in the last year.
- Active tenancy bonds increased marginally in the year to January 2023. This is likely to have contributed to a drop in the number of households seeking EHSNGs (a decrease of 160 or 19%) or on the housing register (a drop of 5.3% or 557 people in the year to December 2022).
- However, high rental inflation (8.4% in the year to December 2022) suggests supply was still not increasing fast enough to support new demand.
- House prices have dropped considerably (-19.6% in the year to January 2023) but will still be unaffordable for many in the region.

- Wairoa had the fifth highest prevalence of severe housing deprivation of all TAs in 2018.
- A growing number of households have sought EHSNGs (an increase of 10 households or 12.5%).
- Construction is the lowest of any place in New Zealand (only 9 homes were consented in the year to January 2023) and this is likely to have contributed to high rental inflation (9.6% in the year to December 2022).
- The housing register dropped by 32% in the year to December 2022, but numbers fluctuate significantly from year to year due to the small population.

Impact

- 23 homes red-stickered, 376 yellow stickered across both regions. (Includes one yellow stickered Kāinga Ora home in Wairoa).
- Impacts are predominantly on the north side of Wairoa township (North Clyde), in Te Karaka inland from Gisborne, and in smaller coastal communities north of Gisborne.
- Some communities remain isolated. Road access is also not yet fully restored between Wairoa and Napier, creating significant logistical and economic challenges for communities.
- In Wairoa, approximate figures indicate 333 homes flood damaged, 65% uninsured or underinsured. It is estimated that over 70% of impacted households are Māori, but around 40% of the affected homes are owned by Māori. s 9(2)(b)(ii)
- Approximate figures for Te Karaka: 110 homes flood damaged, 60% insured. Approximate East Coast and Gisborne figures: up to 100 homes flood damaged with 40% insured. (Some of these repairs have carried over from Cyclone Fifi in March 2022 and subsequently Cyclone Hale and then Gabrielle).
- Two marae in Wairoa, two in Te Karaka and two in Tolaga Bay have been severely flood damaged. Te Puni Kōkiri is working with marae to fund technical reports which will assist decision making on possible lift and shift or repairs.

Initial housing response

- As at 28 March: in Wairoa, 67 households have registered with TAS.*
- In Tairāwhiti, 152 registered households have registered with TAS.* 47 are currently in TAS supply. A further 43 rooms/units supply are available and s 9(2)(f)(iv)
- TAS is currently negotiating a contract for 40 motorhomes that will be available for deployment to Hawke's Bay, Wairoa and Tairāwhiti shortly.

*TAS encourages households to register if they may have a potential future need, not only for immediate accommodation needs.

Next steps

Wairoa

s 9(2)(f)(iv)

Tairāwhiti

Before the extreme weather event, and after, HUD has been working closely with Council, Kāinga Ora, Rau Tipu Rau Ora, other agencies and iwi to deliver on immediate and medium-term housing actions, including emergency housing solutions and iwi/Māori housing initiatives. This was through the Tairāwhiti Regional Housing Strategy.

Whare Awhina Project – immediate temporary housing solutions

- HUD is closely working with iwi collective Toitū Tairāwhiti Housing Limited (TTHL) to build and supply approximately 100 whare awhina (some cabin designs) and permanent homes in the Te Tairāwhiti, to respond to the immediate housing need post the extreme weather events. The whare awhina are all off-site manufactured accommodation (30-32 sq metres) with a mixture of fully serviced designs. Fifty of the homes are being built in Gisborne at the Toitū Tairāwhiti Built Smart facility, and the remainder are being procured through multiple build providers - includes - Podlife, Classic Builders, Hikurangi Enterprises.
- The project is being progressed by utilising the Toitū Tairāwhiti Whai Kāinga Whai Oranga housing prototype initiated with the Government in mid-2022. The longer-term pipeline for the prototype is still being progressed by TTHL.
- Three pod homes have been delivered to sites in Tolaga Bay, Wairoa and Te Karaka as part of the whare awhina Toitū Tairāwhiti Housing Limited project.
- Contractors are on multiple sites in Te Karaka to do preparation work for whare awhina.
- 100 whare awhina homes (approximately 13 permanent) are expected to be delivered by mid 2023 throughout Tairāwhiti. Approximately 50 by the end of May.
- For the past two weeks HUD staff have been working in Gisborne with TTHL and Gisborne District Council to help progress the project and navigate relevant consenting processes.
- TAS is working to identify potential sites.
- Delivery date for the project is mid-2023.

Recovery response plan

- HUD has been engaging with Gisborne District Council on the Recovery Response Plan which is set to be rolled out by April-May 2023.
- The proposed plan consists of the four key priority areas – *Built environment* - includes – infrastructure and housing, *Natural environment* - includes – climate change, forestry etc. *Social wellbeing* - includes – health, welfare, *Economic*.
- Each priority area will have a lead organisation, with iwi, govt agencies and other groups involved.
- The actions and focus initiatives for each area will be directed by a community voice made up of multiple groups (could be sectoral or location based).
- Governance structures and operational groups are still being finalised. Gisborne District Council will play an overarching leadership role.
- HUD will have a key role in the development and roll-out of the plan – in the particular the Built Environment and Natural Environment priority areas.

Hawke's Bay (Napier, Hastings, Central Hawke's Bay)

Situation before the extreme weather events

- Hawke's Bay had the third highest severe housing deprivation in 2018, particularly overcrowding. There were 1,500 applicants on the Housing Register in December 2022 (11% down from December 2021), and 1601 EHSNG grants in December 2022.
- The region has seen high rental price inflation over 2022 at 7.3% and a rise in number of tenancies of only 0.3%.
- House prices have fallen with the median sales price currently sitting at \$671,000, 17.4% down from a year ago, but still significantly higher than pre-Covid.
- The level of building consent activity was lower than the national average in 2022 (792 consents), 27% lower than during 2021.

Impact

- 105 homes have been red-stickered and 910 yellow stickered. Most of the red and around 75% of the yellow are in Hastings District. This includes semi-rural communities on the north-eastern outskirts of Napier city such as Esk Valley and Puketapu, and communities located on the plains between Napier city and Hastings.
- A number of Māori communities such as Omahu, Waiohiki and Tangoio have suffered significant damage to marae as well as homes.
- In Central Hawke's Bay, Porangahau is the community most affected.
- Around 359 Kāinga Ora homes have minor to moderate damage (as at 24 March 2023), but all remain habitable. A small number of transitional homes in Waiohiki have been severely damaged and tenants have been re-housed.

Initial housing response

- As at 28 March: 488 registered households have registered with TAS, and 131 are in TAS supply currently*. A further 105 units/rooms are available. TAS is not experiencing significant challenges obtaining commercial accommodation.
 - TAS is also currently negotiating a contract for 40 motorhomes that will be available for deployment to Hawke's Bay, Wairoa and Tairāwhiti shortly. Together with portacabins, these will help meet the needs of households who want to stay on their property rather than move into temporary accommodation elsewhere.
- *TAS encourages households to register if they may have a potential future need, not only for immediate accommodation needs.

Next steps

- Hawke's Bay mayors and iwi chairs issued a joint statement in late February committing to work together, "build back better" and use recovery investment to address long-standing social and economic inequities. Local leaders have clearly communicated their expectations that recovery is "locally led, regionally coordinated and centrally enabled".
- A hui held on 14 March identified a range of specific sites across the 3 TAs which would either be suitable for temporary housing through TAS, or where permanent housing delivery could be accelerated. These include sites owned by local government, Kāinga Ora, iwi/hapu and Post-Settlement Governance Entities. Planning for development was already in train on some sites, including through the Hastings place-based partnership (which has delivered over 300 homes since 2019) and the Kahungunu Whai Kāinga Whai Oranga prototype.
- To enable these opportunities to be accelerated, local leaders have identified the types of central government support which will be needed. These include:
 - further investment in infrastructure beyond IAF commitments
 - mechanisms to de-risk development
 - investment to support affordable rental home ownership
 - further investment in papakāinga
 - funding streams that more easily enable mixed tenure developments.
- In some instances, a streamlined resource consenting process would also be required, including to relocate communities where future flood risk is deemed unacceptably high.
- s 9(2)(f)(iv)

Appendix B: Initial proposals for a post-disaster housing recovery framework

Foundations

In scope

- **Recovery:** the framework provide a strategic approach to support repair and rebuild with the view to meet short, medium to long term housing needs
- The framework identifies opportunities to influence immediate/temporary solutions to ensure they do not hinder medium to long term recovery.

A long term framework

- This work primarily aims to increase government preparedness and to guide the housing recovery to future natural disasters.
- However we are accelerating parts of the policy development, in order to feed into the housing recovery to the Auckland floods and Cyclone Gabrielle in early 2023.

Problem definition

The recent disasters have highlighted an urgent need for a post-disaster housing recovery framework. In particular, a framework is needed to:

- Provide coordination and direction by assigning clear roles and responsibilities for agencies and local authorities.
- Provide certainty around how to determine when and at what stage immediate and short-term operational response to natural disasters transitions to medium to long-term recovery efforts.
- Consider and plan for impacts to vulnerable groups such as Māori/iwi, disabled persons, and households at-risk of experiencing homelessness.
- Address the tension between restricting development in high-risk areas, while not further exacerbating the existing housing crisis by unnecessarily restricting construction.
- Provide guidance on how to 'build back better' by considering how to enable the right types of builds in the right places, while ensuring that homes are built back in alignment with HUD objectives and principles.

Learnings

We can build on lessons from previous events...

We identified key learnings, based on an initial review of the Public Inquiry into the EQC conducted in 2020 and engagement with officials who supported the recovery to previous disasters:

- Early and accurate assessment of the impacts, scale and potential costs of repairs are essential to inform effective recovery.
- A lack of coordination between agencies and insurance providers, combined with poor communications and delays in processing insurance claims, will impact people's access to housing and wellbeing.
- The absence of quality standards for repair/rebuild can also result in costly and 'botched repairs', and delay housing recovery.
- Large scale housing recovery provides opportunities to reassess how we use land and infrastructure to support housing development. We can ensure natural disasters don't result in permanent housing unaffordability.

The response to the current events is already being guided by these learnings. For example, the NZ Claim Resolution Service has been stood up to provide access to wellbeing support and legal and technical advice in relation to insurance claims and repairs.

HUD's role

Building on HUD's existing role and responsibilities to support housing recovery

At the system level

- Work with agencies, partners and stakeholders to align efforts
- Provide certainty and strategic direction on what building back better looks like, prioritise efforts and resources accordingly
- Ensure housing recovery is aligned with HUD's MAIHI framework and place-based approach

We are in a strong position

- Steward of the housing and urban development systems
- Strong relationships in place, partners looking up to HUD for guidance
- Range of levers available – strategic direction, programmes and funds that are already geared towards housing delivery and good urban form

In place

- Identify and respond to local capability and resourcing constraints
- Leverage existing partnerships, support providers
- Facilitate the use of national levers in place

s 9(2)(f)(iv)

We will also clarify HUD's role vs key agencies, partners and stakeholders

- Governance arrangements are currently being set up at Ministerial and official levels to support the recovery. Agencies involved with the immediate response have limited capacity to engage with recovery.
- We are actively working to clarify the roles and responsibilities of relevant agencies, local government, partners and stakeholders in housing recovery.

Principles for housing recovery

Place-based

- Housing recovery is guided by local voices and iwi/Māori – enabled and supported by central government.
- We recognise that every community will have their own challenges and opportunities for recovery.
- National housing recovery settings are tailored to deliver better outcomes for people in place.

Treaty anchored

- We build on existing partnerships and enable meaningful Iwi and Māori participation in decision making.
- We enable Māori-led housing recovery. We work to leverage mātauranga Māori and the know-how and skills of Māori communities.
- Recovery mechanisms consider and protect the unique characteristics of whenua Māori and Māori housing.

Building back ‘better’

- We repair and rebuild the right type of dwellings, in the right place.
- We rebuild and repair homes that are safe and healthy and in line with regulatory requirements.
- We increase long term resilience, while managing impacts on housing supply and affordability.
- We use housing and urban development solutions that appropriately respond to the needs of rural and urban communities.

Whānau centred

- We consider and respond to the specific needs of different groups to provide equitable outcomes and support community wellbeing (e.g. PH, TH, EH, tenants and homeowners).
- We deliver housing that anticipates the intergenerational needs of communities (e.g. accessible, right size, safe and stable accommodation).
- We ensure housing recovery is as expedient as possible to meet community needs.

System coherence

- We work to align housing recovery within broader recovery interests and mechanisms (e.g. economic, infrastructure, commercial, employment, services that support communities to recover).
- Housing recovery supports broader housing and urban development objectives, (e.g. wellbeing through housing, well-functioning urban environments).
- We take a strategic approach to housing recovery that effectively and fairly prioritises and sequences activities, funding and resources.

Phases of housing recovery - Definition and outcomes

Housing recovery supports the holistic regeneration and enhancement of communities through co-ordinated efforts:

Short-term recovery	Medium-term recovery	Long term recovery
<p><i>Everyone lives in a home, either temporary or permanent, and within a community where their basic needs are met</i></p> <ul style="list-style-type: none">• Everyone lives in safe housing, with temporary and supported accommodation delivered at pace to address displacement.• The places where people live are accessible and connected to services that meet their health, employment, education, social and cultural needs.• Communities grow and change in a way that is resilient to unacceptable natural hazard risk. <p>→ Our focus is on supporting communities to go beyond meeting their basic needs.</p>	<p><i>Everyone lives in a home, either temporary or permanent, and within a community that meets their broader needs and aspirations</i></p> <ul style="list-style-type: none">• Everyone lives in safe housing across the continuum, with a growing shift to safe, healthy, affordable homes, whether rented or owned, with secure tenure.• The places where people live are accessible and connected to health, employment, education, social and cultural needs.• Communities are enabled to grow and change within environmental limits, support our culture and heritage, are resilient to intolerable natural hazard risk, and help us to reduce emissions and adapt to the impacts of climate change. <p>→ Our focus is on going building more security, affordability, connectivity and sustainability within communities.</p>	<p><i>Everyone lives in a permanent home and within a community that meets their broader needs and aspirations</i></p> <ul style="list-style-type: none">• Everyone lives in safe, healthy, affordable homes, whether rented or owned, with secure tenure.• The quality, accessibility, size and features of our homes support people and families to live healthy, successful lives.• The places where people live are accessible and connected to health, employment, education, social and cultural opportunities.• Communities are enabled to grow and change well within environmental limits, support our culture and heritage, are resilient to natural hazards, and help us to reduce emissions and adapt to the impacts of climate change. <p>→ We continue our focus while shifting communities toward increased resilience.</p>

Developing a comprehensive framework

7

Key enablers for an enduring housing recovery framework

We identified six key areas where further policy work will be needed to enable effective housing recovery:

- People & Partnerships
- Funding and financing (including insurances)
- Data, evidence and monitoring
- Land use and spatial planning
- Building and construction
- Infrastructure

Three focus areas to support current recovery efforts

In the short term, we are proposing to focus resources on three priority areas:

- Identifying the needs of different cohort and work to facilitate access to stable accommodation that meet their needs
- Support work to facilitate decisions on where to build, whether to relocate
- Take steps now to be in a good position to enable repairs that are effective and completed in a timely manner

Long term work needed to finalise a robust framework

To increase preparedness to future events, further work will be needed in the longer term, including on:

- scale of disaster that would warrant government interventions
- whether separate direction should be provided in response to different types of natural hazards
- whether existing roles and functions need to be amended or re-allocated to provide better outcomes

The following slides summarise the key issues, levers, outputs and objectives for each area, and proposes three focus areas for initial work.

This is based on initial engagement and analysis only. We are continuing to work across government to identify the roles, responsibilities and levers available to support housing recovery and will further refine this analysis.

POST DISASTER HOUSING RECOVERY

ENABLERS

People & Partnerships

Funding & Financing (including insurances)

Data, Evidence & Monitoring

EMERGING ISSUES

(What the key issues and constraints are)

- Access to safe, stable and quality housing is compromised after a disaster occurs
- Different cohorts have different needs and options (*homeowners, tenants in the public and private markets, people experiencing homelessness*)
- Māori are disproportionately exposed to natural hazards
- High costs expected in relation to land and assets vs limited ability to pay, insufficient insurance cover.
- Lack of certainty on how costs should be shared amongst central and local government, insurance, private interests (e.g. *repair costs or possible compensation for managed retreat*)
- Risk to create moral hazard or set a precedent.
- Lack of available data and information (e.g. *impacts, scale and costs of repair*)
- No central point of coordination to collect data, track impacts and recovery progress.
- Patchy data to identify areas that are exposed to natural hazards, including to flood risks.

LEVERS

(Examples of what we could use)

- HUD/Kāinga Ora Programmes and relationships with public, transitional, emergency housing providers and the private sector
- HUD/TPK Partnerships in place, Māori housing programmes and funds, MAIHI Ka Ora, MIF, Whai Kāinga Whai Oranga...
- MBIE Tenancy services, TAS
- MfE Adaptation funding and financing work
- DIA Work on council ability to pay and community vulnerability
- TSY Flood insurance work; Budget process
- EQC EQC land cover; previous role in managed repair programme
- TBC - use DPMC Cyclone Recovery unit when established, to identify relevant agencies and coordinate approach

OUTPUTS

(What will be delivered)

- Clear pathways that give people more options/choices, facilitate access to safe and stable accommodation.
- Consideration is given to complex iwi dynamics that may exist at place, for example in Tāmaki and Wairoa
- Clarity on the types of costs are expected in relation to housing recovery, and where government intervention is needed.
- Funding and financing settings support housing recovery directly (e.g. *repairs, compensation*) or indirectly (e.g. *clean up costs, infrastructure investments*)
- We have a clear picture of:
 - actual impacts, scale and costs of repairs
 - impacts on domestic migration, demand for public, transitional or emergency housing
 - nature of the housing stock in impacted areas
 - exposure to natural hazards in impacted areas

OBJECTIVES

(What will be achieved in the medium/long term)

- We take a whānau centred approach and understand and appropriately respond to the needs of different cohorts.
- Housing recovery is planned and delivered in partnership with Iwi/māori and local communities
- Local communities, iwi and Māori are enabled to make decisions and shape housing recovery
- Clarity on who pays, for what
- Funding is scaled and sequenced appropriately to enable effective housing recovery
- Funding and financing decisions support equitable outcomes
- Funding and financing support effective housing recovery and equitable outcomes
- Clear responsibilities and processes to centralised data collection and monitoring
- Access to information and evidence is facilitated, one source of truth
- Decisions to enable housing recovery are based on robust data

POST DISASTER HOUSING RECOVERY

ENABLERS

Land use & Spatial planning

Building & Construction

Infrastructure

EMERGING ISSUES

(What the key issues and constraints are)

- Fast decisions needed to start recovery but lack of consistent approach to hazard identification
- No direction on what level is 'acceptable' vs warranting relocation
- No mechanism to initiate and plan managed retreat
- Regions have varying levels of planning capability and resources
- No clarity on Government expectations on what is meant by building back 'better'
- Tension between building back 'better' VS potential impacts on housing affordability
- Recovery could impact housing delivery in non-impacted regions
- Potential workforce and skill shortage
- Hard decisions on what infrastructure to repair/rebuild and how
- Uncertainty on how to best sequence infrastructure and housing recovery to achieve the best outcomes
- Some local communities won't have the ability to pay to repair/rebuild critical infrastructure. Unclear what the role and contribution of CG should be

LEVERS

(Examples of what we could use)

- MfE
Current RMA levers, Climate adaptation Bill, NBE/SPA Bill
- HUD
UGPs, UDA, IFF, guidance to Kāinga Ora...
- MBIE
Building regulatory system (e.g. Building Act, Building Code)
Information and education function (and associated funding)
Immigration and economic devt settings
- HUD
Healthy Homes Standards, design guides
- MOT and Te Waihanga
Initial thinking on recovery – tbc
- DPMC
Critical infrastructure programme
- HUD
IFF, options to use MIF

OUTPUTS

(What will be delivered)

- National direction on method to identify and appropriately plan for natural hazards
- A balance is struck between certainty for asset owners and the need for high quality information on risk and options
- Central government plays an enabling role and supports regions to plan for housing recovery
- Guidance to support flood recovery at building level
- Quality monitoring and advice on material and labour constraints, and impacts on housing supply and affordability
- Coherent approach to infrastructure delivery, by considering 1) Where is growth needed to support displaced people; 2) What/who benefits 3) Cost sharing agreement from central and local government, developers, insurance pay outs.
- Explore options to deliver infrastructure to build back better

OBJECTIVES

(What will be achieved in the medium/long term)

- Support a balanced approach to spatial planning that both appropriately consider risks and managed retreat decisions, and enables supply of resilient and affordable housing.
- Unlock opportunities at local level, support capability/resourcing gaps
- Support a place-based approach to planning for new housing supply
- Established process to assess damage and repairs that are needed
- Clear expectation on what building back 'better' looks like
- Agreed role of central government in supporting repair
- Legislative settings are flexible and can be used to pivot to recovery in the wake of a disaster
- Coordinated infrastructure decisions enable housing through all phases of recovery.
- Clear expectations on how costs of infrastructure recovery are shared.
- Repaired/rebuilt infrastructure is more resilient and meets current and future needs (e.g. appropriate location and design, use of nature-based solutions).
- We repair/rebuild in the right place, including suitable consideration of risks and managed retreat decisions
- We repair/rebuild the right type of dwellings, to meet people's needs and increase resilience
- Infrastructure decisions support housing recovery

