

FUNDING THE LIVEABLE HOMES PROJECT (LHP)

Assistance for people who do not have the means to repair flood-damaged houses

On Thursday 6 April, the Whakatāne District was hit by a ‘one-in-500 year’ flood. A breach of the Rangitāiki River stopbank at Edgecumbe and significant storm damage elsewhere resulted in a District-wide State of Emergency being declared. Edgecumbe township was evacuated, affecting some 580 households and a population of approximately 1,600 people.

The Whakatāne District Recovery team is working with community funding agencies, the construction industry, Te Rūnanga o Ngāti Awa, NAVA – the Ngati Awa Volunteer Army, volunteers and other project partners to bring together a work programme which will aim to get people who do not have the means required to repair their flood-damaged properties to get back into their homes.

The LHP also has wider benefits for all flood-affected homes, regardless of their financial situation. There will be free-of-charge building inspections, Code of Compliance certificates and underfloor insulation for all flood-affected houses.

Most of these homes are located in Edgecumbe. The median income for Edgecumbe is \$23,000, lower than the median income for the District. The socioeconomic deprivation index (NZDep2013) for Edgecumbe is 9 (1= least deprived, 9=most deprived).

Restoring homes to a liveable standard

Around 50 families and individuals need help to restore their homes to a liveable standard, because they are unable to fund the repair work needed to make their homes liveable again.

Costs

The LHP is being undertaken in two phases:

1. Preparation - includes an assessment of damage and stripping wall linings, carpets and floors (where required) out of properties to enable the buildings to dry out sufficiently for repairs to be undertaken.
2. Essential repairs - includes insulation under timber floors, relining walls, floors and ceilings as required, and installing basic kitchen, bathroom and laundry facilities.

The average retail price to rebuild homes to a liveable standard is \$75,000 per home. With donated and heavily discounted building supplies and voluntary labour, this can be reduced to around \$35,000 per home (Phases 1 and 2).

Making a difference through the Liveable Homes Project

Community funding agencies are being asked to support the LHP, which aims to restore homes to a standard which will allow them to be reoccupied. To make a difference, total funds required are around \$1,750,000. To date, we have received \$124,000 for the LHP.

With such a high level of need and deprivation, the community is ‘at risk’ of not being able to fully recover from the April floods. A future Edgecumbe impacted by derelict housing, increased health problems and other social issues would not be desirable.

Benefits of the Liveable Homes Project?

<i>Benefits for all flood affected homes</i>	<p>Whakatāne District Council will be providing building inspections and Code of Compliance certificates free of charge.</p> <p>Eastern Bay Energy Trust has pledged to install underfloor insulation for all flood-damaged houses. This will help to ensure healthier homes for all.</p> <p>Other initiatives may also arise through the delivery of the LHP.</p>
<i>Minimises health impacts</i>	<p>Families in damp, flood-affected homes are at higher risk of health issues in both the short and long term.</p>
<i>Public good</i>	<p>Unrepaired houses will result in pockets of dilapidation that will affect overall property prices, amenity, community morale and general community pride and wellbeing.</p>
<i>Cost effective</i>	<p>Getting individuals and families back into homes quickly is a cost-effective option. This results in less need for temporary housing (for Council to purchase and install one portacom at the Whakatāne Holiday Park costs \$85,000) and other essential needs when people are out of their homes.</p> <p>Displaced residents may be put under further financial pressure with having to pay both mortgages and temporary accommodation rental.</p> <p>Rates remission is being applied to all flood-affected homes. The loss of rates to Council, which have to be covered by all District ratepayers, amounts to \$170,000 for the first quarter.</p>

Governance of the Mayoral Relief Fund

Funding assistance can be provided via the Mayoral Relief Fund. This fund is administered by a Trust with three Trustees, including Tony Bonne (Mayor), Judy Turner (Deputy Mayor) and Colin Leonard (Independent member of the Whakatāne District Audit and Risk Committee). The fund's Advisory Panel is currently being formed to ensure fair and equitable administration of funds. Advisory Panel members are likely to consist of representatives from the farming community, Ngāti Awa, a Community Board Chair and the Recovery Office. Representation from a funding organisation is also an option.

Acknowledgements

All major sponsors will be acknowledged in Recovery Project messaging and Council publications and media releases. If desired, acknowledgement of contributions towards the LHP in Edgecumbe township by way of signage can also be arranged.

Further information

For further information, please contact the Mayor or Deputy Mayor or visit our LHP team located in Te Tari Awhina Community Hub in Edgecumbe.



Frequently asked questions

1. Is this a project worth doing?

The costs of not doing this project will be significant, both for flood-affected families and for the Edgecumbe community. Although this project has a private benefit for those that do not have the means to repair their houses, it directly benefits all flood affected home owners by provision of free-of-charge building inspections, code of compliance certificates and the provision of underfloor insulation.

A much wider community or public good for Edgecumbe will also be achieved. If houses are not repaired, further degradation will occur, affecting neighbours, property values and general community morale and wellbeing. With this in mind, Council believes there is a moral obligation to make this project succeed. Abandoned homes and increasing rate arrears is not a future Edgecumbe that we want to see.

2. Who is leading the LHP?

John Pullar is leading the LHP. John is a community leader and a successful, retired building contractor. He is providing the skills and contacts with building services and suppliers, with the support of the recovery team, to make this project happen.

3. What legal considerations are there?

Homeowners wishing to participate in the Council-coordinated programme to undertake these urgent repairs will need to accept the terms and conditions set out in the Council's LHP Deed. The Deed outlines a number of terms and conditions that must be satisfied, including that:

- The deed must be signed by the homeowner (the registered proprietor of the affected property)
- The property was the principal place of residence at the time of the flood event
- The homeowner does not have access to alternative funding or assets and that they (and their family) are likely to suffer undue hardship without the assistance programme.

4. What happens if Council does not secure sufficient funds to strip, dry and refit these houses?

This project will occur in two phases. Phase One requires the strip out of flood-damaged materials and will prevent further moisture damage. Phase Two has not yet been confirmed and is subject to securing funding and/or donations of building materials which will allow refits to be undertaken.

5. Does this disadvantage those covered fully by insurance?

The LHP does provide benefits for all affected houses by provision of free-of-charge building inspections, code of compliance certificates and the provision of underfloor insulation.

In addition, fully-insured homes have the advantage of certainty and repair of houses in a timely manner. They also have the advantage of *full* house repair, rather than to a liveable standard. Homes repaired via the LHP are likely to be unpainted, with no floor coverings, etc.

6. What happens if the property is a rental property?

As set out in question 3 above, to be eligible for the LHP at this stage, the property needs to be the principal place of residence for the homeowner. Council is aware of only a small number of rental properties that have been affected. In these cases, prioritisation will mean these are the last homes to consider.

7. What other funding is available for this project?

Although the recovery effort has been supported by central government in many ways, the LHP has not received and is not eligible for any direct Government funding. The LHP is a community initiative to assist those without the means to assist themselves and their families.

8. What is expected of homeowners?

Homeowners will be expected to contribute via 'sweat equity' and funds, where possible.

9. What is Council contributing towards the LHP?

Council is coordinating and providing the management of the LHP project.

The overall financial impact of the flood on the Council is significant. For the 2016/17 financial year, the financial impact is estimated at \$1.9 million. In addition, a total funding requirement in the 2017/18 Annual Plan related to the flood/storm events is approximately \$1.1M.