

6.4 FINALISING THE MANAGED RETREAT POLICY

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PURPOSE

The purpose of this report is to approve the Flood Retreat Response Policy in principle.

RECOMMENDATIONS

That Te Puna Kōrero:

1. Receive the report.
2. Agree to recommend that the Council
 - a. Approve the Flood Retreat Response Policy in principle.
 - b. Agree to finalise the policy with associated funding levels through the Long-term Plan process once Government policy direction and accountabilities is clarified.

Reports contain recommendations only. Refer to the meeting minutes for the final decision.

BACKGROUND

1. The Flood Retreat Response Policy targets the most flood vulnerable, legally compliant homes across the city. Through a combination of house raising, relocation or removal the policy seeks to progressively provide an equitable minimum level of rainfall related flood protection for all homes in Porirua.
2. This policy excludes homes at risk from coastal erosion or saltwater flooding as responding to these types of risks often require a more complex and integrated multi-property response.
3. At the Council Workshop on 26 May 2022 the feedback on the draft retreat policy included:
 - a. Broad support on the intent and objectives of the policy;
 - b. An acknowledgment that there is a potential risk that councils accountability for stormwater induced flooding may change through the Three Waters reform program.
 - c. A request for further information on the location of the qualifying homes; and
 - d. A request for exploration of funding models that could share the OPEX costs between council and the benefited homeowners to help accelerate the implementation of the policy and reduce the burden on the city's rate payers.
4. The alternative funding models do not require change to the policy itself but will influence how and when it can be implemented.
5. Central Government are currently developing related policy through both water and local government reform and climate change adaptation to help clarify responsibilities for flooding and retreat.
6. Appendix 1 includes the unchanged Flood Retreat Response Policy.

DISCUSSION

Introduction

7. Managed Retreat seeks to move people and property away from a hazard. This is an alternative to defence options that seek to move the hazard away from people and property. As part of the assessment of options for Karehana Bay it was recognised by the Council that there was a need to consider both defence and retreat approaches. On 4 November 2021 the Council instructed the development of a city-wide retreat policy targeting the most vulnerable flood prone homes in Porirua, prioritising homes where there is a threat to health or safety or frequent internal flooding.

Discussion

8. To date 44 homes have been identified as being likely to meet the criteria of the policy with another 46 homes identified with less confidence as potentially meeting the criteria. This is based on Wellington Water’s hydraulic modelling completed to date. The modelling for Mana, Paremata and Whitby have not been finalised and so the analysis will need to extend to these suburbs when the modelling is complete. These homes have been identified and in priority order will require further investigation. If eligible, consultation with the owner and progressive intervention based on available funding would commence.
9. The location of the homes identified to date that are likely to meet the criteria are summarised in the table below.

Suburb	Number of dwellings that are likely to meet the criteria
Waitangarua	8
Cannons Creek	11
Ascot Park	1
Ranui	3
Takapuwahia	4
Elsdon/Kenepuru	5
Titahi Bay	3
Pukerua Bay	2
Hongoeka/Plimmerton	7
Total	44

10. Under the policy all interventions will be on a voluntary basis. Past experiences of retreat attempts across New Zealand have identified that there are many barriers to residents voluntarily retreating from hazard prone areas. The main barrier is that of affordability. The greater the contribution required from the homeowner the less likely the owner is to take up the option of retreat. This is exacerbated in the many flood prone locations where the owner does not occupy the home but instead rents the property and is less directly impacted by the flooding.
11. Similarly, affordability for the council and wider rate payers is also a concern and this was expressed at the recent Workshop of Council. While the purchase and alteration of a property can be undertaken using CAPEX funding any net loss occurred at the point of sale of the property will need to be allocated as an OPEX cost in that financial year. If the council was to fund these alterations it is anticipated that the net loss on a dwelling that is bought, raised, and sold will typically average between \$300k - \$500k. An exception to this would be a property where the most appropriate action, typically for safety reasons, is the complete removal of a home. This is likely to be a small minority of eligible properties.

12. There are a range of cost recovery or cost sharing models that could be utilised to distribute the typical costs of house raising between the council and the homeowner. There is also potential for other entities to contribute including Central Government or the new water service provider. By design the Flood Retreat Response Policy does not reference a funding model or budget as these will need to adapt and respond to the uptake of the policy or changing circumstances such as the housing market conditions or environmental changes. It is therefore recommended that as part of the development of the next Long Term Plan a funding envelope for this policy is adopted by Council that provides annual CAPEX and OPEX budgets and the policy implementation can then be optimised within this budget.
13. Allocating budget for implementing this policy as part of the next Long Term Plan review will ensure that the costs can be considered within the context of the wider city needs with the community's views understood. The next Long Term Plan review will become operative on 1 July 2024.
14. Delaying the decision on the funding of the retreat policy will also provide more time for Central Government to clarify its potential involvement in future managed retreat as well as clarification on the allocation of responsibilities for flooding as part of 3 Waters Reform. It is for this reason the policy is being sought for approval in principle, to acknowledge that accountabilities may change between now and the Water Services Entities becoming operative.

CONCLUSION

15. Approving the Flood Retreat Response Policy in principle will provide a framework for assessing and implementing retreat as a future response to flood risk where retreat is the preferred option. However, the policy cannot be implemented without funding which is recommended to be confirmed as part of the next Long Term Plan review and associated confirmation of accountabilities through water reform.

SUPPORTING INFORMATION**CONTRIBUTION TO COUNCIL'S STRATEGIC DIRECTION**

This policy directly contributes to the following strategic focus areas:

- a. Investing in 3 waters infrastructure and catchment restoration
- b. Proactively responding to the climate crisis
- c. Advocating for and providing a safe, healthy, and thriving community

FINANCIAL CONSIDERATIONS**Cost**

The decision on budget allocation is recommended to be incorporated into the development of the next Long-term Plan. This will facilitate a funding decision that considers the wider city wide context and will also allow for Central Government to provide further clarity on future roles and responsibilities in this area.

STATUTORY REQUIREMENTS

While the implementation of the policy will be done by mutual voluntary agreement with eligible home owners the principles of The Public Works Act will guide the process.

FOUR WELL-BEINGS

This policy directly impacts on the following wellbeings:

- a. Social
- b. Economic
- c. Environmental

RECOGNITION OF TREATY PRINCIPLES

Where an eligible property is located on ancestral land an alternative approach may be needed to deliver the outcome.

SIGNIFICANCE

No budget implications at this stage.

ENGAGEMENT AND COMMUNICATIONS

As part of the Long-term Plan.

ATTACHMENTS

1. **Draft Flood Retreat Response Policy**

Flood Retreat Response Policy

July 2022

DRAFT

(DRAFT) FLOOD RETREAT RESPONSE POLICY

Date adopted by the Council	
Statutory requirement	
Previous policy reference	
Next review date	At least every three (3) years, following the Triennial Local Government Elections or after significant central government changes in related policy.

DRAFT

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DRAFT

1. POLICY OBJECTIVES

The Flood Retreat Response Policy ("the Policy") seeks to complement the Wellington Water Limited ("Wellington Water") flood risk management programme. It seeks to support owner led initiatives to reduce the risk of flooding to their home.

The objectives of the Policy also include the establishment of a fund ("the Flood Retreat Response Fund") to progressively reduce the flood risk of the most vulnerable homes in Porirua.

2. BACKGROUND

Porirua City Council ("Council") is seeking to provide an equitable minimum level of flood protection to residential dwellings across the city. The impacts of flooding are varied but the most significant impacts are flooding that threatens health and safety and internal flooding of homes that occurs frequently.

Avoidance of flood risk is essential for all new dwellings and subdivisions. This includes:

- Avoiding creating lots in flood prone areas;
- Ensuring that new habitable floors are built above the 1 in 100 year (1% AEP) flood hazard; and
- Maintaining overland flow paths and stream corridors.

For existing dwellings that are at risk of flooding it is usually preferable to reduce the flood risk through catchment wide flood protection works that benefit a wider community. However infrastructure can have limitations such as ongoing maintenance and replacement costs. The changing climate is exacerbating flooding risks and reducing the long-term effectiveness of infrastructure solutions. There is increasing recognition that alternatives to defence options may be needed for the city's most vulnerable areas. Instead of flood defences such as pipes and pumps, in some situations it is economically more efficient to retreat from the flooding. In addition it can also deliver better safety, social and environmental outcomes.

3. PRINCIPLES FOR USE OF THE FUND

The general application of the Flood Retreat Response Fund is to provide funding for the following:

- Property Specific – purchase; house shifting; house raising; house removal;
- Property Specific- flood protection works that are not the responsibility of Wellington Water;
- On-lot flood reduction works

4. DEFINITIONS

Flooding: means a temporary inundation by water during an intense rainfall event of normally dry land (whether private or publicly owned) resulting in damage. This policy currently excludes coastal or salt water flooding.

Habitable Floor: means a floor of a legally compliant, residential building excluding garages and also excluding floors below ground level such as basements. This also excludes ancillary structures such as stand-alone sheds or garages.

Legally compliant: means a residential building that at the time of construction was compliant with the then relevant Building Code and or regulations.

Overland Flowpath: means a natural or artificially earth-worked route taken by stormwater which becomes concentrated as it flows overland, making its way downhill following the path of least resistance towards the stormwater network, rivers, streams, harbour or coast. Stormwater overland flowpaths include secondary flow paths which result when the piped stormwater system gets blocked or when the capacity is exceeded. For the purposes of this definition, a stormwater overland flowpath includes an artificially designed route utilising formed or hard surfaces.

Risk: means the combination of the likelihood of a flood event occurring and the consequences of that event.

One-in-20-year flood event: means a flood that has a 5 per cent chance of happening in any given year, being a probability of on average happening once in every twenty years as confirmed by Council modelling.

5. PURPOSE AND USE OF THE FLOOD RETREAT RESPONSE FUND

Available funds may be allocated to locations where the hydraulic modelling predicts habitable floors at risk of flooding in a one-in-20 year flood event.

Allocation of funds are to be for the purpose of achieving the following objectives:

- Reducing the risk to life from flooding;
- Reducing the risk to people's health (physical or mental well-being) from flooding;
- Reducing regular flooding of habitable floors.

6. ALLOCATION AND DISTRIBUTION OF FUNDS

Capital expenditure funds (CAPEX) may be made available to assist with the following:

- Property purchase; house shifting; house raising and house relocation.

Operational expenditure funds (OPEX) may be made available to assist with the following:

- Initiatives on private land such as enhancing overland flow paths.

Excluded from the scope of the Flood Retreat Response Fund are areas and homes that are planned for further investigation for wider catchment solutions.

7. INITIATIVES ON PRIVATE LAND TO CONVEY STORMWATER AWAY

The Council, at the discretion of the Chief Executive, may provide full or partial funding to landowners to enable the undertaking of initiatives on private land to enable stormwater to be conveyed away from at risk areas (including design).

Works may include, but are not limited to:

- Opening up of overland flowpaths by undertaking works such as removal/replacement of ancillary structures such as stand-alone sheds, garages, walls, fences and other like structures;
- Localised protection to homes such as flood barriers or deflection walls.

New overland flow paths on private land are required to be either provided with an easement, covenant or such other agreement to recognise the purpose of this area for stormwater management. This is to protect the Council investment by helping ensure no future works/obstructions are undertaken in this area.

Any easement, covenant or agreement will recognise that the Council is not the owner of the area and maintenance of that area for stormwater conveyance is required in perpetuity by the landowner.

The provisions of this clause 8 may extend to include land that is communally owned (e.g. Te Ture Whenua Māori Act 1993).

8. ALLOCATION AND DISTRIBUTION OF FUNDS – PROPERTY PURCHASE, HOUSE SHIFTING, HOUSE RAISING OR RELOCATION

Property Purchase - Habitable Floor Flooding

Council may consider purchasing property through the Flood Retreat Response Fund where all of the following conditions are met:

- The property is used principally as a residential dwelling; and
- The dwelling is legally compliant and is not the subject of a s67 Building Act waiver associated with flood hazards; and
- Hydraulic modelling predicts habitable floor flooding on the property will occur in a one-in-20 year flood event.

Property Purchase – Human Health

Council may consider purchasing property through the Flood Retreat Response Fund where all of the following conditions are met:

- The property is used principally for residential purposes; and
- The dwelling is legally compliant and is not the subject of a s67 Building Act waiver associated with flood hazards;
- There is a documented history of habitable floor flooding on the property having occurred in a one in twenty year event; and
- Where documented flood events on the property result in negative effects to human health-physical and or mental (as determined by a qualified professional for example a health inspector, building inspector or health professional).

Process to be utilised in regard to all requests for Property Purchase

The following process will be utilised by Council:

- Council staff will assess applications to ensure that they meet the Policy criteria;
- Council staff will prioritise eligible properties. The following principles may be used in prioritising potential projects:
 - Frequency and impact of flooding;
 - Risk to public health and safety;
 - Contribution from Council stormwater and wastewater networks;
 - Complexity and cost of solution;
 - Likelihood of a long-term successful outcome; and
 - Contribution to wider catchment benefits such as enhancing overland flowpaths or flood storage.
- Council staff will make recommendations to the Chief Executive based upon the purpose and use of the Flood Retreat Response Fund; whether or not a particular application is compliant with the terms of the Policy; risk; available funding and any other matter deemed relevant to decision-making;
- Decisions on any property purchase will be determined by the Chief Executive under delegated authority in accordance with his/her delegated financial authority;
- The Council will be guided by the provisions of the Public Works Act 1981 in regard to the purchasing of flood affected properties which meet the relevant criteria.

9. EXCLUSIONS TO USE OF THE FLOOD RETREAT RESPONSE FUND

The Flood Retreat Response Fund is not able to be utilised if any one of the following factors apply:

- The proposal is to protect land from flooding, rather than buildings defined as having habitable floors;
- The proposal would increase the risk of flooding elsewhere in the catchment;
- The proposal is for works or activities that are not consentable.

10. RELEVANT DELEGATIONS

The Chief Executive or her/his delegate has responsibility for the implementation of this policy within her/his delegated financial authority, excluding decisions on property purchase which remain with the Chief Executive.

11. RELEVANT LEGISLATION

Public Works Act 1981.

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