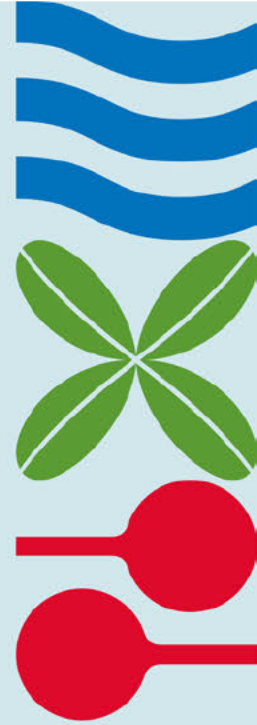


Recovery response – considering co-funded package

Political advisory group

2 October 2023



Agenda

1. Public feedback
2. Proposed approach to recommendations / resolutions
3. Advice on insurance
4. Approach to GB on 6 October
 - Public vs confidential decision-making

Responding to the following GB resolution (August 2023):

- ohia / endorse an in-principle agreement with the Crown, subject to public consultation, to co-fund storm recovery costs for affected properties and infrastructure as set out in the offer made by the Crown on 23 August 2023



Public feedback

83%

**support
the
package**

**2,461
submissions**

Substantial feedback on the buyout element of package:

- those supporting the funding package largely support property buyouts, expressing the need for fair, speedy resolution for affected property owners
- support was often conditional, emphasised: property owners' personal responsibility, role of insurance and government, range of views on valuation



Proposed approach to report recommendations

Overarching decisions on the package (in summary):

- Agree to accept the Crown offer
- Delegate to the Mayor and Deputy Mayor to sign the agreement with the Crown for co-funded storm recovery funding on behalf of Auckland Council
- Agree to communicate to the incoming government about the need to establish national schemes to support recovery from future severe weather events, and to put in place better processes for managed retreat in advance of disaster
- Note further work is underway to consider the role of Auckland Council in the category 2P space



Proposed approach to report recommendations

- Methodology for category 3 buy-outs
- ‘Either – or’ recommendations, with staff recommended option noted:
 - Approach to insurance status
 - Valuation method
 - Maximum level of buy-out support
 - Level of homeowner contribution
 - Approach to secondary properties
 - Consideration of special circumstances (1 option only)
 - Approach to dispute resolution



Approach to insurance status

Either

whakaae / agree to **not take insurance (uninsured/underinsured) status into account** for the Voluntary Buy-out Support Scheme property buyout offers (recommended)

Or

whakaae / agree to **take insurance (uninsured/underinsured) status into account** and apply a homeowner contribution of up to 20% to the Voluntary Buy-out Support Scheme property buyout offer, and after applying any maximum payment cap.



Legal Professional Privilege s 7(2)(g) LGOIMA

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Valuation method

Either

whakaae / agree that a **market valuation pre-events** with the pre-event date to be determined is used as the valuation method for the Voluntary Buy-out Support Scheme (recommended).

Or

whakaae / agree that a **market valuation post-events** not taking damage into account is used as the valuation method for the Voluntary Buy-out Support Scheme.



Maximum level of buy-out support

Either

whakaae / agree that a **\$1.5 million maximum payment cap** is applied to the Voluntary Buy-out Support Scheme property buyout offers, after considering any insurance payments for the property (recommended).

Or

whakaae / agree that **no maximum payment cap** is applied to the Voluntary Buy-out Support Scheme property buyout offers, after considering any insurance payments for the property.



Level of homeowner contribution

Either

whakaae / agree that **no homeowner contribution** is applied to the Voluntary Buy-out Support Scheme property buyout offers, after considering any insurance payments for the property and after applying any maximum payment cap (recommended).

Or

whakaae / agree to apply a **20% homeowner contribution** to the Voluntary Buy-out Support Scheme property buyout offers, after considering any insurance payment for the property and after applying any maximum payment cap.



Approach to secondary properties

Either

whakaae / agree that secondary properties are **excluded** from accessing the Voluntary Buy-out Support Scheme unless an owner makes an application to have their individual circumstances considered as a special circumstance (recommended).

Or

whakaae / agree that secondary properties are **included** in the access conditions for the Voluntary Buy-out Support Scheme



Consideration of special circumstances

whakaae / agree to include a process for considering special circumstances to the Voluntary Buy-out Support Scheme

(no alternative proposed)



Approach to dispute resolution

Either

whakaae / agree in principle an **internal review + external/independent review** and request staff develop a detailed dispute resolution process for approval by the Governing Body (recommended).

Or

whakaae / agree an **internal review only** (i.e. within council) and delegate to the Political Advisory Group to confirm the terms of the internal review.



Process for October 6 GB decisions

- Recommending that the methodology discussions be held in confidential (due to need for legal advice and potential impact on Crown negotiations process)
- Could:
 - consider confidential paper first, move to public to consider whether to agree the whole package
 - Start in open to agree package in principle, move to confidential to agree methodology, move pack to public to announce decisions

