

P20-003 Ngā Whare Ora Taiao o Ngāmotu (New Plymouth Sustainable Homes Voluntary Targeted Rate Scheme) Policy

Approved by the Council on 17 June 2020. Reviewed and amended 29 June 2021.

Policy purpose

This policy provides parameters for Council's *Ngā Whare Ora Taiao o Ngāmotu* scheme. *Ngā Whare Ora Taiao o Ngāmotu* is a voluntary targeted rate scheme which provides support to households to undertake a wide range of sustainability improvements to their house and property, and to repay the costs through a voluntary targeted rate over a five year period.

Policy statements

Who may apply?

1. Funding may be applied for a residential rating unit¹ (**dwelling**), including a residential dwelling on farmland or small holding.² Commercial/industrial properties are excluded from this Policy. The dwelling must not be a non-rateable property under the Local Government (Rating) Act 2002.
2. Council must be satisfied that the owner³ will make the payments (see clause 25) without suffering substantial financial hardship. The owner must agree to a credit check in order for Council to assess this, and provide any other relevant information (including evidence if required). Furthermore, the owner must not have rates arrears, and/or must not have a history of multiple late payments, or non-payment of rates, over the past three years, without reasonable justification, against any property owned directly or indirectly by the owner. Council officers may issue and follow operational procedures to assist in this assessment.
3. The owner is not eligible for funding if the dwelling has an existing voluntary targeted rate applying to it. For the avoidance of doubt, only one application may be received per dwelling.
4. The owner does not need to be the occupier of the dwelling.
5. Rating unit comprising more than one separately used or inhabited part and where the rating unit is used for residential purposes: the owner may apply for only one funding loan unless Council agrees otherwise (considering the nature of the rating unit).

¹ **Rating unit** means a rating unit for the purposes of the Rating Valuations Act 1998

² Rating definitions as per differential categories as set in the Revenue and Financing Policy.

³ **Owner** means the person (whether natural or non-natural) who, whether jointly or separately, is seized or possessed of, or entitled to, any estate or interest in land constituting a rating unit (Local Government (Rating) Act 2002)

What can be applied for?

6. Owners can apply for a minimum of \$1,000 up to a maximum of \$10,000 (**funding**).
7. The funding can be used to undertake improvements to the dwelling and property that provide household sustainability improvements, including:
 - a. Home energy efficiency (including insulation, double glazing, draught sealing, and insulation of hot water cylinders and piping)
 - b. Water conservation (including rain water collection systems, significant leak repairs, water efficient toilets [four or more stars in the Water Efficiency Labelling Scheme], low pressure systems, low flow shower heads and flow restrictors, grey water systems, and composting toilets [outside of wastewater reticulated areas only])
 - c. Efficient inbuilt heating and hot water systems (including solar hot water system, heat pump water heating, wetback system, efficient electric hot water system, and EECA-approved heat pump, wood burner and pellet burner)
 - d. Ventilation systems (including extractor fan and full-house ventilation systems) and ground vapour barriers
 - e. Energy conservation and generation systems (including solar photovoltaic panels, micro-hydro systems and associated battery systems)
 - f. Lighting efficiency improvements (including LED lighting, solar tube lighting, and insulated sky lights)
 - g. Self-sustainability and food resilience measures (including green houses, edible garden and landscaping, raised bed systems, rainwater/greywater tanks, irrigation, and home orchards)
 - h. Electric vehicle charging infrastructure (including high voltage fast charger outlets in garages)
 - i. Transitioning the household to electric or clean energy systems (including replacement of gas appliances with electric appliances)
 - j. Structural repairs to address weather-tightness issues (including re-roofing, re-cladding and re-application of external plaster cladding systems), and

- k. Other household improvements may be approved by Council from time to time where Council is satisfied of the sustainability benefits of those improvements.
8. The funding may also be applied towards receiving expert advice on their home or property, such as from a Homefit assessor, builder or designer. The cost of which must be included within the initial application.
9. Council will determine appropriate suppliers to provide products that meet the above requirements.
10. The owner may apply for more than one type of improvement at one time, up to the total value of \$10,000 (including GST).
11. Council will provide funding to one supplier. Funding may be approved for two suppliers if the owner receives expert advice (and Council may agree to an additional supplier in exceptional circumstances).
12. Insulation products must be listed as an accepted insulation product by the Energy Efficiency and Conservation Authority (**EECA**), and be installed in accordance with EECA standards. The owner shall not be granted funding for an EECA accepted clean heating product unless the dwelling is sufficiently insulated, or funding is also being sought for insulation.
13. Funding is provided directly to the supplier and not to the owner.

Who are the suppliers?

14. Council will approve suppliers to provide the improvements and any expert advice.
15. Funding is not available for businesses that are not an approved supplier, or for 'do-it-yourself' owners.
16. Suppliers must enter into an agreement with Council, and must meet the agreement's terms and conditions of that agreement. Under the agreement the supplier must follow good business practices. A breach, by the supplier, of the terms and conditions of the agreement will result in cancellation of the agreement by Council.
17. Council shall determine the process for registering businesses as suppliers. Council will give additional weighting to businesses that have a staff member qualified as a Homefit assessor or under a similar scheme.

Partnership arrangements

18. The Chief Executive of Council may enter into a partnership arrangement with an iwi, community group (with a legal entity), not-for-profit organisation or business where, in the Chief Executive's opinion, doing so provides additional benefits to owners who apply through that partnership arrangement.
19. In these circumstances the Chief Executive may approve for the partner organisation to determine suppliers and products, however these must be sustainability improvements.
20. The Chief Executive shall apply such terms and conditions as the Chief Executive sees fit to the partnership arrangement, but Council funding provided shall be consistent with clauses 1-6, and 21-32 of this Policy.

How will the loan be repaid?

21. The owner must repay over a five year term. [*Transitional arrangement: applicants who applied on or before 30 June 2021 were able to select a nine year repayment period, and will continue to have that nine year period to repay.*]
22. Interest shall be charged at Council's average rate of borrowing, as stated in the relevant Annual Plan (or Schedule of Fees and Charges), unless Council resolves to offer an interest-free period. A resolution for an interest free period:
 - a. Must specify the time period that an interest-free period is available
 - b. May be limited to certain improvement categories (as listed in clause 7), or on other criteria specified in the resolution (including meeting additional terms and conditions)
23. The interest rate is fixed for the term of the loan. The interest rate will not be lowered if the average rate of borrowing decreases, nor increased if the average rate of borrowing increases. The applicable interest rate is the interest rate as of the time of application.
24. The owner must agree to pay all rates (including volumetric water rates if applicable) by direct debit for the life of the loan.
25. Repayment of the loan will be through a targeted rate applied to the relevant separately used or inhabited part of the dwelling. For the avoidance of doubt, the Local Government (Rating) Act 2002 applies to the targeted rate, including late payment penalties and other compliance mechanisms. That rate shall be set for repayment over 5 years, calculated at 20 per cent of the total borrowing (including applicable interest) owed. [*Transitional arrangement: applicants who applied on or before 30 June 2021 were able to select a nine*

year repayment period, and those applicant will continue to pay across the nine year period at 11.11 per cent of the total amount borrowed (including interest) per annum]

26. The loan repayment will commence as an additional rate on the next 1 July following acceptance, by Council, of the application.
27. The owner may, at any time, repay the entire loan balance; however, partial lump sum payments cannot be accepted.
28. If the owner intends to sell or transfer the ownership of the dwelling during the period after this agreement has been entered into and while the Targeted Rate is still being assessed against the dwelling, the owner must, in writing, give notice of that intention to Council, and advise the owner's solicitor and the prospective purchaser about the Targeted Rate and terms and conditions of the rate.
29. Upon sale or transfer of ownership of the property, either:
 - a. the outstanding loan must be settled at the point of sale, or
 - b. Council may approve the transfer of debt to the new owner, in which case the terms and conditions of the loan must be, or must have been, listed on the sale and purchase agreement and signed by both parties,
 - c. If Council is not notified, then the new owner becomes liable for the outstanding balance.

Other matters

30. Council may charge an application fee to cover administrative costs in accordance with Council's schedule of fees and charges. The application fee may be added to the loan.
31. The owner is responsible for obtaining and paying all necessary resource consents, building consents, and meeting any other applicable legal requirements (**additional costs**).
32. The administration fee and additional costs may be added to the loan, so long as the total loan does not exceed \$10,000.

Policy review

This policy shall next be reviewed within three years of its most recent review.