

Out of scope



-----Original Message-----

From: Clive Manley [mailto:Clive.Manley@ruapehudc.govt.nz]

Sent: 21 January 2021 8:01 AM

To: Anne Shaw [mailto:Anne.Shaw@hud.govt.nz], HSRP Issues Management [mailto:HSRPIssues@hud.govt.nz]

CC: Ree Anderson [mailto:ree@reeanderson.co.nz], Tessa Owen [mailto:Tessa.Owen@ruapehudc.govt.nz], Andrew McKenzie [mailto:Andrew.McKenzie@kaingaora.govt.nz]

Subject: Ruapehu housing issues and the release of the Government's Public Housing Plan 2021-2024

Subject: Ruapehu housing issues

Kia Ora Anne,

Thank you for this information on the governments Public Housing Plan 2021-2024. I wish to share Ruapehu's housing initiative and would hope you could support us.

Our housing project is to make available our council owned land as our local share, and for government, with their contribution, to de-risk the housing developments, and then for us to attract other partners such as Kainga Ora to invest with us. Part of this we will be to continue to work with our local Iwi and MSD to utilize displaced local labour and to support our local economy.

Ruapehu has a wide range of housing problems affecting all sectors of our community from homelessness, overcrowding and unaffordability through to a shortage of housing for essential workers and others.

The lack of suitable housing is proving to be a real handbrake on our economic growth and social wellbeing.

Our newly elected council in October 2019 was keen that Council should play an active part in trying to resolve our housing issues in our district.

We are a council with a low residential population but a large land area in national parks and defense land, and other large areas in farms and forestry which contribute to 20% of our GDP. Despite the low permanent resident population we enjoy one million visitors each year and a number of our homes (33%) are used as second holiday homes and Airbnb type of accommodation. This has been further exasperated in the last couple of years by ex-Aucklanders and other large centres residents cashing up and buying rentals in our district and converting them to holiday homes.

Our economy is improving and the demand for housing is now a major impediment to further growth.

Despite the apparent advantage of relatively low land and capital house values our average residents incomes are some of the lowest in the country.

Our social agencies are reporting overcrowding in our available rentals and homes with reports of up to 17 in one home. We also have increasing numbers resorting to cars and other substandard structures. Their only other alternative is to move out of the district and lose their whanau support.

Our businesses who wish to grow, by taking on extra staff, are unable to attract them to the

district, as there is limited rental accommodation, at any price, for them or their families, while they become established.

Owing to the relative low land prices, there has been limited interest in developers of scale wishing to operate in our district.

We have recently consulted on and adopted a Five Year Housing Strategy and Plan Action which also involves supporting Uenuku, Ngāti Hāua and Ngāti Rangī to enable them to deliver of their own Maori housing initiatives on Maori owned land.

In addition Ruapehu has been impacted by the lack of international tourist spend in the district with the latest results showing overall tourist spend, which usually makes up 19% of our GDP, still down by 18.5%.

Government, in responding to reduce the impact to the economy as a result of Covid-19, instigated the opportunity to propose projects to stimulate the economy and get people back into jobs.

The then Minister of Infrastructure, Shane Jones announced in August 2020, \$7.78 million from CIP, to Ruapehu for our housing initiative for 50 homes. We are still working with IRG officials to try to meet their due diligence requirements before they will recommend the project to the current Minister.

We have worked with our local Iwi and have completed due diligence on a 'shovel ready' development site and could commence, in a very short time frame, the construction of six 'proof of concept' housing units. We are also near to completing due diligence on the second site for the remaining 44 housing ready lots.

We have every confidence that the success of our 'shovel ready' housing project will be the catalyst for attracting the private capital, co-investment, big builders, community housing providers and agencies such as Kainga Ora required to kick-start development at scale in Ruapehu.

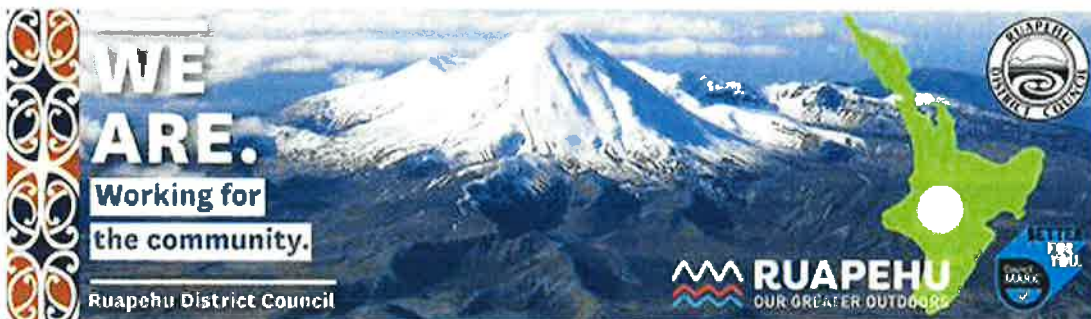
I understand the need for government, through the IRG, to provide due diligence on our project but would hope you could add your support to what we believe is a real game changer to our district.

Regards

Clive

Clive Manley
Chief Executive
Ruapehu District Council

Ruapehu District Council | Private Bag 1001 | Taumarunui 3946 | New Zealand
Phone: 07 895 8188 ext: **s9(2)(b)** | Fax: 07 895 3256 | Mobile: **s9(2)(a)**
email: Clive.Manley@ruapehudc.govt.nz | RDC website: www.ruapehudc.govt.nz



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-----Original Message-----

From: Andrew Brown [mailto:Andrew.Brown@kaingaora.govt.nz]

Sent: 1 April 2021 10:04 AM

To: Sean Wynne (Crown Infrastructure) [mailto:Sean.Wynne@crowinfrastucture.govt.nz]

Subject: RE: Organising a meeting to discuss CIP for Ohakune

Thanks Sean0 I will reply along those lines.

Hope you have a good one too.

Cheers

Andrew

Andrew Brown

Commercial Advisor
Infrastructure Funding
Commercial Group
Mobile: s9(2)(a)

From: Sean Wynne (Crown Infrastructure)

Sent: Thursday, 1 April 2021 9:58 AM

To: Andrew Brown

Subject: RE: Organising a meeting to discuss CIP for Ohakune

Andrew

I agree with your approach here. A bit strange.

Enjoy the Easter break.

Cheers

Sean

Sean Wynne

Deputy Chief Executive Officer – Housing Infrastructure

Crown Infrastructure Partners Limited

L10 | 188 Quay Street | Auckland

PO Box 105321 | Auckland 1143

Mobile +s9(2)(a)

Telecommunications
and Housing Infrastructure



Crown
Infrastructure
Partners

From: Andrew Brown Andrew.Brown@kaingaora.govt.nz>

Sent: Wednesday, 31 March 2021 12:04 pm

To: Sean Wynne (Crown Infrastructure) Sean.Wynne@crowinfrastucture.govt.nz>

Subject: FW: Organising a meeting to discuss CIP for Ohakune

Hi Sean

See email below from PWC legal. Appears a bit strange, as it doesn't seem to be the appropriate channel for them to be pursuing.

I was thinking of replying along lines of, "I don't want to cut across the communication channels, so suggest you are best to either speak with CIP who will then no doubt discuss things with the relevant folk at KO- or visa versa- the person you are dealing with at KO can speak with CIP".

Appreciate your thoughts.

Cheers

Andrew

Andrew Brown

Commercial Advisor
Infrastructure Funding
Commercial Group
Mobile: s9(2)(a)

From: Nicky Harrison (NZ) nicky.c.harrison@pwc.com>
Sent: Wednesday, 31 March 2021 11:37 AM
To: Andrew Brown Andrew.Brown@kaingaora.govt.nz>
Cc: Candice Joll (NZ) candice.n.joll@pwc.com>; Rachael Hurzeler rachael@sphl.co.nz>
Subject: Organising a meeting to discuss CIP for Ohakune

Kia Ora Andrew.

I hear through the grapevine that you have recently joined the KO team (welcome aboard!) and that you bring with you some expertise around CIP funding. We are supporting the CCO team on an important little project in Ohakune that we are treating as a pilot for solving important housing problems going forward. Much of the viability of the project rests on securing and utilizing CIP funding and we were hoping for some time in your diary to gather your thoughts and recommendations please.

How are you placed Tuesday or Wednesday later afternoon next week?

Ngā mihi mahana

Nicky Harrison

PwC Legal | Director
Mob: s9(2)(a)
Email: nicky.c.harrison@pwc.com
PricewaterhouseCoopers New Zealand
15 Customs Street West, Auckland 1010
<https://www.pwc.co.nz/contacts/n/nicky-harrison.html>

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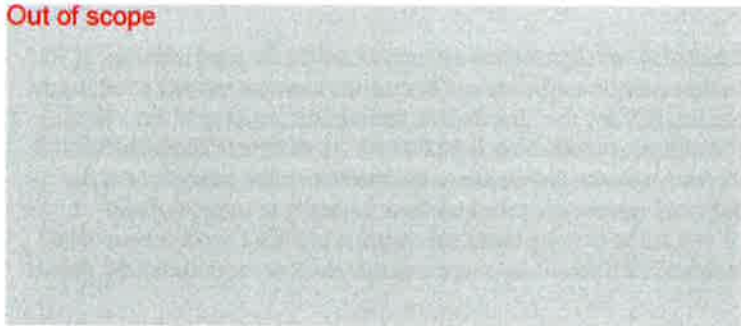
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-----Original Message-----

From: Robyn Mathewson [mailto:Robyn.Mathewson@kaingaora.govt.nz]

Sent: 8 April 2021 3:48 PM

To: Denise Sheehan [mailto:denise.sheehan@hud.govt.nz]

Subject: RE: Letter from Minister Woods re Ruapehu Housing

Thanks Denise 😊.

From: Denise Sheehan

Sent: Thursday, 8 April 2021 3:36 PM

To: Clive Manley

Cc: Tessa Owen ; Ree Anderson ; Andrew McKenzie

Subject: RE: Letter from Minister Woods re Ruapehu Housing

Tēnā koe Clive

I understand that a meeting between yourself and Andrew Crisp has been proposed for either Tuesday or Wednesday next week.

I will make contact with Tessa to discuss availability for yourself and Andrew.

Ngā mihi

Denise

Denise Sheehan (she/her)

Executive Assistant to the Chief Executive

denise.sheehan@hud.govt.nz

Phone: s9(2)(a)

Mobile: s9(2)(a)

www.hud.govt.nz Level 7, 7WQ, 7 Waterloo Quay, Wellington 6011

From: Clive Manley Clive.Manley@ruapehudc.govt.nz>

Sent: Saturday, 3 April 2021 4:34 pm

To: Andrew Crisp Andrew.Crisp@hud.govt.nz>; Info Info@hud.govt.nz>

Cc: Tessa Owen Tessa.Owen@ruapehudc.govt.nz>; Ree Anderson ree@reeanderson.co.nz>;

Andrew McKenzie andrew.mckenzie@kaingaora.govt.nz>

Subject: Letter from Minister Woods re Ruapehu Housing

Hi Andrew,

Minister Woods suggested I contact you to discuss our housing initiative in Ruapehu.

I have attached her letter and our draft response, for you to consider, and for us to discuss before I formally respond to them.

I am happy to meet with you when I am next in Wellington. Alternatively you may wish to just contact me on s9(2)(a).

Regards
Clive

(Note: I was unable to find your email address online so I have guessed it and also sent it to info for them to forward if required)

Clive Manley
Chief Executive
Ruapehu District Council

Ruapehu District Council | Private Bag 1001 | Taumarunui 3946 | New Zealand
Phone: 07 895 8188 | s9(2)(a) | Fax: 07 895 3256 | Mobile: s9(2)(a)
email: Clive.Manley@ruapehudc.govt.nz | RDC website: www.ruapehudc.govt.nz



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Briefing Note: – Housing Solution Tei Tei Drive, Ohakune Ruapehu CIP

Ministers Woods and Mahuta have extended an invitation to Council to provide 'concrete solutions' on how to increase new build housing supply. This paper provides proposed housing solutions based on the model submitted to CIP for Tei Tei Drive, Ohakune

Ohakune Housing Needs/Demand

- i. Ohakune is similar to Queenstown with a very high number of visitors owing to its proximity to Ski fields, cycle trails and Tongariro National Park.
- ii. 50% of housing in Ohakune form part of the holiday home and Airbnb market and are not available for local residents.
- iii. Although new builds have increased in Ohakune, the construction is for the higher end of the market, or for second homes, which coupled with the overall shortage of houses in the area, is pushing up prices overall. (53% increase in last three years)
- iv. Needs are high - The Social deprivation index for Ohakune catchment is influenced by the number of second homes. The underlying deprivation is 9 for permanent residents, but is 7 when second homes or out of town residents are included (10 is the highest deprivation).
- v. Tenure security for households and individuals is a problem when leases convert to short term stay properties for the ski season which leads to seasonal overcrowding in winter with a correlating negative effect to the social indicators of health.
- vi. Council has only 8 social housing units/flats in Ohakune - the current waiting list (Dec 2020) is 25 (up from 9 in March 2020) showing a significant increase in demand in a short time.
- vii. The number of persons registered across Ruapehu on MSD's social housing register has increased 3 fold in 10 months from 22 in March 2020 to 61 in December 2020.
- viii. The need is also hidden as many residents in need do not register with MSD.
- ix. Business are being impacted as affordable workers accommodation or homes are limited.

The Problem

- x. Developers are responding to the high end of the market but new initiatives are needed to address the social and affordable housing end of the market.
- xi. Council needs partners to help deliver social/public and affordable housing.
- xii. An Invitation to Partner with Council was undertaken through the Government's Electronic Tender Service (GETS). This process highlighted that existing Community Housing Providers (CHPs) would find it difficult to operate in Ruapehu as they need scale to make their CHP models work. Distance from other centres where CHPs are located is also a factor making tenancy management services more challenging. Only one small CHP (Homes for People) replied to the Invitation to Partner with Council.
- xiii. Servicing costs for infrastructure are high. The population in Ohakune swells in the holiday season from a Usual Resident Population in 2020 of around 1,250 to a Peak Population of around 9,450 which impacts on infrastructure services.
- xiv. The current Development Contributions paid by developers are relatively low to encourage development in area (approximately \$5,700 - water, wastewater, transport).
- xv. A workable solution was submitted to government for de-risking the construction of 50 new homes in Ruapehu and \$7.78m was announced in August 2020 by the then Minister of Infrastructure through the CIP COVID-19 Response and Recovery Fund. This application included 6 proof of concept units to be retained for social houses under council and is still going through due diligence process with officials. The other part of the proposal was for 44 homes which entailed council putting in its land as the local share (valued at \$1.1m), government de-risking the development by funding infrastructure, and agencies such as Kianga Ora managing the social housing proportion of the development.

Utilising local labour and supplies, the training of youth, and retraining of displaced labour from COVID19 was an integral part of the initiative.

- xvi. The Mayor wrote to government on 4 February 2021 regarding Ruapehu housing issues and Minister Woods responded on 17 March 2021 requesting us to write to her with our ideas.

Proposed Housing Solutions

- xvii. Council adopted a draft Ruapehu 5 year Housing Strategy and Plan of Action on 9 December 2020 which forms part of our Draft Long Term Plan out for consultation at present. (See attachment)
- xviii. Our preference is for government to approve the original CIP project for \$7.78m which was agreed in principle in August 2020.
- xix. Alternatively if the government only approves the 6 units under consideration by CIP at present, then the remaining 44 new homes could be achieved as follows:

The Council contributes vacant greenfield land in Ohakune (9.435ha) with an estimated value of \$1.0-1.2M) as a local share to a joint housing development working with Kāinga Ora. The land affords the opportunity for a master planned mixed housing development enabling up to 200 houses. Stage 1 comprises 44 homes over 4 - 5 years, with a 1/3 public housing; 1/3 affordable housing and 1/3 market housing to enable a regeneration fund for future reinvestment in more public and affordable housing.

- xx. A Deed of Covenant requiring a purchaser to live in an affordable home for a minimum period of time (e.g. 3 years). Purchasers of affordable homes subject to income levels consistent with central government policy.
- xxi. Tenancy management services are shared between Council and Kāinga Ora.
- xxii. Central Government provides a Capital Grant - with a cap - as proposed in the approved in principle CIP application. The site is not serviced and will require infrastructure investment. This is likely to include the following infrastructure to service 44 lots and enable the remaining 150 sites to be serviced.

- Water supply – require 640m of 150mm watermain – estimated \$650k
- Wastewater – require pump station and 350m rising main – estimated \$300 - \$400k
- Stormwater – swales and onsite containment estimated - \$200k

- xxiii. A high level cost estimate is as follows, based on what was supplied to CIP

| Category | Description | Estimated Cost |
|---|---|----------------|
| Professional Services | Project Establishment, Management over 5 years, Project, Procurement of Contractors | \$400,000 |
| Planning Consents and Development Contributions(DCs) | Master planning, urban design, resource and building consents, Development contributions (\$250k) | \$400,000 |
| Engineering Design | Site investigations (survey, Geotech etc), Engineering design and procurement of construction contractors | \$350,000 |
| Civil Works | Civil works – Earthworks, roading, housing platforms, landscaping etc. Includes for Three Waters - Infrastructure (Water, Wastewater and Stormwater) Upgrades and Services (approx. \$1.3M) | \$4,003,500 |
| Approvals | Engineering Certificates, As Builts and other completion works | \$150,000 |
| Total | | \$5,303,500 |

'Putting a focus on housing'
Our Draft Ruapehu 5 Year Housing Strategy and Plan of Action on a Page
March 2021

Our Vision: Supportive and thriving communities where there is a diversity of warm, dry, safe homes that residents and workers across the District can afford.

Our Mission: Working with others to increase the overall supply of homes and enable and facilitate the delivery of more emergency, social and affordable homes and papakāinga to meet the diversity of whanau, family and individual needs

Our Target Groups: Local iwi, low income households & families, older persons, key workers, those seeking to improve their living environments e.g. those with transitional housing needs

Our 5 Key Initiatives:

Initiative 1: Support Uenuku, Ngāti Rangī, Ngāti Hāua to enable their delivery of their Māori housing initiatives particularly on Māori owned land

Initiative 2: Planning and promoting integrated housing developments in key towns

Taumarunui
 Co-develop Future Housing and Community Plan with Ngāti Hāua, community, and other stakeholders. Engagement to be completed by October 2021 (Y1) Implementation projects (Y2-5)

Ohakune
 Develop 6 new Council owned social housing units at Moore Street, as prototype through CIP; and complete 44 enabled lots at Tel Tel Road (Y1-5)
 (Subject to completion of due diligence process with CIP)

Raetihi
 Scope housing initiatives on council land; start Raetihi Revitalisation Plan Y3

National Park
 Work with local organisations to get tailored housing solutions for National Park (Y3-5)

Leverage off CIP Process to attract capital, co-investment, scale builders, Community Housing Providers, Kāinga Ora, and developers to all Ruapehu

Initiative 3: Facilitate Northern and Southern based Working Party Housing Hubs of local iwi, Central Government Agencies (e.g. MSD, MHUD, Kāinga Ora), DHBs, Community Housing Aotearoa and relevant local agencies e.g. Taumarunui Women's Refuge to facilitate the

Initiative 4: Work with the private & community housing sectors, businesses, developers, builders to enable more homes for employees

Initiative 5: Investigate achieving a Community Housing Provider (CHP) status in conjunction with IWI and other trusts with a focus in housing in Ruapehu (Y3-5)

MONITOR & REVIEW

Out of scope

-----Original Message-----

From: Brad Ward [mailto:Brad.Ward@hud.govt.nz]
Sent: 15 April 2021 4:46 PM
To: Daniel Soughtton [mailto:Daniel.Soughtton@kaingaora.govt.nz]
CC: Graeme Broderick [mailto:Graeme.Broderick@kaingaora.govt.nz]
Subject: Re: Ruapehu

Hi. Yea Sean Wynn. Thks

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From: Daniel Soughtton
Sent: Thursday, April 15, 2021 4:01:11 PM
To: Brad Ward
Cc: Graeme Broderick
Subject: RE: Ruapehu

Would it be useful for Graeme to connect with anyone at CIP in the interim?



Daniel Soughtton

Deputy Chief Executive
Central

Mobile: s9(2)(a)
Email: daniel.soughtton@kaingaora.govt.nz

Freephone: 0800 000 000 | Māuihi: (04) 439 3052 | Kāinga Ora – Homes and Communities
PO BOX 2628 Wellington 6140 | New Zealand Government | www.kaingaora.govt.nz

From: Brad Ward
Sent: Thursday, 15 April 2021 3:51 PM
To: Daniel Soughtton
Cc: Graeme Broderick
Subject: RE: Ruapehu

Hi Daniel

Thanks for your email. I'm keen to meet and would prefer to do it sooner rather than later, but I'm going on leave later next week and am booked up prior. We will have to schedule a meeting in early May when I'm back. I'll ask my EA Sandra to schedule something. I think there's a way we can sort out the Ruapehu Council project and it will be good to get in a room together and discuss how to do this.

Brad

Brad Ward
Deputy Chief Executive
Place-based Policy and Programmes
brad.ward@hud.govt.nz Mobile: s9(2)(a)



From: Daniel Soughtton Daniel.Soughtton@kaingaora.govt.nz
Sent: Wednesday, 14 April 2021 1:46 pm
To: Brad Ward Brad.Ward@hud.govt.nz
Cc: Graeme Broderick Graeme.Broderick@kaingaora.govt.nz
Subject: Ruapehu

Kia Ora Brad

As discussed, Graeme is the regional Director who has been leading our korero with the council. He's expecting an invite for Monday. Get [Outlook for iOS](#)

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-----Original Message-----

From: Caroline McDowall [mailto:Caroline.McDowall@kaingaora.govt.nz]

Sent: 29 April 2021 11:20 AM

To: Ngahua Leighton (Crown Infrastructure) [mailto:ngahua.leighton@crowinfrasturcture.govt.nz].Neil Mayo [mailto:Neil.Mayo@kaingaora.govt.nz]

CC: Sean Wynne (Crown Infrastructure) [mailto:Sean.Wynne@crowinfrasturcture.govt.nz]

Subject: RE: IRG (Shovel Ready) Project - Ruapehu Community Housing - Rescoped (Q1282)

Thanks Ngahua, Neil has been dealing with Ruapehu and will respond directly.

Thanks

CM



Caroline McDowall

General Manager Commercial

Commercial Group

Mobile: s9(2)(a)

Email: caroline.mcdowall@kaingaora.govt.nz

Kāinga Ora - Homes and Communities

PO BOX 84143 Westgate Auckland 0657 | New Zealand Government |

www.kaingaora.govt.nz

From: Ngahua Leighton (Crown Infrastructure)

Sent: Tuesday, 27 April 2021 4:12 PM

To: Caroline McDowall ; Neil Mayo

Cc: Sean Wynne (Crown Infrastructure)

Subject: IRG (Shovel Ready) Project - Ruapehu Community Housing - Rescoped (Q1282)

Kia ora Neil and Caroline,

I hope you are well. You may recall this IRG project in Ruapehu that keeps bubbling away..

Recommendation to Ministers

Today our Steering Group agreed to recommend the Ruapehu Community (Council) Housing Project (reduced scope to 6 x council units) to Ministers. I wanted to run our Project Summary (this will be included in the briefing to IRG Ministers) past you as a general heads up and to make sure you did not have any concerns with the recommendation.

The summary report also includes comments which reflect our discussions regarding this project over the past 6 months.

We are aiming to get this briefing out this week. If you have any concerns or comments please feel free to give me a call.

I have included a few reminders on the background below as this one has been around a while..

Thanks,
Ngahuia

Background

- This was a project approved in principle by Ministers for IRG Funding support.
- The original scope of the project was a programme of work to utilise Council's existing land holdings across the Ruapehu District.
- The original scope included two phases. The first phase was the construction of six council owned community housing units. This phase was reasonably advanced in terms of feasibility and planning. CIP were generally comfortable with this aspect of the project.
- The second phase was a programme of work to provide enabled lots (~44-77) across the region. This phase of the work was in early conception phases. CIP has concerns regarding the viability of phase two and was therefore unable to reach a satisfactory outcome regarding the due diligence.
- Earlier this year, Ministers agreed that CIP could further explore the option to provide funding support towards the first phase of the project only (6 x Council owned community housing units).
- CIP has now completed due diligence and negotiation of a re-scoped project (6 x Council owned community housing units only) to a satisfactory outcome. The project costs are high (estimated \$2.405m (including a ~10% contingency)). CIP has sought external advice regarding the project budget and we understand this to be reasonable given the location of the project however we have included additional provisions in our agreement to monitor and control the budget.

Ngahuia Leighton
Bulk Housing Infrastructure | Crown Infrastructure Partners Ltd
| 188 Quay Street | Auckland
PO Box 10952 | Auckland I
Mob +91(2)(a)



From: Ngahuia Leighton (Crown Infrastructure) ngahuia.leighton@crowninfrastructure.govt.nz>
Sent: Friday, 5 February 2021 3:06 PM
To: Caroline McDowall Caroline.McDowall@kaingaora.govt.nz>; Neil Mayo Neil.Mayo@kaingaora.govt.nz>
Subject: Re: Ruapehu Housing - Shovel Ready Q1282

Fantastic - thanks very much.

Have a good long weekend.

Ngahuia

From: Caroline McDowall Caroline.McDowall@kaingaora.govt.nz>
Sent: Friday, February 5, 2021 2:50:49 PM
To: Ngahuia Leighton (Crown Infrastructure) ngahuia.leighton@crowninfrastructure.govt.nz>; Neil Mayo Neil.Mayo@kaingaora.govt.nz>
Subject: RE: Ruapheu Housing - Shovel Ready Q1282

Thanks Ngahuia. Conversations have progressed since we last touched base. Neil will be in touch and loop you in.

Thanks

CM



Caroline McDowall

General Manager Commercial
Commercial Group

Mobile: s 9(2)(a)

Email: caroline.mcdowall@kaingaora.govt.nz

Kāinga Ora - Homes and Communities
PO BOX 84 43 Westgate Auckland 0657 | New Zealand Government |
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From: Ngahuia Leighton (Crown Infrastructure) ngahuia.leighton@crowninfrastructure.govt.nz>
Sent: Friday, 5 February 2021 12:04 PM
To: Neil Mayo Neil.Mayo@kaingaora.govt.nz>
Cc: Caroline McDowall Caroline.McDowall@kaingaora.govt.nz>
Subject: Ruapheu Housing - Shovel Ready Q1282

Kia ora Neil,

I am part of the team at CIP working on the Shovel Ready proposals (Ruapehu's housing project being one of them).

To date my consultation on the project has been with Caroline McDowall.

Do you have time for a quick call on the project? We wanted to test the messaging we are receiving (from the Council) on KO's involvement.

Much appreciated.

Thanks
Ngahuia

Ngahuia Leighton

Bulk Housing Infrastructure | Crown Infrastructure Partners Ltd
| 188 Quay Street | Auckland
PO Box 105321 | Auckland I
Mob +s9(2)(a)



From: Ree Anderson ree@reeanderson.co.nz>
Sent: Wednesday, 20 January 2021 10:06 AM
To: Neil Mayo neil.mayo@kaingaora.govt.nz>
Cc: Ngahuia Leighton (Crown Infrastructure) ngahuia.leighton@crowinfrastructure.govt.nz>; Clive Manley clive.manley@ruapehudc.govt.nz>; Tessa Owen Tessa.Owen@ruapehudc.govt.nz>; Ewen Skinner | Morrison Low e.skinner@morrisonlow.com>
Subject: RDC's CIP contact

Kia ora Neil

Many thanks for the telephone discussion with you this morning. We look forward to having the workshop with Kainga Ora on housing options for Ruapehu District, including options for Tei Tei Drive Ohakune.

I will be in touch with you again shortly as discussed to arrange details for the workshop on the 26 January.

You mentioned you would appreciate the contact details for Ngahuia Leighton CIP whom we have been liaising with on the RDC CIP application.

I have copied Ngahuia into this email. Her other contact details are as follows:

Ngahuia Leighton

Bulk Housing Infrastructure | Crown Infrastructure Partners Ltd
L10 PWC Tower | 188 Quay Street | Auckland
PO Box 105321 | Auckland I
Mob s9(2)(a)

Kind Regards, Ree

Ree Anderson
Director
Ree Anderson Consulting Ltd

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Out of scope

-----Original Message-----

From: Daniel Soughtton [mailto:Daniel.Soughtton@kaingaora.govt.nz]

Sent: 4 May 2021 4:43 PM

To: EXT - Brad Ward [mailto:Brad.Ward@hud.govt.nz]

Subject: Fwd: IRG (Shovel Ready) Project - Ruapehu Community Housing - Rescoped (Q1282)

Hi Brad

Does this align with your knowledge of the subject? I thought the funding was available just being held until they could prove their case more...

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From: Graeme Broderick

Sent: Tuesday, May 4, 2021 4:06:43 PM

To: Daniel Soughtton

Subject: FW: IRG (Shovel Ready) Project - Ruapehu Community Housing - Rescoped (Q1282)

Hi Daniel,

Below is the email that Neil received from Ngahuia at CIP. I've also attached another email I received from Ree Anderson (RDC Consultant).

Look forward to the discussion with Brad on Thursday.

Cheers

Graeme

From: Neil Mayo

Sent: Friday, 30 April 2021 10:59 AM

To: Graeme Broderick ; Rachael Hurzeler

Subject: FW: IRG (Shovel Ready) Project - Ruapehu Community Housing - Rescoped (Q1282)

That is fairly clear!

From: Ngahuia Leighton (Crown Infrastructure) ngahuia.leighton@crowninfrastructure.govt.nz>

Sent: Friday, 30 April 2021 10:55 AM

To: Neil Mayo Neil.Mayo@kaingaora.govt.nz>; Caroline McDowall

Caroline.McDowall@kaingaora.govt.nz>

Cc: Sean Wynne (Crown Infrastructure) Sean.Wynne@crowninfrastructure.govt.nz>

Subject: RE: IRG (Shovel Ready) Project - Ruapehu Community Housing - Rescoped (Q1282)

Kia ora Neil,

Thanks for your response.

The Tei Tei project for 44 sections (enabled lots, not houses) was evaluated by CIP and a due diligence process was undertaken. This project was then presented to CIP's internal governance group and a recommendation was made to Ministers not to proceed with this project (this occurred late last year). Ministers accepted this recommendation and the project owner was advised that the project was unsuccessful and would not receive Shovel ready funding.

If you have any other questions please let us know.

Thanks
Ngahuia

From: Neil Mayo Neil.Mayo@kaingaora.govt.nz>
Sent: Friday, 30 April 2021 9:20 AM
To: Ngahuia Leighton (Crown Infrastructure) ngahuia.leighton@crowinfrastucture.govt.nz>; Caroline McDowall Caroline.McDowall@kaingaora.govt.nz>
Cc: Sean Wynne (Crown Infrastructure) Sean.Wynne@crowinfrastucture.govt.nz>
Subject: RE: IRG (Shovel Ready) Project - Ruapehu Community Housing - Rescoped (Q1282)

Ngahuia

Perfect timing with your email as I returned from Orakune on Wednesday night having completed our second workshop.

Just to clarify Kāinga Ora has no visibility of the 6 Council Housing Project, we have only been involved in the Tei Tei Drive project for the delivery of approximately 44 houses. I understand there was an application for \$5.3M from the shovel ready fund to prepare the infrastructure to deliver the 44 houses and later stages of approx.. 150 additional houses.

KO have engaged PwC to assist us with the feasibilities, potential CHPs, affordable rental models and other assistance as required.

Our feasibility shows that Tei Tei is a viable project based upon the following assumptions

- CIP funding of \$5.3M
- Kāinga Ora commit to approximately 15 social / transitional houses
- 15 affordable / kiwibuild houses s9(2)(j)
- 14 market / long term market rental properties
- Purchasing / leasing the land from RDC at book value (which is very close to the PwC value)

We are still modelling the different options but the above will be close to our final recommendation.

We are also talking to all the parties regarding the commercial structure. We are considering a collaborative model such as an alliance where all the parties share the risk and work together to achieve the outcomes. The alliance would include KO, RDC, Iwi and a developer.

We also have a lot of interest from our OSM providers to build some houses in this project as

their typology fits well with the stand alone houses , climate and low maintenance costs.

I am not sure if the \$5.3M CIP funding is still an option so it would be great to clarify this, as Clive is pushing hard for it. If it not we will have to go back and look at our feasibilities to see if we can make it work.

PwC are updating our feasibility over the next couple of days and I will forward it to you once it is available

Please contact me if you require any more information

Regards

Neil



Neil Mayo

Chief Commercial Officer

Mobile: s9(2)(a)

Email: neil.mayo@kaingaora.govt.nz

Kāinga Ora - Homes and Communities

POBOX 84143, Westgate, Auckland 0616 | New Zealand Government | www.kaingaora.govt.nz

From: Ngahuia Leighton (Crown Infrastructure) ngahuia.leighton@crowninfrastructure.govt.nz>

Sent: Tuesday, 27 April 2021 4:12 PM

To: Caroline McDowall Caroline.McDowall@kaingaora.govt.nz>; Neil Mayo

Neil.Mayo@kaingaora.govt.nz>

Cc: Sean Wynne (Crown Infrastructure) Sean.Wynne@crowninfrastructure.govt.nz>

Subject: IRG (Shovel Ready) Project - Ruapehu Community Housing - Rescoped (Q1282)

Kia ora Neil and Caroline,

I hope you are well. You may recall this IRG project in Ruapehu that keeps bubbling away..

Recommendation to Ministers

Today our Steering Group agreed to recommend the Ruapehu Community (Council) Housing Project (reduced scope to 6 x council units) to Ministers. I wanted to run our Project Summary (this will be included in the briefing to IRG Ministers) past you as a general heads up and to make sure you did not have any concerns with the recommendation.

The summary report also includes comments which reflect our discussions regarding this project over the past 6 months.

We are aiming to get this briefing out this week. If you have any concerns or comments please feel free to give me a call.

I have included a few reminders on the background below as this one has been around a while..

Thanks,

Ngahuia

Background

- This was a project approved in principle by Ministers for IRG Funding support.
- The original scope of the project was a programme of work to utilise Council's existing land holdings across the Ruapehu District.
- The original scope included two phases. The first phase was the construction of six council owned community housing units. This phase was reasonably advanced in terms of feasibility and planning. CIP were generally comfortable with this aspect of the project.
- The second phase was a programme of work to provide enabled lots (~44-77) across the region. This phase of the work was in early conception phases. CIP has concerns regarding the viability of phase two and was therefore unable to reach a satisfactory outcome regarding the due diligence.
- Earlier this year, Ministers agreed that CIP could further explore the option to provide funding support towards the first phase of the project only (6 x Council owned community housing units).
- CIP has now completed due diligence and negotiation of a re-scoped project (6 x Council owned community housing units only) to a satisfactory outcome. The project costs are high (estimated \$2.405m (including a ~10% contingency)). CIP has sought external advice regarding the project budget and we understand this to be reasonable given the location of the project however we have included additional provisions in our agreement to monitor and control the budget.

Ngahuia Leighton

Bulk Housing Infrastructure | Crown Infrastructure Partners Ltd

| 188 Quay Street | Auckland

PO Box 105321 | Auckland I

Mob +s9(2)(a)



From: Ngahuia Leighton (Crown Infrastructure) ngahuia.leighton@crowinfrasturcture.govt.nz>

Sent: Friday, 5 February 2021 3:06 PM

To: Caroline McDowall Caroline.McDowall@kaingaora.govt.nz>; Neil Mayo

Neil.Mayo@kaingaora.govt.nz>

Subject: Re: Ruapehu Housing - Shovel Ready Q1282

Fantastic - thanks very much.

Have a good long weekend.

Ngahuia

From: Caroline McDowall Caroline.McDowall@kaingaora.govt.nz>

Sent: Friday, February 5, 2021 2:50:49 PM

To: Ngahuia Leighton (Crown Infrastructure) ngahuia.leighton@crowinfrasturcture.govt.nz>; Neil

Mayo Neil.Mayo@kaingaora.govt.nz>

Subject: RE: Ruapehu Housing - Shovel Ready Q1282

Thanks Ngahuia. Conversations have progressed since we last touched base. Neil will be in touch and loop you in.

Thanks



Caroline McDowall

General Manager Commercial
Commercial Group

Mobile: s9(2)(a)

Email: caroline.mcdowall@kaingaora.govt.nz

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From: Ngahuia Leighton (Crown Infrastructure) ngahuia.leighton@crowinfrastucture.govt.nz>
Sent: Friday, 5 February 2021 12:04 PM
To: Neil Mayo Neil.Mayo@kaingaora.govt.nz>
Cc: Caroline McDowall Caroline.McDowall@kaingaora.govt.nz>
Subject: Ruapehu Housing - Shovel Ready Q1282

Kia ora Neil,

I am part of the team at CIP working on the Shovel Ready proposals (Ruapehu's housing project being one of them).

To date my consultation on the project has been with Caroline McDowall.

Do you have time for a quick call on the project? We wanted to test the messaging we are receiving (from the Council) on KO's involvement.

Much appreciated.

Thanks

Ngahuia

Ngahuia Leighton
Bulk Housing Infrastructure | Crown Infrastructure Partners Ltd
| 188 Quay Street | Auckland
PO Box 105921 | Auckland |
Mob +s9(2)(a)



From: Ree Anderson ree@reeanderson.co.nz>
Sent: Wednesday, 20 January 2021 10:06 AM
To: Neil Mayo neil.mayo@kaingaora.govt.nz>
Cc: Ngahuia Leighton (Crown Infrastructure) ngahuia.leighton@crowinfrastucture.govt.nz>; Clive Manley clive.manley@ruapehudc.govt.nz>; Tessa Owen Tessa.Owen@ruapehudc.govt.nz>; Ewen Skinner | Morrison Low e.skinner@morrisonlow.com>
Subject: RDC's CIP contact

Kia ora Neil

Many thanks for the telephone discussion with you this morning. We look forward to having the workshop with Kainga Ora on housing options for Ruapehu District, including options for Tei Tei Drive Ohakune.

I will be in touch with you again shortly as discussed to arrange details for the workshop on the 26 January.

You mentioned you would appreciate the contact details for Ngahuia Leighton CIP whom we have been liaising with on the RDC CIP application.

I have copied Ngahuia into this email. Her other contact details are as follows:

[Ngahuia Leighton](#)

Bulk Housing Infrastructure | Crown Infrastructure Partners Ltd

L10 PWC Tower | 188 Quay Street | Auckland

PO Box 105321 | Auckland I

Mob [s9\(2\)\(a\)](#)

Kind Regards, Ree

Ree Anderson

Director

Ree Anderson Consulting Ltd

M: [s9\(2\)\(a\)](#)

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From: [Ree Anderson](#)
To: [Graeme Broderick](#)
Cc: [Clive Manley](#); [Tessa Owen](#)
Subject: Tei Tei Drive: CIP Background
Attachments: [CIP -ES Meeting Notes 11 December 2020.pdf](#)
[image003.png](#)

Hi Graeme

Thanks for catching up yesterday to discuss Tei Tei Drive further.

As mentioned, my understanding is that Ruapehu District Council has not been formally advised that the Ministers have declined the funding for Tei Tei Drive.

I have checked with Clive Manley and Council's CIP Project manager (Ewen Skinner) to see if either of them has received any advice that the Ministers had declined Tei Tei Drive application and both have confirmed they haven't. It is acknowledged that advice has been given from CIP that Tei Tei Drive was not being recommended to go forward and that the Steering Group had declined it twice. However, we were of the understanding it was to go to the Ministers and that the Ministers may override the Steering Group. (See attached notes from 11 Dec Zoom meeting with CIP)

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Also, attached below is a copy of the subsequent email (dated 29 January 21) that we received from Ngahuia Leighton (CIP) regarding council's CIP application.

Hence, we were engaging with Kainga Ora on the basis that we thought this would help to advance the Tei Tei development and unlock the \$5.5m funding as well as advance housing models for rural NZ. In other words, partner with Kainga Ora and make the project work subject to Kainga Ora checking the model and feasibility. We understood that this feasibility testing was occurring after our first workshop in January 2021. We appreciate that PWC has been engaged by Kainga Ora and an early draft of the waterfall diagram showed a shortfall in funding for Tei Tei Drive project. As per the draft minutes from Workshop 2, the Council is keen to immediately advance a project with Kainga Ora for the 44 lots/homes at Tei Tei, (and have what was 'approved in principal' funding released) as well as work with Kainga Ora on a medium - longer term option such as the Alliance and CHP model.

I hope this background information assists you with your meeting with MHUD on Thursday. If you have any queries, please don't hesitate to contact me.

"Begin forwarded message: COPY OF EMAIL BELOW FROM NGAHUIA LEIGHTON (CIP) 29 January 2021

From: "Ngahuia Leighton (Crown Infrastructure)" <ngahuia.leighton@crowinfrastructure.govt.nz>
Subject: RE: RDC - CIP application
Date: 29 January 2021 at 3:38:54 PM NZDT
To: Ewen Skinner <e.skinner@morrisonlow.com>
Cc: Ree Anderson <ree@reeanderson.co.nz>, "Malcolm Hope (Crown Infrastructure)" <malcolm.hope@crowinfrastructure.govt.nz>, "Sean Wynne (Crown Infrastructure)" <Sean.Wynne@crowinfrastructure.govt.nz>, "Clive Manley @ruapehudc.govt.nz" <clive.manley@ruapehudc.govt.nz>

Kia ora Ewen,

Thank you I have had a great break! Just easing back into work now. I hope you enjoyed some

time off.

Thanks for getting in touch. Good timing as we received an update from Ministers and I can provide an update on process.

The Steering Group and IRG Ministers have provided CIP with a mandate to complete due diligence and negotiate a funding agreement for Project 1 – six council owned social houses (see below for scope).

The details of the timeframes/milestones/costs still need to be confirmed between CIP and RDC and documented into an agreement. If possible we would like to advance this over the next couple of weeks? One area we would like to work through is the Project Budget.

Once documented and agreed between ourselves (essentially signed by the Council) it will go back up again to the Steering Group and to Ministers for approval.

Out of scope

Thanks,
Ngahuia

| Project | Project Site and Description | Project Assets / Outcomes |
|---------|------------------------------|---------------------------|
|---------|------------------------------|---------------------------|

Out of Scope

Ngahuia Leighton

Bulk Housing Infrastructure | Crown Infrastructure Partners Ltd

| 188 Quay Street | Auckland

PO Box 105321 | Auckland I

Mob **s9(2)(a)**



Kind regards, Ree

Ree Anderson | Director | ree@reeanderson.co.nz



Tel: s9(2)(a) | PO Box: 56097 Dominion Road, Auckland, 1446

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Ruapehu DC – Notes from CIP Meeting – 11 December 2020

Via Zoom - attendees: Sean Wynne, Ngahua Leighton, Malcolm Hope, Clive Manley, Ree Anderson, Ewen Skinner

Notes from Meeting:

Key points from Sean:

- Ministerial requirements for CIP projects:
 - Underway immediately
 - Good employment
 - Strong public benefit
- CIP
 - 2000 applications - \$137B in total
 - Evaluated
 - Commercial/legal/accounting/engineering (regional engineer)
 - Sector experts also involved
 - Brought back to core group with ranking – 1 (high) to 5 (low)
 - Mapped against regions of NZ - emphasis on regions when prioritising
 - Presented to Ministers – if selected then given to agents (CIP)
 - Do Due diligence - more detailed evaluation
 - Process is - Working group then to Steering Group (SG) then recommend to Minister
- This project has gone to SG twice – first time unsuccessful – failed at overall DD with PM and governance costs too high
- Further work undertaken and revised submission – can see further work which was good – went to SG earlier this week – Project 1 (Moore Street – recommended although there are cost issues) and Project 2 (Teitei – will not be recommended)
- Clive - why do you not believe we can get 50 houses on the ground? Would like to understand what issues stopped the project – key fundamentals
- Sean – not in a position to share further detail. Cannot give info to us before it goes to Ministers. Interested whether RDC want just to progress with project 1 alone. Project 1 – more in line with 'shovel ready'. Project 2 – there are issues and they are not going to progress the project – projects need to be underway within year 1
- Clive – confident demand is there in Ohakune. Brought in consultants – RA/MEQ/ML – needed support to get it going
- Sean – restated that SG not recommending Project 2 – although noted that Minister could overrule. No issues with Clive lobbying Ministers
- Ngahua – from CIP working group perspective difficult to bring back Project 2 again to SG – cannot see SG changing their minds. Presented 2 stage process – but not supported by SG

- Sean - Project 1 will go up to Ministers in February. Sean to talk to Mark Bins to see if he can share his perspective and feed back to Clive
- Clive - mentioned that he had a Ngati Haua contact (Tim) who could follow up with Mark Bins – to follow up on this and Clive to also lobby Ministers
- Summary
 - CIP SG recommending Project 1 – not project 2 to Ministers
 - Sean to talk to Mark Bins and feed back to Clive (next week)
 - Clive to follow up with Mark Bins (via Ngati Haua) and Ministers (lobby)

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-----Original Message-----

From: Brad Ward [mailto:Brad.Ward@hud.govt.nz]
Sent: 1 July 2021 6:56 PM
To: Daniel Soughtton [mailto:Daniel.Soughtton@kaingaora.govt.nz]
Subject: Re: Letter from Minister Woods re Ruapehu Housing

Hi Daniel. Damn. Hey I will definitely chase him up. Cheers

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From: Daniel Soughtton
Sent: Thursday, July 1, 2021 6:16:30 PM
To: Brad Ward
Subject: Re: Letter from Minister Woods re Ruapehu Housing
 Hi Brad

Haven't heard from Sean. Do you want to give him a nudge so we can maintain momentum?

I have the final pwc report which I send him if he agrees to a few pwc conditions.

Cheers

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From: Brad Ward
Sent: Saturday, June 26, 2021 3:23:37 PM
To: Daniel Soughtton
Subject: RE: Letter from Minister Woods re Ruapehu Housing
 Hi Daniel.

I had a productive chat with Sean last night and he is going to contact you early next week. Sean will have to get his board to agree to green light this project again. The intended commitment from Kainga Ora and the expected yield of the development helps. I am hoping that CIP will agree in principle to support the infrastructure required for the development from unallocated shovel ready monies – dependencies are likely to be Ministerial approval and also Kainga Ora internal approval to support stage 1 of the development. I don't think this will all get sorted in the coming weeks but hopefully once you and Sean chat you can both agree how to re-engage with RDC and the messages for them. Sean did raise the HAF money but I said that RDC was looking for progress on it initial shovel ready proposal still and this process would be quicker than the HAF which only opens for Expressions of Interest on 1 July.

Can you keep me informed, especially the nature of your discussions with Sean and RDC.

Cheers

Brad Ward
 Deputy Chief Executive
 Place-based Policy and Programmes
brad.ward@hud.govt.nz Mobile: [s9\(2\)\(a\)](tel:0922222222) www.hud.govt.nz

Level 8, 7 Waterloo Quay, Wellington 6011, New Zealand



He kāinga ora, he hapori ora - our purpose is thriving communities where everyone has a place to call home.

From: Daniel Soughtton
Sent: Thursday, 24 June 2021 3:26 PM
To: Brad Ward
Subject: RE: Letter from Minister Woods re Ruapehu Housing

OK.

I've got hold of a draft copy of the report and it does cover the feasibility of non-state homes. PwC do consider them feasible – i.e., they generate an appropriate market return that we can support with a Kiwibuild underwrite.

The report is being finalised next week however PwC will require you and CIP to sign a 'hold harmless' letter as the advice was not originally prepared for you. It's a standard consultant risk position. If you're OK with these arrangements then I'll get the letters and reports to you next week. As indicated earlier, it doesn't interrogate the infrastructure costs provided by RDC. For now, perhaps just tell Sean that the PwC report does indicate feasibility of the stage 1 development (44 homes) and that the report will come next week.



Daniel Soughtton

Deputy Chief Executive
Central

Mobile: s9(2)(a)
Email: daniel.soughtton@kaingaora.govt.nz

Freephone: 0800 000 000 | Mainline: (04) 439 3052 | Kāinga Ora – Homes and Communities
PO BOX 2628 Wellington 6140 | New Zealand Government | www.kaingaora.govt.nz

From: Brad Ward Brad.Ward@hud.govt.nz>

Sent: Thursday, 24 June 2021 2:09 PM

To: Daniel Soughtton Daniel.Soughtton@kaingaora.govt.nz>

Subject: RE: Letter from Minister Woods re Ruapehu Housing

I Daniel. Copy of the PwC report would still be useful, Im keen to give CIP as much as possible to try and get this over the line.

Brad Ward

Deputy Chief Executive

Place-based Policy and Programmes

brad.ward@hud.govt.nz | Mobile: s9(2)(a) | www.hud.govt.nz

Level 8, 7 Waterloo Quay, Wellington 6011, New Zealand



He kāinga ora, he hapori ora - our purpose is thriving communities where everyone has a place to call home.

From: Daniel Soughtton Daniel.Soughtton@kaingaora.govt.nz>

Sent: Monday, 21 June 2021 9:13 AM

To: Brad Ward Brad.Ward@hud.govt.nz>

Subject: RE: Letter from Minister Woods re Ruapehu Housing

Hi Brad

I can confirm that the PwC report we referred to earlier is actually for our PH feso (we used them to help out with some capacity while we build our regional team). They really just took the RDC infra costs as a given. If you want to interrogate the RDC costs more then we'd have to ask them for more information.

Can you confirm what you'd like to do? And that you don't need any of the PwC work we commissioned?



Daniel Soughtton

Deputy Chief Executive
Central

Mobile: s9(2)(a)
Email: daniel.soughtton@kaingaora.govt.nz

Freephone: 0800 000 000 | Mainline: (04) 439 3052 | Kāinga Ora – Homes and Communities
PO BOX 2628 Wellington 6140 | New Zealand Government | www.kaingaora.govt.nz

From: Brad Ward Brad.Ward@hud.govt.nz>
Sent: Sunday, 20 June 2021 3:22 PM
To: Daniel Soughtton Daniel.Soughtton@kaingaora.govt.nz>
Subject: Re: Letter from Minister Woods re Ruapehu Housing
Hi. Thanks. Haven't seen this before. Cheers
Get [Outlook for iOS](#)

From: Daniel Soughtton Daniel.Soughtton@kaingaora.govt.nz>
Sent: Sunday, June 20, 2021 2:59:53 PM
To: Brad Ward Brad.Ward@hud.govt.nz>
Subject: FW: Letter from Minister Woods re Ruapehu Housing
Hi Brad

Have you seen this? I think their response answers your remaining questions around costs and professional fees.

I'll get back to you about PwC. I am pretty sure that we've actually contracted them to do our feso. But they might have also worked on RDC costs? Will revert.



Daniel Soughtton

Deputy Chief Executive
Central

Mobile: s9(2)(a)
Email: daniel.soughtton@kaingaora.govt.nz

Freephone: 0800 000 000 | Mainline: (04) 439 3052 | Kāinga Ora – Homes and Communities
PO BOX 2628 Wellington 6140 | New Zealand Government | www.kaingaora.govt.nz

From: Andrew McKenzie Andrew.McKenzie@kaingaora.govt.nz>
Sent: Tuesday, 6 April 2021 10:16 PM
To: Daniel Soughtton Daniel.Soughtton@kaingaora.govt.nz>
Subject: Fwd: Letter from Minister Woods re Ruapehu Housing
Hi Daniel
FYI
Andrew
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From: Clive Manley Clive.Manley@ruapehudc.govt.nz>
Sent: Saturday, April 3, 2021 4:35 PM
To: andrew.crisp@hud.govt.nz; info@hud.govt.nz
Cc: Tessa Owen; Ree Anderson; Andrew McKenzie
Subject: Letter from Minister Woods re Ruapehu Housing
Hi Andrew,

Minister Woods suggested I contact you to discuss our housing initiative in Ruapehu.
I have attached her letter and our draft response, for you to consider, and for us to discuss before I formally respond to them.
I am happy to meet with you when I am next in Wellington. Alternatively you may wish to just contact me on s9(2)(a).

Regards

Clive

(Note: I was unable to find your email address online so I have guessed it and also sent it to info for them to forward if required)

Clive Manley
Chief Executive
Ruapehu District Council

Ruapehu District Council | Private Bag 1001 | Taumaranui 3946 | New Zealand
Phone: 07 895 8188 | Fax: 07 895 3256 | Mobile: s9(2)(a)
email: Clive.Manley@ruapehucouncil.govt.nz | RDC website: www.ruapehucouncil.govt.nz



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-----Original Message-----

From: Daniel Soughtton [mailto:Daniel.Soughtton@kaingaora.govt.nz]

Sent: 2 July 2021 12:02 PM

To: Sean Wynne (Crown Infrastructure) [mailto:Sean.Wynne@crowninfrastructure.govt.nz]

Subject: RE: RDC Ohakune development proposal - A Call

Hi Sean. I've got some time now if you're free. Phone number below

Daniel Soughtton

Deputy Chief Executive
Central

Mobile: s9(2)(a)

Email: daniel.soughtton@kaingaora.govt.nz

Freephone: 0800 000 000 | Mainline: (04) 439 3052 | Kāinga Ora – Homes and Communities
PO BOX 2628 Wellington 6140 | New Zealand Government | www.kaingaora.govt.nz

From: Sean Wynne (Crown Infrastructure)

Sent: Friday, 2 July 2021 11:52 AM

To: Daniel Soughtton

Cc: EXT - Brad Ward

Subject: RE: RDC Ohakune development proposal - A Call

Hi Daniel

If you have some time today it would be good to talk about Ruapheu.

Let me know what is a good time for you and a number to call you on?

Cheers

Sean

Sean Wynne

Deputy Chief Executive Officer – Housing Infrastructure

Crown Infrastructure Partners Limited

L10 | 188 Quay Street | Auckland

PO Box 105321 | Auckland 1143

Mobile +s9(2)(a)

ment.

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From: Brad Ward [mailto:Brad.Ward@hud.govt.nz]
Sent: 26 July 2021 10:07 PM
To: Daniel Soughtton [mailto:Daniel.Soughtton@kaingaora.govt.nz]
Subject: Re: RDC Ohakune development proposal - A Call

Hi, I'll call u tomorrow re way forward. Some positive signs but Clive won't get any definitive yes or no until Ministers are advised. Doesnt preclude IAF still as back up. Cheers

Get [Outlook for iOS](#)

From: Daniel Soughtton
Sent: Monday, July 26, 2021 8:38:38 PM
To: Brad Ward
Subject: Re: RDC Ohakune development proposal - A Call
 Did you get hold of Sean? Feels like the trail has gone cold but would be good if he could formally let us know. We can suggest to Clive to put in an IAF bid but no guarantee of success

D

Get [Outlook for iOS](#)

From: Brad Ward
Sent: Monday, July 12, 2021 1:14:01 PM
To: Daniel Soughtton
Subject: RE: RDC Ohakune development proposal - A Call
 Howdy. Any update from Sean? Cheers

Brad Ward
 Deputy Chief Executive
 Place-based Policy and Programmes
brad.ward@hud.govt.nz Mobile **s9(2)(a)** www.hud.govt.nz

Waterloo Quay, Wellington 6011, New Zealand



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From: Daniel Soughtton
Sent: Friday, 9 July 2021 2:36 PM
To: Sean Wynne (Brown Infrastructure)
Cc: Brad Ward
Subject: Re: RDC Ohakune development proposal - A Call
 Kia ora Sean

Hope you're well. Have you had a chance to talk with your CE and Board chair about RDC? I'm free at 3.30pm if you wanted to discuss a short update.

Cheers

Daniel Soughtton

Deputy Chief Executive
 Central

Mobile: **s9(2)(a)**
 Email: daniel.soughtton@kaingaora.govt.nz



From: Sean Wynne (Crown Infrastructure) Sean.Wynne@crowninfrastructure.govt.nz
Sent: Friday, 2 July 2021 11:52 AM
To: Daniel Soughtton Daniel.Soughtton@kaingaora.govt.nz
Cc: EXT - Brad Ward brad.ward@hud.govt.nz
Subject: RE: RDC Ohakune development proposal - A Call

Hi Daniel

If you have some time today it would be good to talk about Ruapheu.
Let me know what is a good time for you and a number to call you on?

Cheers

Sean

Sean Wynne
Deputy Chief Executive Officer – Housing Infrastructure
Crown Infrastructure Partners Limited
L10 | 188 Quay Street | Auckland
PO Box 105321 | Auckland 1143
Mobile +**s9(2)(a)**

Telecommunications
and Housing Infrastructure



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-----Original Message-----

From: Ngahuia Leighton (Crown Infrastructure) [mailto:ngahuia.leighton@crowinfrastructure.govt.nz]
Sent: 9 August 2021 12:45 PM
To: Daniel Soughtton [mailto:Daniel.Soughtton@kaingaora.govt.nz], Fiona McCarthy [mailto:Fiona.McCarthy@hud.govt.nz], Sean Wynne (Crown Infrastructure) [mailto:Sean.Wynne@crowinfrastructure.govt.nz]
CC: Graeme Broderick [mailto:Graeme.Broderick@kaingaora.govt.nz]
Subject: RE: Draft memo on Ruapehu IRG funding proposal attached

Kia ora Fiona,

This looks fine to us.

Only one minor change from us from 'CIP funding' to 'IRG funding'.

Any questions feel free to call.

Thanks,
 Ngahuia

Ngahuia Leighton

Bulk Housing Infrastructure | Crown Infrastructure Partners Ltd
 | 188 Quay Street | Auckland
 PO Box 105321 | Auckland I
 Mob: s9(2)(a)



From: Daniel Soughtton
Sent: Monday, 9 August 2021 11:03 AM
To: Fiona McCarthy ; Sean Wynne (Crown Infrastructure) ; Ngahuia Leighton (Crown Infrastructure)
Cc: Graeme Broderick
Subject: RE: Draft memo on Ruapehu IRG funding proposal attached

Hi Fiona

Thank you for this. Most of it is fine, but I have removed suggestions in the paper that Kāinga Ora would deliver the infrastructure/whole project. We could potentially do this through our Te Aranga infrastructure alliance but I have not fully socialised that internally because I did not know if Government was even

interested in funding it. First order question is whether Crown will fund the infrastructure to get the housing outcomes. If yes, then we can do more work on what the delivery mechanism looks like.

Hope that makes sense.

Cheers

Daniel Soughtton

Deputy Chief Executive
Central

Mobile: s9(2)(a)
Email: daniel.soughtton@kaingaora.govt.nz

From: Fiona McCarthy Fiona.McCarthy@hud.govt.nz>

Sent: Monday, 9 August 2021 10:44 AM

To: Sean Wynne (Crown Infrastructure) Sean.Wynne@crowininfrastructure.govt.nz; Ngāhuia Leighton (Crown Infrastructure) ngahuia.leighton@crowininfrastructure.govt.nz; Daniel Soughtton Daniel.Soughtton@kaingaora.govt.nz>

Subject: Draft memo on Ruapehu IRG funding proposal attached

You don't often get email from fiona.mccarthy@hud.govt.nz. [Learn why this is important](#)

Kia ora koutou,

Brad Ward asked me to pull together a short memo for Andrew Crisp to advance the Ruapehu social housing IRG funding proposal. Here's a draft of that memo – Before I provide this to Andrew, are there any other points any of you would like to me to include/alter?

If Andrew is comfortable with the approach, we will prepare a briefing for Minister Woods along these lines.

Ngā mihi

Fiona

Fiona McCarthy (she/her)

Principal Policy Advisor – Urban Development Regulatory Tools
Place-based Policy and Programmes

fiona.mccarthy@hud.govt.nz Phone: +s9(2)(a) Mobile: s9(2)(a)
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Te Tūāpapa Kura Kāinga
Ministry of Housing and Urban Development



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INTERNAL MEMO

Ruapehu social housing project, reconsideration for Infrastructure Reference Group funding

To: Andrew Crisp
From: Fiona McCarthy
Date: 4 August 2021 **Security level:** In Confidence
Priority: Medium

Purpose

1. This memo outlines a proposal to reconsider a Ruapehu social housing project for Infrastructure Reference Group (IRG) funding, and the next steps necessary to progress this.

Recommended actions

2. It is recommended that you:
 1. **Note** that this project was considered for IRG funding in 2020 but Crown Infrastructure Partners did not recommend it due to concerns at the time about benefit realisation and cost profile. *Noted*
 2. **Note** that a revised, smaller scoped, project was approved by Ministers in April 2021. *Noted*
 3. **Note** that Kāinga Ora has been working with Ruapehu District Council (RDC) and Ngāti Rangī to understand housing need in Ruapehu, and are supportive of this project, and happy to partner with RDC to deliver public housing. *Noted*
 4. **Note** that Minister Woods could seek an instruction from IRG Ministers to fund the project from the IRG fund. *Noted*
 5. **Agree** to brief Minister Woods, and recommend that she seeks that instruction.

Agree / Disagree

Background

Previous decision on the Ruapehu Social Housing Project

The Ruapehu Social Housing project was originally assigned to Crown Infrastructure Partners (CIP) as the Infrastructure Reference Group (IRG) Agency responsible for delivery. CIP's internal due diligence process for IRG projects includes a review of the project from an engineering, commercial, and financial perspective. Following the review, a report is considered by a due diligence committee (DD committee) and following this, to a Steering Group who make the final recommendation to Ministers.

The DD committee considered the project twice; in July 2020 and December 2020. The DD Committee and Steering Group considered this project again and did not approve the Project for recommendation to Ministers. The outstanding concern was the high risk that the outcomes/benefits would not be realised (due to lack of a build partners or developers) and that the empty sections would sit unoccupied. There were also concerns regarding the project budget (which included very high proportion of advisor and project management costs) and deliverability. At the time, Te Tūāpapa Kura Kāinga – Ministry of Housing and Urban Development (HUD) and Kāinga Ora expressed reservations about the proposal.

The Steering Group were more favourable towards the 6 housing units proposal (with a cost of \$1.5 million), as the funding would lead to a clear benefit/outcome. Ministers noted this recommendation in December 2020. In April 2021, the DD Committee & Steering Group approved the rescoped project (6 x social housing units) and recommended this project to Ministers for approval. Ministers approved this rescoped project in April 2021.

Recent developments

Kāinga Ora has been working with RDC and Ngāti Rangī to understand the housing need in the community. From these conversations it is clear that there is an agreed need for public, affordable and worker rental accommodation in the region.

Kāinga Ora operates 12 State Houses in Ohakune and there are no Community Housing Providers or other Public Houses in the area. The MSD housing register has grown from 3 to 8 over the past year. In discussions between Kāinga Ora, the RDC and iwi, it is clear that the housing register understates the true Public Housing need in Ohakune. Ohakune currently has no emergency or transitional housing.

Developers in Ruapehu are responding to the high end of the market but RDC note that new initiatives are needed to address the social and affordable housing end of the market; and that RDC needs partners to help deliver public and affordable housing.

Hon Dr Megan Woods attended the Central and Local Government Forum on 3 March and extended an invitation to RDC to propose ways to increase the supply of housing. RDC provided an updated proposal, outlined below.

The updated proposal

RDC own a 9.5ha piece of residential zoned land in Ohakune on Tei Tei Drive, which could deliver around 200 sections. RDC approached Kāinga Ora to partner with them to build housing for 'Stage 1', being 44 units comprised of 15 Public Houses, 15 Affordable houses, and 14 homes for worker rental accommodation.

Under the proposal, Kāinga Ora would partner with RDC and a developer to provide infrastructure and build 'stage 1' (44 homes - 1.6ha). Kāinga Ora would acquire the Public Housing (a mix of 2, 3 and 4 bed homes) and seek to underwrite the Affordable Housing (2 and 3 bedroom housing) using the KiwiBuild scheme.

RDC still expect the infrastructure costs to be \$5.3 million. These costs cover civil works, infrastructure, building platforms, planning costs and include allowances for contingencies and professional fees. This will provide full infrastructure for stage 1 development, with the balance of the land (7.9ha) being infrastructure enabled (i.e. infrastructure to the boundary).

Feasibility

RDC do not have a budget for the infrastructure needed to enable the development, but would enable the project by making the land available at cost. Kāinga Ora similarly do not have budget for the infrastructure – hence the suggestion to apply for IRG funding.

Kāinga Ora engaged PwC to do a feasibility analysis of the proposal. PwC analysis confirms that IRG funding is needed to ensure the viability of the project.

PwC analysis also shows that the average purchase price for the 15 affordable new builds would be between \$450,000-\$500,000. Kāinga Ora analysis of 2018 Census data suggests that 422 renting households in the district could afford to buy a \$450,000 2 bedroom house and 335 could afford to buy a \$500,000 3 bedroom house.¹ This indicates that there is potential demand in the district for the Affordable Housing that is proposed.

Comment

Kāinga Ora (through Deputy Chief Executive Daniel Soughtton) have advised that they support the proposal, are keen to see it proceed, and to be involved. They note that they would not be in a position to fund the enabling infrastructure.

CIP have been appraised of the updated proposal, and the suggestion that Kāinga Ora be involved with delivery. They have noted their support for Ministers reconsidering this project.

Kāinga Ora has engaged with two major employers in the area s9(2)(ba)(i) who have identified a shortage of worker accommodation and cited availability of housing as a barrier to recruiting staff. These employers currently own or lease homes to employees and have expressed support and interest in purchasing or leasing homes if the Tei Tei Drive project proceeds.

There is around \$200 million of IRG funding contingency remaining, meaning that there is scope to support this project, however Ministers would need to initiate this process, rather than CIP, as their Steering Group process is completed.

¹ Spending no more than 30% of household income on their mortgage, assuming interest rates of 5% and 20% equity/deposit.

Next Steps

In light of the updated proposal, we could recommend to Minister Woods that she seek an instruction from IRG Ministers to fund the project from the IRG fund.

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-----Original Message-----

From: Amos Kamo [mailto:Amos.Kamo@kaingaora.govt.nz]

Sent: 15 September 2021 10:34 AM

To: Christina Chase [mailto:Christina.Chase@hud.govt.nz]

Subject: RE: Ruapehu social housing project

Kia Ora ano e hoa

Below is an update from Graeme Broderick (KO - RD)

Kāinga Ora is working with Ruapehu District owns some 9ha of land in Ohakune that they are keen to see developed for a mix of public and affordable (home ownership and rentals) housing. RDC, with our support, are endeavouring to secure Infrastructure funding from Crown Infrastructure Partners to kick off the development. Should this come to fruition, then Kāinga Ora will purchase the site (subject to internal approval), and develop stage 1 (44 homes).

Ngāti Rangī and Ngāti Hauā, were around the table for the first two hui earlier this year and while not directly involved, both give their support for the project.

Apparently Graeme is working with Fiona McCarthy (HUD) on this.

Nga mihi

Amos

From: Christina Chase

Sent: Tuesday, 14 September 2021 8:29 AM

To: Amos Kamo

Subject: Ruapehu social housing project

Kia ora




Do you have any intel on the Ruapehu social housing project? It looks like it might be a potential partnership between KO, the Ruapehu district council and Ngāti Rangī.

Cheers

C

Christina Chase

Programme Manager MAIHI Partnerships Programme
Te Kāhui Kāinga Ora

christina.chase@hud.govt.nz Phone: +64 4 831 6031 Mobile: **s9(2)(a)**
   www.hud.govt.nz Level 7, 7WQ, 7 Waterloo Quay, Wellington 6011



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-----Original Message-----

From: Graeme Broderick [mailto:Graeme.Broderick@kaingaora.govt.nz]

Sent: 1 October 2021 5:24 PM

To: Felicity Thurston [mailto:Felicity.Thurston@hud.govt.nz]

Subject: RE: Progressing Ruapehu funding application

Kia ora Felicity,

Thank you for your email and voice message. Great to hear the news that the Minister is keen to see it progress.

Our team has a catch-up on this project next week. I'll come back to you after that with a point of contact (it may still be me).

Have a good weekend.

Nga mihi

Graeme



Graeme Broderick

Regional Director
Taranaki Whanganui Manawatu

Mobile: s9(2)(a)

Email: graeme.broderick@kaingaora.govt.nz

Freephone: 0800 801 601 | Mainline: (04) 439 3000 | Kāinga Ora - Homes and Communities

PO Box 248 Palmerston North 4440 | New Zealand Government |

www.kaingaora.govt.nz



From: Felicity Thurston
Sent: Thursday, 30 September 2021 10:31 AM
To: Graeme Broderick
Subject: Progressing Ruapehu funding application

Mōrena Graeme

Just left you a voicemail, but thought it would be useful to follow up with an email.

We have received the signed Ruapehu briefing back from Minister Woods. We are now in the process of working through next steps with CIP.

They have advised that they will treat this proposal as a scope change to RDC's original IRG proposal for the 6 council houses. CIP provide monthly briefing to the IRG Ministers, the next going next week. We will do the best we can to provide content for that briefing, rather than wait but it may depend on what supporting information is required.

Usually a project schedule is required, but CIP are checking whether or not this is needed in this case. They are sending through the template for this that I will forward on to you as may require additional information from your end.

Feel free to give me a call if it would be easier to talk this through. Let me know if there is anyone else in Kāinga Ora I should be looping in.

Thanks
Felicity

Felicity Thurston [\(she/her\)](#)
Senior Policy Advisor - Urban Development Regulatory Tools
Place-based Policy and Programmes
felicity.thurston@hud.govt.nz Phone: s9(2)(a)
www.hud.govt.nz Level 8, 7WQ, 7 Waterloo Quay, Wellington 6011



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I will be able to get this to you by COB Thursday no problem. Just a heads up, with other workloads at present, it will be on Thursday, not likely to be earlier. I trust that is ok.

Cheers



Rachael Hurzeler

Director Business Development
Chief Commercial Office
Commercial Group

Mobile: s 9(2)(a)
Email: rachael.hurzeler@kaingaora.govt.nz

Kāinga Ora - Homes and Communities
Catalina Workshops- 3 Boundary Road, Hobsonville, Auckland 0618
PO BOX 84143 Westgate Auckland 0616 | New Zealand Government | www.kaingaora.govt.nz

From: Felicity Thurston Felicity.Thurston@hud.govt.nz>
Sent: Thursday, 14 October 2021 9:26 AM
To: Rachael Hurzeler Rachael.Hurzeler@kaingaora.govt.nz>
Cc: Jason Haskell Jason.Haskell@hud.govt.nz>
Subject: RE: Ruapehu social housing project, reconsideration for Infrastructure Reference Group funding

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Mōrena Rachael

As outlined in my original email to Graeme, we are working on the content to go into the next brief to IRG Ministers, seeking funding for the Ruapehu Social Housing Project. I attached a project schedule that I'm hoping you will be able to complete for me.

If possible, could you get this back to me by **COB next Thursday 21st October?**

Thanks
Felicity

From: Graeme Broderick Graeme.Broderick@kaingaora.govt.nz>
Sent: Thursday, 7 October 2021 3:26 pm
To: Felicity Thurston Felicity.Thurston@hud.govt.nz>
Cc: Jason Haskell Jason.Haskell@hud.govt.nz>; Rachael Hurzeler Rachael.Hurzeler@kaingaora.govt.nz>
Subject: RE: Ruapehu social housing project, reconsideration for Infrastructure Reference Group funding

Kia ora Felicity,

I've forwarded your email to Rachael Hurzeler, Director Business Development. Rachael will pick up this piece of work and be the primary contact. I've copied Rachael in to this email.

Ngā mihi

Graeme



Graeme Broderick

Regional Director
Taranaki Whanganui Manawatu

Mobile: s9(2)(a)
Email: graeme.broderick@kaingaora.govt.nz

Freephone: 0800 801 601 | Mainline: (04) 439 3000 | Kāinga Ora - Homes and Communities

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Whanake
To End

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against
COVID-19**

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From: Felicity Thurston Felicity.Thurston@hud.govt.nz>

Sent: Thursday, 7 October 2021 10:27 AM

To: Graeme Broderick Graeme.Broderick@kaingaora.govt.nz>

Cc: Jason Haskell Jason.Haskell@hud.govt.nz>

Subject: Ruapehu social housing project, reconsideration for Infrastructure Reference Group funding

Mōrena Graeme

As signalled in my email last week, CIP have provided the Project schedule template that will need to be attached to the briefing that goes to IRG ministers. I don't think we have this level of detail so hoping

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DATE

Project Reference **Project Number**
 Project Name **Project Name**
 Funding Recipient **Recipient**

1 Project Details

| Project Details | | | |
|------------------------------------|--|--------------------------|-----------------|
| Project Scope | [Brief 2 sentence summary of scope as set out in agreement] | | |
| Project Benefits | [Brief summary of benefits as set out in agreement] | | |
| Funding Rationale | [Please describe benefits the rationale for the Crown providing funding support to this project] | | |
| Project Owner Background | [describe who the project owner is and any ownership structures etc that are relevant] | | |
| Committed FTE Measure ¹ | FTE # as set out in agreement and explanation of any deviation from FTE figure reported to Ministers | | |
| Expected Site Works Commencement | [DD Month YYYY] | Expected Completion Date | [DD Month YYYY] |















2 Project Funding

| Details of Funding | |
|---|---|
| Shovel Ready Funding | [\$[Insert amount] [Please flag if this is outside Cabinet agreed funding amount] [as previously advised] |
| Recipient | [\$[Insert amount ie the co-funding to be provided note if varied from what was original submitted] |
| Estimated Total Project Costs | [\$[Insert amount] note if different from the from what was original submitted] |
| Payment Regime | Grant paid on Project Milestones (pro rata against co-funding) |
| Funding type | [i.e. Grant, loan (concessionary or commercial), equity, what mix] |
| Deviations from General Commercial Terms ² | This agreement is materially consistent with the standard form grant funding agreement (there are no special terms) or] highlight key deviations from General Commercial Terms or outline special terms |





¹Full Time Equivalent Jobs means the average number of construction full time equivalent contractor, subcontractor and professional services employees (based on a 40 hour week) (FTEs) working on the Project(s) over the duration on the construction period from design to completion (noting that the number of FTEs may vary month to month over the construction period)

² The CIP standard form grant funding agreement as at 12 August 2020 (commercial terms of this agreement will be provided in a covering report (reference))

3 Summary of Project Review Report

| Subject | Status | Points to note |
|---|---|--|
| Project owner assessment |  | [overall assessment of project owner including checks to confirm the reputational credibility of the project owners, directors, and officers etc]. |
| Project confirmation of scope |  | [outcome of review of scope and confirmation alignment between the Government's basis for previous approvals – highlight any reductions or increases in scope (decreases to be orange or red flagged depending on significance whilst increases are fine provided they are funded if not then orange or red depending on magnitude)] |
| Project benefits |  | [has project owner confirmed that the project benefits outlined in the IRG process remain unchanged, if less these need to be highlighted. The funding agreement requires the project owner to notify if there are changes in benefits and provide a post project outcomes report] |
| Project Costs |  | [assessment of project cost confidence level by engineering as low, medium, or high and hence risk of cost overrun and any previous history of cost overruns] |
| Recipient's Management and Delivery Capability |  | [does the project owner have delivery experience for this type of project/infrastructure – is the project owner engaging professional engineering project managers or not] |
| Financial capacity and Co-Funding assessment |  | [has reviewed the project owner's financial capacity and is satisfied that the project owner has sufficient capacity to meet cost overruns and its co-funding obligations] |
| Project Milestones |  | [are the project milestones realistic and sensible given the type of infrastructure being built] |
| Employment Creation |  | [are the employment created during the construction the same as what was submitted or if a material variance explain and what is the certainty of this] |
| Conflicts of interest |  | [are there any direct conflicts of interest between the Agency/Government and the Project owner, what interactions has the project owner had with Ministers or Govt previously, does the Project Owner seek to benefit from an adjacent business or asset/land holding from the project] |
| Value for money |  | [Is this value money for the crown based on similar projects the Agency has been involved in and provide a justification on why the form of funding (grant/loan/equity) is necessary to enable the project, with a view to providing value-for-money for the Crown] |
| Legal Review of the Agreement |  | [has there been a legal review of the agreement and are there any legal/commercial issues which need to be highlighted and does the agreement meet all the Government's IRG requirements] |
| Status Symbols | | |
|  | No issues | |
|  | Some issues/risks but can be addressed | |
|  | Material issue(s) unlikely to be addressed | |

4 Project Risks

| Risk | Status | Caused by | Mitigated by |
|--|---|---|--------------|
| Overall project risk |  | [complete] | [complete] |
| Project will not commence on time & within 12 months |  | [risk assessment of start date, low risk if all consents in place and construction contract let, higher risk if start in 12 months and no consents, business case, design or procurement taken place] | [complete] |
| Infrastructure type |  | [is the infrastructure construction of a known type and is not bespoke or unique. What inherent risk is there from an engineering perspective to delivering this infrastructure if it is not that which is commonly built by the agency, or has the project owner sought external professional engineering advice, design, quantity surveying etc. expertise] | [complete] |
| Other Risks [add] |  | [complete] | [complete] |

5 Key Terms of Funding Agreement

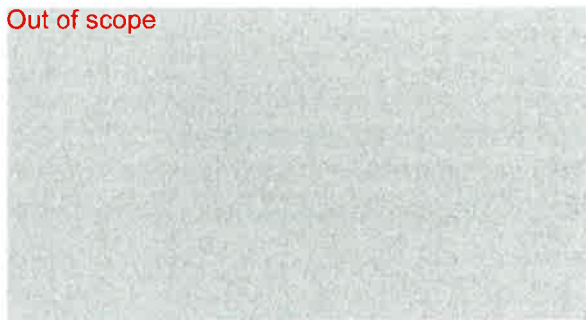
| Key Term | Comment on how it is covered in Funding Agreement |
|--|---|
| Project will commence on time & within 12 months | [right to suspend or terminate contract if physical works not materially started within 12 months of the agreement] |
| Any funding before sites works commence | [outline any funding before sites works commence and what that is for and quantum] |
| Funding type | [milestone or progress payment if NZTA related] |
| Co-funding | [appropriately dealt with and if not provided Crown funding can be suspended/terminated] |
| Cost overruns | [are these to the account of the project owner] |
| Procurement | [is procurement required to be undertaken in accordance with good industry practice applying to the public sector (or NZTA procurement manual where applicable), and the project must be carried out in a manner that takes into account the Construction Sector Accord's principles and guidelines]. |
| Fast-track consent | [project owners using reasonable endeavors to obtain necessary resource consents through the COVID-19 Recovery (Fast Track Consenting) Act 2020, where this process is reasonably expected to accelerate obtaining such consents] |
| Reporting | [that this complies with IRG requirements and is provided within 10 business days from the end of the month] |
| Assurances | [that the project owner provides forward looking assurances, that the project will be completed within budget, on time and within scope; |
| Benefits | [scheduled to the agreement and requirement to notify if changed and review at project end] |
| Scope | [appropriate scope change controls for reduction and additional, and co-funding for increases] |
| Legal compliance | [all laws are to be complied with including Health & Safety and employment/labour laws] |
| Termination rights | [what are the key termination rights ie material breach, project not commencing on time, project failure] |
| Higher Risk projects | [any clauses dealing specifically with higher risk projects such as step-in, increased governance etc.] |

7 Key Terms of Loan Agreement [if applicable]

| Key Term | Comment |
|----------------------------|--|
| Term of loan | [years] |
| Security | [secured on what, unsecured] |
| Ranking | [first ranking, pari passu, subordinated, no ranking] |
| Guarantor | [any Guarantor and if so who] |
| Interest rate | [concessionary, zero, or rate % p.a.] |
| Interest Type | [floating or fixed] |
| Interest payment frequency | [monthly or quarterly in arrears, any holiday period i.e. capitalised into loan during construction] |
| Principal repayment | [amortized, scheduled, bullet] |
| Key Events of default | [standard terms] |
| Default interest | [default rate %] |

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-----Original Message-----

From: Felicity Thurston [mailto:Felicity.Thurston@hud.govt.nz]

Sent: 8 November 2021 9:29 AM

To: Rachael Hurzeler [mailto:Rachael.Hurzeler@kaingaora.govt.nz]

CC: Jason Haskell [mailto:Jason.Haskell@hud.govt.nz]

Subject: Ruapehu project schedule

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Morning Rachael

Just following up to see how you're getting on with filling in the project schedule. We need to get the contact back to CIP by early next week so need to figure out if there are still gaps asap.

Thanks

Felicity

Felicity Thurston (she/her)

Senior Policy Advisor - Urban Development Regulatory Tools

Place-based Policy and Programmes

felicity.thurston@hud.govt.nz Phone: +s9(2)(a)

<!--[if !vml]--><!--[endif]--> <!--[if !vml]--> <!--[endif]--> <!--[if !vml]--> <!--[endif]--> www.hud.govt.nz

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-----Original Message-----

From: Rachael Hurzeler [mailto:Rachael.Hurzeler@kaingaora.govt.nz]
Sent: 18 November 2021 7:36 AM
To: Jason Haskell [mailto:Jason.Haskell@hud.govt.nz]
CC: Felicity Thurston [mailto:Felicity.Thurston@hud.govt.nz]
Subject: Re: Ohakune Report Sections

Hi guys,
 Just an update , our report in final form will be to you by 10.30 this morning.

Cheers
 Rachael

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From: Jason Haskell
Sent: Monday, November 15, 2021 4:16:53 PM
To: Rachael Hurzeler
Ce: Felicity Thurston
Subject: RE: Ohakune Report Sections

Awesome, thank you!

From: Rachael Hurzeler
Sent: Monday, 15 November 2021 4:15 pm
To: Jason Haskell
Ce: Felicity Thurston
Subject: RE: Ohakune Report Sections
 Hi Jason

Im all good for now. I'll get this doc back to you guys asap. Cheers
 R

From: Jason Haskell Jason.Haskell@hud.govt.nz
Sent: Monday, 15 November 2021 10:43 AM
To: Rachael Hurzeler Rachael.Hurzeler@kaingaora.govt.nz
Ce: Felicity Thurston Felicity.Thurston@hud.govt.nz
Subject: RE: Ohakune Report Sections
 Mōrena,

I think I've pulled it together right, let me know if it needs any changes.
 Ngā mihi,

Jason Haskell (j.haskell@hud.govt.nz)
 Policy Advisor, Urban Development Regulatory Tools
 Place-Based Policy and Programmes
jason.haskell@hud.govt.nz Phone [s9\(2\)\(a\)](tel:04-499-9999)

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From: Rachael Hurzeler Rachael.Hurzeler@kaingaora.govt.nz
Sent: Monday, 15 November 2021 10:34 am
To: Felicity Thurston Felicity.Thurston@hud.govt.nz
Ce: Jason Haskell Jason.Haskell@hud.govt.nz
Subject: Re: Ohakune Report Sections

Out of scope

Jason - look forward to hearing from you.

Regards
Rachael

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From: Felicity Thurston Felicity.Thurston@hud.govt.nz
Sent: Monday, November 15, 2021 10:27:51 AM
To: Rachael Hurzeler Rachael.Hurzeler@kaingaora.govt.nz
Cc: Jason Haskell Jason.Haskell@hud.govt.nz
Subject: Re: Ohakune Report Sections
Morning Rachael,

Out of scope

Jason is working on the document this morning. Hopefully he will be able to sort issues. He is copied into this email if you need to touch base. We need this over on Friday so would be great to have your content finalised by Wednesday so we can get it through sign out etc.

Thanks
Felicity

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From: Rachael Hurzeler Rachael.Hurzeler@kaingaora.govt.nz
Sent: Monday, November 15, 2021 9:36:46 AM
To: Felicity Thurston Felicity.Thurston@hud.govt.nz
Subject: RE: Ohakune Report Sections

Hi Felicity

Look forward to getting the paper back today and putting our final work into it for you. What day this week do you need to get your overall paper off your desk. Just looking to make sure we pull this off for you on timing.. I know this has become pinched timing wise!

Cheers

R

From: Felicity Thurston Felicity.Thurston@hud.govt.nz
Sent: Saturday, 13 November 2021 6:50 AM
To: Rachael Hurzeler Rachael.Hurzeler@kaingaora.govt.nz
Subject: Re: Ohakune Report Sections

Morning Rachael, I will get one of my colleague to try sort it on Monday. Would you like to see it all back together before we input it into our paper?

Thanks
Felicity

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From: Rachael Hurzeler Rachael.Hurzeler@kaingaora.govt.nz
Sent: Friday, November 12, 2021 8:42:08 PM
To: Felicity Thurston Felicity.Thurston@hud.govt.nz
Subject: FW: Ohakune Report Sections

Hi Felicity

Can you help me with something...

The person that I received input from that I got back tonight has somehow deleted the sections they weren't working on. I cant seem to merge her work with the template or move the parts from the template into her paper. The formatting is all messed up..... just spent half an hour or so trying and Im making a mess of it!

Are you any good on this sort of thing?

If you can help me get the sections all back in order and back over to me, I'll be able to then make final tidy up and get it over to you in time for Monday.

Thanks Rachael

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DATE

Project Reference

Project Number

Project Name

Project Name

Funding Recipient

Recipient

Project Details



| Project Details | |
|---------------------------------|--|
| Project Scope | The Ruapehu District Council (RDC) owns a substantial greenfield, residential zoned, landholding at 6 Tei Tei Drive in Ohakune. RDC is interested in using this project to facilitate development of social / community and affordable housing in the Ruapehu District. While the parent title has development potential for up to 200 lots, the initial focus is on subdividing and building houses on 44 lots to address acute local housing challenges. The project will be delivered via a partnership between RDC (acting as a land developer to provide 44 subdivided, build ready land lots) and Kainga Ora (in partnership with an approved, third party build partner) to develop 44 dwellings, comprising a combination of social, market price capped stock and houses designated for long-term rental accommodation for local residents. |
| Project Benefits | <p>The project's objective is to address the following housing challenges currently experienced in the Ohakune market:</p> <ol style="list-style-type: none"> 1) Ohakune experiences a significant demand for 'fit for purpose' housing to meet the current undersupplied demand for social housing. There are 83 applicants on RDC's waiting list and 24 families /individual applicants on the Kainga Ora waiting list, who have been waiting for between 57 and 1096 days. 2) There is a need to provide affordable homes locally for key workers (including those in tourism, manufacturing & agriculture) to retain and attract people to the Ruapehu District (competition for the local housing stock comes from the main centres as people compete to secure holiday homes). <p>There is a severe shortage of long term rental accommodation in the local market with many properties used as short term holiday accommodation (i.e. Airbnb) and therefore not available to the wider market for long term lease. Local residents are unable to secure long term and stable rental accommodation as a result.</p> |
| Funding Rationale | <p>Crown Infrastructure Partners (CIP) funding of \$5.2m has been approved for the Tei Tei Drive development, as a "shovel ready" project. This funding is intended to cover site development to provide serviced lots ready for building, including civil costs, infrastructure upgrades and planning costs.</p> <p>This housing project has been chosen due to its relatively high FTE ratios (opportunities for employment and benefits to the district) and as ongoing upskilling of current and future Ruapehu District residents is proposed as a requirement of the partnering arrangements. Therefore, the project is expected to provide direct public and economic benefit to the Ruapehu District.</p> <p>1</p> |
| Project Owner Background | <p>The overarching delivery structure is via a partnership between RDC and Kainga Ora (in conjunction with a private build partner).</p> <p>RDC will utilise CIP funding to develop a portion of the land (suitable of accommodating 44 lots) to a subdivided (224c) status, being serviced lots ready to be built on.</p> <p>Once complete, the subdivided lots will be sold to Kainga Ora, who will subsequently sell the lots to an approved private build partner subject to the pre-agreed development mix (which will address the desired housing outcomes). As previously detailed, the development mix will include a combination of social, market price capped stock and houses designated for long-term rental accommodation.</p> <p>Once construction is complete (and CCCs have been issued), Kainga Ora will buy back the social stock component at otherwise full market value, and will add it to their rental stock portfolio. Price capped houses will be sold in an open market to qualifying purchasers while the rental stock will be sold 'in one line' subject to a caveat on the titles requiring the owner to keep the dwellings in the local long-term rental market thus ensuring long term security of tenure for tenants.</p> |

| | | | |
|--|---|---------------------------------|---------------|
| Committed FTE Measure¹ | According to the work completed in preparation for the CIP application, this project is calculated at circa 130 FTE ratio (per CIP application documentation) for every \$10m of direct construction project spend. It is also estimated that there will also be an economic multiplier effect from sustaining this level of employment in the Ruapehu District. The project sponsors will seek to partner with a range of existing parties so that greater scale (therefore employment) will follow and be coupled with requirements around offering apprenticeships / priority placement for current and future residents to participate in the delivery. An increased number of fit-for-purpose homes will also add jobs through associated services and, as completed homes, provide opportunities to those who may seek to relocate to regional areas. | | |
| Expected Site Works Commencement | [DD Month YYYY] | Expected Completion Date | DD Month YYYY |

Project Funding









| Details of Funding | |
|---|---|
| Shovel Ready Funding | \$5.2m of CIP approved funding to enable land development and provide 44 individual, serviced and ready to be built on lots. |
| Recipient | \$(Insert amount ie the co-funding to be provided note if varied from what was original submitted) |
| Estimated Total Project Costs | Total project related costs equate to \$16.4m (comprising \$5.2m of the land development costs (funded by CIP grant)); the remaining \$11.2m consists of vertical construction costs (including vertical construction contingency, marketing and holding / finance costs). For clarity, these total project costs are exclusive of development margin |
| Payment Regime | Grant paid on Project Milestones (pro rata against co-funding) |
| Funding type | The CIP funding (of \$5.2m) is a one-off grant which would not be repayable on the basis that it will have a long lasting benefit to the district. Rachael to describe funding type for the build form (slab up) |
| Deviations from General Commercial Terms² | This agreement is materially consistent with the standard form grant funding agreement (there are no special terms) or] highlight key deviations from General Commercial Terms or outline special terms |

Summary of Project Review Report

| Subject | Status | Points to note |
|-------------------------------|---|---|
| Project owner assessment |  | [overall assessment of project owner including checks to confirm the reputational credibility of the project owners, directors, and officers etc]. |
| Project confirmation of scope |  | [outcome of review of scope and confirmation alignment between the Government's basis for previous approvals – highlight any reductions or increases in scope (decreases to be orange or red flagged depending on |

¹ Full Time Equivalent Jobs means the average number of construction full time equivalent contractor, subcontractor and professional services employees (based on a 40 hour week) (FTEs) working on the Project(s) over the duration on the construction period from design to completion (noting that the number of FTEs may vary month to month over the construction period)

² The CIP standard form grant funding agreement as at 12 August 2020 (commercial terms of this agreement will be provided in a covering report (reference))

| Subject | Status | Points to note |
|---|---|--|
| | | significance whilst increases are fine provided they are funded if not then orange or red depending on magnitude] |
| Project benefits | | A hybrid model including a partnership between RDC and Kainga Ora [Rachael - test with you?] |
| Project Costs | | [outcome of review of scope and confirmation alignment between the Government's basis for previous approvals – highlight any reductions or increases in scope (decreases to be orange or red flagged depending on significance whilst increases are fine provided they are funded if not then orange or red depending on magnitude] |
| Recipient's Management and Delivery Capability |  | As detailed above, the project's main objective is to address the housing challenges currently experienced in the Ohakune market. The project also benefits from the Central Government's initiative to invest in infrastructure projects (via the approved CIP grant) and will create employment and apprenticeship opportunities. An increased number of fit-for-purpose homes will also add jobs through associated services and, once completed, provide opportunities to those who may seek to relocate to regional areas to do so. |
| Financial capacity and Co-Funding assessment |  | The quality of information relating to construction costs varies from QS sourced costings (for land enabling costs) to high level estimates (for vertical construction, as utilised by PwC) which are subject to a higher degree of estimation error (although sensitivity analysis was undertaken for these inputs). Furthermore, construction costs have risen steadily over the past 12 months and this trend is expected to continue. |
| Project Milestones |  | A site development feasibility report authored by Cheal Consultants Limited for the site was procured in December 2020 and project specific civil costs have been sourced. Development expertise of RDC in relation to land development? Kainga Ora has expertise in providing this type of housing development, generally in partnership with an established build partner. |
| Employment Creation |  | The land development will be mostly funded by the CIP funding, which has been approved. Financial standing of RDC to cover any unexpected costs / over runs? |
| Conflicts of interest |  | RDC's milestones will include provision of the required infrastructure, site earthworks, civil works and provision of subdivided, individual, serviced lots suitable for house construction. Kainga Ora milestones include purchasing of the land off RDC and securing of a build partner to be responsible for the vertical construction and disposal of market capped and long term rental housing stock, social housing stock to be purchased by Kainga Ora at a full market value once complete. |
| Value for money |  | Employment / apprenticeship creation opportunities for the duration of the project's lifecycle. |
| Legal Review of the Agreement | | [are there any direct conflicts of interest between the Agency/Government and the Project owner, what interactions has the project owner had with Ministers or Govt previously, does the Project Owner seek to benefit from an adjacent business or asset/land holding from the project] |
| Status Symbols | | |
|  | No issues | |
|  | Some issues/risks but can be addressed | |

Key Terms of Funding Agreement

| Key Term | Comment on how it is covered in Funding Agreement |
|--|---|
| Project will commence on time & within 12 months | [right to suspend or terminate contract if physical works not materially started within 12 months of the agreement] |
| Any funding before sites works commence | [outline any funding before sites works commence and what that is for and quantum] |
| Funding type | [milestone or progress payment if NZTA related] |
| Co-funding | [appropriately dealt with and if not provided Crown funding can be suspended/terminated] |
| Cost overruns | [are these to the account of the project owner] |
| Procurement | [is procurement required to be undertaken in accordance with good industry practice applying to the public sector (or NZTA procurement manual where applicable), and the project must be carried out in a manner that takes into account the Construction Sector Accord's principles and guidelines]. |
| Fast-track consent | [project owners using reasonable endeavors to obtain necessary resource consents through the COVID-19 Recovery (Fast Track Consenting) Act 2020, where this process is reasonably expected to accelerate obtaining such consents] |
| Reporting | [that this complies with IRG requirements and is provided within 10 business days from the end of the month] |
| Assurances | [that the project owner provides forward looking assurances, that the project will be completed within budget, on time and within scope; |
| Benefits | [scheduled to the agreement and requirement to notify if changed and review at project end] |
| Scope | [appropriate scope change controls for reduction and additional, and co-funding for increases] |
| Legal compliance | [all laws are to be complied with including Health & Safety and employment/labour laws] |
| Termination rights | [what are the key termination rights i.e material breach, project not commencing on time, project failure] |
| Higher Risk projects | [any clauses dealing specifically with higher risk projects such as step-in, increased governance etc.] |

7 Key Terms of Loan Agreement [if applicable]

| Key Term | Comment |
|----------------------------|--|
| Term of loan | [years] |
| Security | [secured on what, unsecured] |
| Ranking | [first ranking, pari passu, subordinated, no ranking] |
| Guarantor | [any Guarantor and if so who] |
| Interest rate | [concessionary, zero, or rate % p.a.] |
| Interest Type | [floating or fixed] |
| Interest payment frequency | [monthly or quarterly in arrears, any holiday period i.e. capitalised into loan during construction] |
| Principal repayment | [amortized, scheduled, bullet] |
| Key Events of default | [standard terms] |

Default interest

[default rate %]

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Out of scope



-----Original Message-----

From: Felicity Thurston [mailto:Felicity.Thurston@hud.govt.nz]

Sent: 19 November 2021 10:56 AM

To: Nick Manning (Crown Infrastructure) [mailto:Nick.Manning@crowinfrastructure.govt.nz]

CC: Rachael Hurzeler [mailto:Rachael.Hurzeler@kaingaora.govt.nz], Jason Haskell [mailto:Jason.Haskell@hud.govt.nz], EXT - Brad Ward [mailto:Brad.Ward@hud.govt.nz]

Subject: IRG project approval briefing content-Ruapehu Social Housing Project

Good morning Nick

Please see attached the relevant content for the Ruapehu Social Housing Project, recommended by Te Tūāpapa Kura Kāinga and Kāinga Ora for approval by IRG Ministers.

If you have any questions, or need further information please let me know.

Thanks
Felicity

Felicity Thurston [\(she/her\)](#)

Senior Policy Advisor | Urban Development Regulatory Tools
Place-based Policy and Programmes

felicity.thurston@hud.govt.nz Phone: s9(2)(a)

<!--[if !vml]--> <!--[endif]--> <!--[if !vml]--> <!--[endif]--> <!--[if !vml]--> <!--[endif]--> <!--[endif]-->

>www.hud.govt.nz Level 8, 7WQ, 7 Waterloo Quay, Wellington 6011



He kāinga ora, he hāpori ora - our purpose is thriving communities where everyone has a place to call home.

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Briefing – ‘Shovel Ready’ Infrastructure projects approval

| | | | |
|---------------------------------|--|------------------|------|
| Date: | | Priority: | High |
| Security classification: | | | |

| Actions | | |
|---|---|----------|
| | Action sought | Deadline |
| Hon Grant Robertson Minister of Finance Minister for Infrastructure | 1. Note the contents of this briefing. 2. Agree to the recommendations of this briefing. | |
| Hon Dr Megan Woods Associate Minister of Finance | | |
| Hon David Parker Associate Minister of Finance | | |

| Contact for telephone discussion (if required) | | | |
|--|----------|-----------|-------------|
| Name | Position | Telephone | 1st contact |
| | | | |
| | | | |
| | | | |

Consulted agencies:

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Briefing – ‘Shovel Ready’ Infrastructure projects approval – tranche twelve

Purpose of briefing

Recommended action

It is recommended that you:

Te Tūāpapa Kura Kāinga and Kāinga Ora project approval

1. **Note** that Te Tūāpapa Kura Kāinga – Ministry of Housing and Urban Development and Kāinga Ora recommend that IRG Ministers approve recommendations **XX**

Noted

Ruapehu Social Housing Project

2. **Note** that Kāinga Ora, in partnership with Ruapehu District Council, is seeking infrastructure funding to support the delivery of ‘Stage 1’ of the Ruapehu Social Housing Project (44 homes – 1.6ha), with the remaining development site (7.9ha) being infrastructure enabled.

Noted

3. **Agree** to fund infrastructure costs of \$5.2 million to support the delivery of the Ruapehu Social Housing Project

Agree / Disagree

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Risks

1. We draw Ministers' attention to the following risk areas highlighted in the project summaries for the relevant projects:

Ruapehu Social Housing Project (Kāinga Ora)

- Overall project risk - The project carries an element of delivery risk, which will be mitigated by good procurement processes and contractual arrangements. For example, Kāinga Ora will need to secure an approved local build partner of scale. Beyond the initial development of 44 lots funded by CIP, Ruapehu District Council (RDC) will need to dispose of long-term rental stock. This includes the sale of 14 dwellings 'in one line' with a tag on the title requiring this housing stock to remain in the local, long-term rental market for a minimum period. A strong sales and marketing strategy should go a long way to achieving this result for RDC. Additionally, while some indicative costings have been provided, bulk and location studies were not prepared for this project. Inputs relating to the development mix and vertical costs were informed by high level estimates only.
- Project commencement - Project commencement (consenting/site works) will likely proceed within the 12-month period. The subdivision consent should be straightforward as it relates to a permitted activity. RDC already contracts a local provider, Cheal Consultants, for engineering and land development works and services. The project risk is assessed as medium risk.
- Infrastructure type - RDC will utilise this CIP funding to deliver the required infrastructure and provide 44 fully serviced lots, which Kāinga Ora will ultimately acquire. The land is zoned residential and is currently a 9.45 ha greenfield site. It is used for grazing purposes. As the parent lot can accommodate up to 200 lots, the infrastructure will be sized to enable both the initial 44 lots and wider development, which will be staged over time. As a result, the infrastructure costs are higher than may otherwise be expected for developing 44 lots. Additionally, the network services are essentially being 'front loaded' to enable the future staged development.
- General market risk - The residential market is volatile at present. Key risks are rising interest rates and rising construction costs. The COVID-19 pandemic is putting increased pressure on the construction supply chain, resulting in delays and disruptions.

Te Tūāpapa Kura Kāinga and Kāinga Ora Projects

2. The following section covers approval of the Ruapehu Social Housing Project

Ruapehu Social Housing Project

Previous decision on the Ruapehu Social Housing Project

3. The Ruapehu Social Housing Project was originally assigned to Crown Infrastructure Partners (CIP) as the Infrastructure Reference Group (IRG) agency responsible for delivery. The CIP Due Diligence (DD) committee and Steering Group considered this project in July 2020 and did not approve the project for recommendation to IRG Ministers. The outstanding concern was the high risk the outcomes/benefits would not be realised, and empty sections would sit unoccupied. This was due to lack of a build partners or developers.

4. There were also concerns regarding the project budget and deliverability. At the time, Te Tūāpapa Kura Kāinga – Ministry of Housing and Urban Development (HUD) and Kāinga Ora expressed reservations about the proposal.
5. In December 2020, the Steering Group considered a rescope, smaller proposal for six social housing units. This was viewed more favourably, with a cost of \$1.5 million, as the funding would lead to a beneficial outcome. IRG Ministers noted this recommendation in December 2020.
6. In April 2021, the DD Committee & Steering Group approved the smaller project and recommended this project to IRG Ministers for approval. IRG Ministers approved this rescope project in April 2021.

Modifying scope of original project

7. The initial proposal, considered in July 2020, has since been revisited. The rescope proposal is for a multistage development on 9.5ha of residentially zoned, RDC-owned land in Ohakune. This could deliver roughly 200 sections.
8. Under the rescope proposal, Kāinga Ora will partner with RDC and a developer to provide infrastructure and build 'Stage 1' (44 homes - 1.6ha). Kāinga Ora will acquire the public housing (a mix of 2, 3 and 4 bed homes) and seek to underwrite the affordable housing (2- and 3-bedroom housing) using the KiwiBuild scheme. Kāinga Ora has advised that Stage 1 is likely to be completed by 2023.
9. While RDC does not have budget for the infrastructure needed to enable the development, it would enable the project by making the land available at cost. Kāinga Ora similarly does not have budget for the enabling infrastructure – hence the proposal to apply for IRG funding.
10. The rescope proposal is for \$5.2 million for civil works, infrastructure, building platforms, and planning costs. It includes allowances for contingencies and professional fees. This will provide full infrastructure for Stage 1 development, with the remaining land (7.9ha) being infrastructure enabled (i.e. infrastructure to the boundary). Kāinga Ora has advised further funding for enabling infrastructure at later stages of the development is unlikely to be required.

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Projects being recommended

Te Tūāpapa Kura Kāinga and Kāinga Ora project

11. There is one project which Te Tūāpapa Kura Kāinga and Kāinga Ora recommends Ministers approve for release of funding to Kāinga Ora to enter into a transaction, as follows.

| Project name | Project owner | Project total capex (\$m) | Govt funding (\$m) | FTE annualised | Date of expected execution | Date of expected project start | Date of expected first payment | Completion date | Project description |
|--------------------------------|--------------------------------|---------------------------|--------------------|----------------|----------------------------|--------------------------------|--------------------------------------|-----------------|---|
| Ruapehu Social Housing Project | Ruapehu District Council (RDC) | 16.4 | 5.2 | 50 | ASAP | 1 December 2022 | 60-90 days from project commencement | 30 June 2024 | A \$5.2 million funding grant to Ruapehu District Council to deliver the Ruapehu Social Housing Project at Tei Tei Drive, Ohakune. Funding to enable land development and provide 44 individual, serviced and ready to be built on lots. |
| Total | | | | | | | | | |

Grand total

| | | | | | | | | | |
|--------------------|--|--|--|--|--|--|--|--|--|
| Grand Total | | | | | | | | | |
|--------------------|--|--|--|--|--|--|--|--|--|

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Annex xx - Te Tūāpapa Kura Kāinga and Kāinga Ora

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Individual Summary Project Report to IRG Ministers

18 November 2021

Project Reference Q1282
Project Name Community Housing, Tei Tei Drive, Ohakune
Funding Recipient Ruapehu District Council

1 Project Details

| Project Details | |
|---------------------------------|--|
| Project Scope | <p>The Ruapehu District Council (RDC) owns a substantial greenfield, residential zoned, landholding at 6 Tei Tei Drive in Ohakune. RDC is interested in using this project to facilitate development of social / community and affordable housing in the Ruapehu District. While the parent title has development potential for up to 200 lots, the initial focus is on subdividing and building houses on 44 lots to address acute local housing challenges. The project will be delivered via a partnership between RDC (acting as a land developer to provide 44 subdivided, build ready land lots) and Kainga Ora (in partnership with an approved, third party build partner) to develop 44 dwellings, comprising a combination of social housing, market price-capped housing stock and houses designated for long-term rental accommodation for local residents.</p> |
| Project Benefits | <p>The project's objective is to address the following housing challenges currently experienced in the Ohakune market:</p> <ol style="list-style-type: none"> 1) Ohakune experiences a significant demand for 'affordable' housing to meet the current undersupplied demand for social housing. There are 83 applicants on RDC's waiting list and 24 families /individual applicants on the MSD's social housing register, who have been waiting for between 57 and 1096 days. 2) There is a need to provide affordable homes locally for key workers (including those in tourism, manufacturing & agriculture) to retain and attract people to the Ruapehu District (competition for the local housing stock comes from the main centres as people compete to secure holiday homes). <p>There is a severe shortage of long-term rental accommodation in Ohakune. Many existing properties are used as short-term holiday accommodation (i.e. Airbnb) and therefore not available to the wider rental housing market for long term lease. As a result, local residents are unable to secure long term and stable rental accommodation.</p> |
| Funding Rationale | <p>This housing project has been chosen due to its relatively high FTE ratios (opportunities for employment and social and economic benefits to the district) and as ongoing upskilling of current and future Ruapehu District residents, is proposed as a requirement of the partnering arrangements. Therefore, the project has significant job creation benefits for Ohakune and is expected to provide direct public, social and economic benefit to the Ruapehu District.</p> <p>This funding is intended to cover Council consenting and land development costs to provide 44 serviced lots ready for building: including civil costs, infrastructure upgrades, Council planning fees and costs associated with obtaining all statutory approvals and consents.</p> |
| Project Owner Background | <p>The project owner is RDC. The overarching delivery structure for the housing project at Tei Tei Drive is via a partnership between RDC and Kainga Ora (in conjunction with a private build partner).</p> <p>RDC has agreed to put in Council-owned land for the 44 lots at Tei Tei Drive, as its local share for this community housing project.</p> <p>RDC will utilise CIP funding to subdivide and develop an initial portion of a large landholding (suitable of accommodating 44 lots and to a s.224c subdivision status, being serviced lots ready to be built on. Once the subdivision has been completed, the 44 lots will be sold to the project partner, Kainga Ora, who will subsequently engage with an approved private build partner to construct the homes, subject to the pre-agreed development mix (which will address the projects desired housing outcomes in terms of typology and tenure). As previously detailed, the development mix will include a combination of social, market price capped stock and houses designated for long-term rental accommodation.</p> <p>In terms of RDC's development partners for the subdivision at Tei Tei Drive, the Council's has recently adopted a new Procurement Strategy which includes evaluation criteria (and some weighting) to providers that have apprenticeship and training schemes, as part of their offering. In addition, RDC may also be guided by Kainga Ora's requirements in terms of delivering this community housing project.</p> |

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| | | | |
|--|--|---------------------------------|--------------|
| | <p>RDC already contracts a local provider Cheal Consultants Ltd for planning and engineering services and technical advice.</p> <p>In terms of project management, RDC has an external project manager and an internal project control group comprising an Executive Manager Risk and Project Control.</p> <p>This project supports Council's recently developed Public and Affordable Housing Asset and Tenancy Management Strategy (ATMS), its vision and objectives.</p> <p>The project may also facilitate the co-planning and co-development of social and affordable housing by RDC and Kainga Ora with iwi (Ngāti Haua Iwi Trust, Ngāti Rangī Iwi Trust and Uenuku Charitable Trust). There are related opportunities that may open up, outside of the CIP project, for further housing and development on Council, iwi and other privately owned land.</p> | | |
| Committed FTE Measure¹ | <p>According to the work completed in preparation for the CIP application, this project is calculated at circa 50 FTE ratio (per CIP application documentation) for every \$10m of direct construction project spend. It is also estimated that there will also be an economic multiplier effect from sustaining this level of employment in the Ruapehu District. As noted above, the project sponsors will seek to partner with a range of existing parties so that greater scale (therefore employment) will follow and, be coupled with fulfilling expectations and requirements around offering apprenticeships / priority placement for current and future residents to participate in the delivery. An increased number of 'fit-for-purpose' homes will also add jobs through associated services and, as completed homes, provide opportunities to those who may seek to relocate to regional areas.</p> | | |
| Expected Site Works Commencement | 1 December 2022 | Expected Completion Date | 30 June 2024 |

2 Project Funding

| Details of Funding | |
|---|--|
| Shovel Ready Funding | \$5.2m of CIP approved funding to enable land development and provide 44 individual, serviced and ready to be built on lots. |
| Recipient | Ruapehu District Council |
| Estimated Total Project Costs | Total project related costs equate to \$16.4m (comprising \$5.2m of the land development costs (funded by CIP grant)); the remaining \$11.2m consists of vertical construction costs (including vertical construction contingency, marketing and holding / finance costs). For clarity, these total project costs are exclusive of development margin. |
| Payment Regime | Grant monies paid on achievement of Project Milestones. (Progress payment milestones on satisfactory completion of the applicable Project Milestones - pro rata against works and costs incurred at each milestone). |
| Funding type | The CIP funding (of \$5.2m) is a one-off grant which would not be repayable on the basis that it will support job creation and apprenticeships and other long lasting social benefits, economic benefits to the district. |
| Deviations from General Commercial Terms | This agreement is materially consistent with the standard form grant funding agreement (there are no special terms) |

¹Full Time Equivalent Jobs means the average number of construction full time equivalent contractor, subcontractor and professional services employees (based on a 40 hour week) (FTEs) working on the Project(s) over the duration on the construction period from design to completion (noting that the number of FTEs may vary month to month over the construction period)

² The CIP standard form grant funding agreement as at 12 August 2020 (commercial terms of this agreement will be provided in a covering report (reference))

3 Summary of Project Review Report

| Subject | Status | Points to note |
|--|--------|--|
| Project owner assessment | | A hybrid model including a partnership between RDC and Kainga Ora |
| Project confirmation of scope | | The Ruapehu District Council (RDC) owns a substantial greenfield, residential zoned, landholding at 6 Tei Tei Drive in Ohakune. RDC is interested in using this project to facilitate development of social / community and affordable housing in the Ruapehu District. While the parent title has development potential for up to 200 lots, the initial focus is on subdividing and building houses on 44 lots to address acute local housing challenges. The project will be delivered via a partnership between RDC (acting as a land developer to provide 44 subdivided, build ready land lots) and Kainga Ora (in partnership with an approved, third party build partner) to develop 44 dwellings, comprising a combination of social housing, market price-capped housing stock and houses designated for long term rental accommodation for local residents. |
| Project benefits | | As detailed above, the project's main objective is to address the housing challenges currently experienced in the Ohakune market. The project also benefits from the Central Government's initiative to invest in infrastructure projects (via the approved CIP grant) and will create employment and apprenticeship opportunities. An increased number of fit-for-purpose homes will also add jobs through associated services and, once completed, provide opportunities to those who may seek to relocate to regional areas to do so. The project may also result in regeneration funds that allows reinvestment in social and affordable housing elsewhere in the Ruapehu District. |
| Project Costs | | The quality of information relating to construction costs varies from QS sourced costings (for land enabling costs) to high level estimates (for vertical construction, as utilised by PwC) which are subject to a higher degree of estimation error (although sensitivity analysis was undertaken for these inputs). Furthermore, construction costs have risen rapidly over the past 12 months and this trend is expected to continue. |
| Recipient's Management and Delivery Capability | | A site development feasibility report authored by Cheal Consultants Limited for the site was procured in December 2020 and project specific civil costs have been sourced. This information is invaluable and will support the efficient and effective delivery of the subdivision, including consenting. As noted above, RDC is putting in the land for this community housing project (as its local share of this project) and has an existing contract in place with Cheal Consultants for engineering consultancy. RDC has existing knowledge, specific technical reports, and experience of land development issues and best practice responses at Ohakune. The site is zoned for residential development and in time could potentially accommodate 200 homes. RDC has related housing project at Moore Street, which is ably managed by a Project Control Group which is currently coming in on budget and time. Kainga Ora has proven experience and expertise in providing this type of housing development at this scale, and generally in a partnership model or agreement with an established build partner. |
| Financial capacity and Co-Funding assessment | | The land development will be mostly funded by the CIP funding. RDC will fund all over costs required to complete the subdivision, site works and infrastructure services (roading, and 3 waters) and deliver 44 build ready lots for Kainga Ora to purchase. |

| Subject | Status | Points to note |
|-------------------------------|--|--|
| Project Milestones | | RDC's milestones will include provision of the required infrastructure, site earthworks, civil works and provision of subdivided, individual, serviced lots suitable for house construction. |
| Employment Creation | | Employment / apprenticeship creation opportunities for the duration of the project's lifecycle. This includes local builders, contractors, civil consultants and planners. In time as the houses are built and become occupied there will also be employment creation and jobs associated with trades and services, grounds, landscaping and property maintenance, home furnishings and the like. |
| Conflicts of interest | | There are no direct conflicts of interest. RDC will use an independent consultant planner any resource consents and/or an Independent Commissioner for any resource consent hearing. The CE has advised that there are no known conflicts of interest. |
| Value for money | | Independent financial feasibility advice obtained from PWC Real Estate Advisory suggests that (subject to a number of the key assumptions adopted as per the Kainga Ora advice, particularly in relation vertical build costs) the project is financially feasible with high level modelling indicating a profit margin of circa 16% (assuming no CIP or other funding). |
| Legal Review of the Agreement | | The CIP application was legally reviewed by RDC's legal advisors (Le Pine and Co). RDC has also engaged their legal advisor Alan Vane (Le Pine and Co) to review the CIP agreement (Draft). |
| Status Symbols | | |
| | No issues | |
| | Some issues/risks but can be addressed | |
| | Material issue(s) unlikely to be addressed | |

4 Project Risks

| Risk | Status | Caused by | Mitigated by |
|----------------------|--------|--|---|
| Overall project risk | | <p>The project's main objective is to address the local housing challenges in Ohakune through the delivery of 44 new homes in a new residential subdivision at Tei Tei Drive. This will have a long lasting and beneficial outcomes for the local community in terms of new, high quality housing stock and job creation. This investment will also catalyse the development of Stage 2 of this residential subdivision, having a potential yield of 200 more homes in this location.</p> <p>The project carries an element of delivery risk. For example, it may be challenging for Kainga Ora to secure an approved local build partner, of scale. However, it is considered that good procurement processes, and contractual arrangements will mitigate such issues and reduce overall project risk.</p> <p>Beyond the initial land development phase (funded by the CIP) there is an element of disposal risk in relation to the long-term rental stock (which will include the sale of 14 dwellings 'in one line' with a tag on the title requiring this housing stock to remain in the local, long-term rental market for a minimum period of, say 5 years). A strong sales and marketing strategy and targeting strategic media, should go a long way to achieving this result for Ruapehu District.</p> <p>In addition, while some indicative costings have been provided, bulk and location studies were not prepared for this project and inputs in relation to the development mix and vertical costs were informed by high level estimates only.</p> | <p>Kainga Ora will engage with an approved build partner to complete vertical construction.</p> <p>Sensitivity analysis has been undertaken to understand sensitivity (and risk) of changes in the revenue and costs inputs in relation to the project's feasibility.</p> |

| | | | |
|--|---|--|---|
| | | | The development mix was informed by the typical typology found in the local market; size and typology of the dwellings designated for social housing were informed by the composition of the households represented on the social housing waiting lists provided. |
| Project will not commence on time & within 12 months | | Project commencement (consenting/site works) will likely proceed within the 12month period. The subdivision consent should be pretty straightforward (permitted activity), and Council already contracts a local provider Cheal Consultants for engineering and land development works and services. The project risk is assessed as medium risk. | |
| Infrastructure type |  | The land is zoned residential and is currently a 9.45 ha greenfield site, and used for grazing purposes. Given the parent lot's capacity to accommodate up to 200 lots, the infrastructure will be sized to enable the development of the initial 44 lots and the wider development, which is being staged over time. Hence the infrastructure costs are significant (more than usual) and the network services are essentially being 'front loaded' to enable the future staged development of the parent lot. Notwithstanding, RDC will utilise CIP funding to deliver the required infrastructure and provide 44 fully serviced lots, which Kainga Ora will ultimately acquire. | RDC and/or their agents (and not Kainga Ora) are responsible for the planning design and installation of roading and 3 waters infrastructure for this subdivision. Some reserve provisioning may also be made. Kainga Ora will undertake master planning of the site to guide the development of the future housing opportunities. This strategic design process will help with developing the concept development plan, lot yield and layout and general infrastructure requirements. |
| General market risk |  | General market risk; the residential market is volatile at present with key risk areas being the rising interest rates and rapidly rising construction costs. Also, as a result of the ongoing COVID 19 crisis nationwide, the construction supply chain is under increased pressure resulting in considerable delays and lockdown related disruptions. | The general market risk is not project specific and can not be mitigated. Risks associated with rising construction costs will be managed by Kainga Ora with the build partner directly. |

5 Key Terms of Funding Agreement

| Key Term | Comment on how it is covered in Funding Agreement |
|--|---|
| Project will commence on time & within 12 months | Confirmed, yes. |
| Any funding before sites works commence | In the Project Establishment Phase, the following cost are identified before site works commence: \$125,000 for Design and Planning; \$370,000 for Land Use and Resource Consents; \$350,000 for Design and Drawing; and \$450,000 for Civil Works – Tendering and awarding Civil Works contracts |
| Funding type | Milestone payment on completion/achievement of Project Milestones, as set out in Part C Schedule 1 of the CIP Funding Agreement. |

| | |
|--------------------|---|
| Co-funding | Not applicable |
| Cost overruns | RDC has to fund any shortfall. |
| Procurement | <p>As noted above, RDC already contracts a local provide Cheal for engineering activities. In addition Council utilises an independent consultant planner in specific circumstances, including circumstances such as where there is actual or even perceived conflicts of interest.</p> <p>RDC also has robust procurement processes in place to select providers of service. The Council's procurement processes accord with best industry practise. Council has recently updated and adopted a Procurement Strategy for Ruapehu which prioritises social procurement models where local employment, including apprenticeship schemes will form part of the evaluation criteria.</p> <p>As this community housing project is in partnership with Kainga Ora, procurement in the initial project establishment phases of this housing development, may also be guided by Kainga Ora's requirements.</p> |
| Fast-track consent | This process is not required. The land use and resource consents, particularly the subdivision consent is likely to be reasonably straightforward. |
| Reporting | <p>RDC will provide CIP with monthly reports by the 10th Business Day following the end of each month (excluding December), and quarterly reports by the 10th Business Day following the end of each January, April, July, and October to the End Date.</p> <p>RDC must provide CIP with a Post Contract Outcomes Report within 6 months of the completion of the Project(s).</p> <p>Further, each monthly report, quarterly report and Post Contract Outcomes Report must include the information for the Project, (as set out in Schedule 3 of the CIP Funding Agreement)</p> |
| Assurances | RDC are a capable entity to complete on time and in budget. |
| Benefits | The primary benefits identified are scheduled in Part B of the CIP Funding Agreement. |

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Out of scope

-----Original Message-----

From: Nick McNabb [mailto:Nick.McNabb@hud.govt.nz]

Sent: 23 November 2021 3:17 PM

To: Joanna Gordon [mailto:Joanna.Gordon@hud.govt.nz], Arielle Yow [mailto:Arielle.Yow@kaingaora.govt.nz]

CC: Jonathan Underhill [mailto:Jonathan.Underhill@hud.govt.nz]

Subject: RE: Meeting availability KB/HUD

You don't often get email from nick.mcnabb@hud.govt.nz. [Learn why this is important](#)

Yes I would be very keen to be involved. **Out of Scope**

I also understood that KO was looking at the potential for KB support a mixed development of public housing, affordable rentals, Kiwibuild and market housing in Ruapehu. This was on council land where funding for infrastructure might be coming from the CIP shovel ready fund.

Also interested to understand KO's view of the insights on the market demand, affordability etc. Have seen snapshots of this in different contexts – including through commenting on the ADS. Good to line up wit how HUD is thinking about this

Friday would work best for me (apart from midday)

Nick

(UNCLASSIFIED)

From: Joanna Gordon

Sent: Tuesday, 23 November 2021 3:09 pm

To: Arielle Yow

Cc: Nick McNabb ; Jonathan Underhill

Subject: RE: Meeting availability KB/HUD

Kia ora Arielle

Nick McNabb (Rotorua) and Jonathan Underhill (Opotiki) may be interested in this meeting as well – if you wish to invite them. I have forwarded the invitation to Naomi Stephen-Smith.

The Wednesday times suit me to meet; Thursday is completely hopeless; Friday is OK (I have moveable meetings at that time).

Ngā mihi, nā

Joanna Gordon

POLICY DIRECTOR, MARKET AND SUPPLY RESPONSES

joanna.gordon@hud.govt.nz

Phone **s9(2)(a)** Mobile **s9(2)(a)**

Out of scope

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Out of scope

-----Original Message-----

From: Graeme Broderick [mailto:Graeme.Broderick@kaingaora.govt.nz]

Sent: 29 November 2021 4:15 PM

To: Felicity Thurston [mailto:Felicity.Thurston@hud.govt.nz]

Subject: Ruapehu District Council (RDC) CIP fund application

Kia ora Felicity,

I trust you are well. RDC are following up with me to understand the process and timeframes for hearing back about their CIP application that is being reconsidered. Do you have any info I can share with them?

Ngā mihi

Graeme



Graeme Broderick

Regional Director
Taranaki Whānanganui Manawatu

Mobile: s9(2)(a)

Email: graeme.broderick@kaingaora.govt.nz

Freephone: 0800 801 601 | Mainline: (04) 439 3000 | Kāinga Ora - Homes and Communities

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-----Original Message-----

From: Cynthia Ward [mailto:Cynthia.Ward@kaingaora.govt.nz]
Sent: 3 December 2021 4:26 PM
To: Felicity Thurston [mailto:Felicity.Thurston@hud.govt.nz], Graeme Broderick [mailto:Graeme.Broderick@kaingaora.govt.nz]
Subject: RE: Ruapehu social housing project, reconsideration for Infrastructure Reference Group funding

Kia ora Felicity,

Thank you for your email. We really appreciate your follow up and look forward to receiving your update on next steps, shortly.

There is a real urgency for the parties to know where things are landing this side of Christmas – this advice will inform key programmes particularly Council (LTP) budgeting processes which are presently underway and being confirmed.

Kind regards
 Cynthia

From: Felicity Thurston
Sent: Friday, 3 December 2021 8:48 AM
To: Cynthia Ward ; Graeme Broderick
Subject: RE: Ruapehu social housing project, reconsideration for Infrastructure Reference Group funding.

Morena Cynthia and Graeme,

I have been in leave this week, so only just getting to your emails now

I will touch base with CIP today as have not heard any update yet. We provided the RDC information to CIP on 19 November. I assume it is now with Ministers for their consideration.

I will try and get an updated timeframe for decisions from CIP and let you know.

Thanks
 Felicity

[IN CONFIDENCE-RELEASE EXTERNAL]

From: Cynthia Ward [mailto:Cynthia.Ward@kaingaora.govt.nz]
Sent: Thursday, 2 December 2021 10:59 am
To: Felicity Thurston [mailto:Felicity.Thurston@hud.govt.nz]
Subject: FW: Ruapehu social housing project, reconsideration for Infrastructure Reference Group funding

Kia ora Felicity,

Have you had a chance to review this information request? I would be keen to be able to provide a reply to Ree and the team at RDC this week, if that is possible.

Thanking you in advance for attending to this request.

Kind regards
 Cynthia

From: Cynthia Ward
Sent: Tuesday, 30 November 2021 5:03 PM
To: Felicity Thurston [mailto:Felicity.Thurston@hud.govt.nz]
Subject: RE: Ruapehu social housing project, reconsideration for Infrastructure Reference Group funding

Kia ora Felicity,

I hope you are keeping well.

I'm emailing you as I've been approached by Ree Anderson (strategic advisor for RDC) as they really need to know what is the status of the RDC CIP application for funding 44 lots at Tei Tei Drive Ohakune.

There's strong interest for an update as they'd understood that this application had been submitted to the relevant Ministers for approval some time ago.

Is there any information that you can share which I can pass onto Ree Anderson/RDC, at this juncture and prior to the Christmas Holiday period?

Thank you in advance for considering this information request. I would be happy to relieve for a phone call, if this is easier for you.

Kind regards, nga mihi
 Cynthia

From: Felicity Thurston Felicity.Thurston@hud.govt.nz
Sent: Friday, 19 November 2021 10:48 AM
To: Cynthia Ward Cynthia.Ward@kaingaora.govt.nz
Subject: RE: Ruapehu social housing project, reconsideration for Infrastructure Reference Group funding

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No that's fine, I can add a footnote referencing the document. Thanks for getting back to me so quickly

[UNCLASSIFIED]

From: Cynthia Ward Cynthia.Ward@kaingaora.govt.nz
Sent: Friday, 19 November 2021 10:42 am
To: Felicity Thurston Felicity.Thurston@hud.govt.nz; Rachael Hurzeler Rachael.Hurzeler@kaingaora.govt.nz
Subject: RE: Ruapehu social housing project, reconsideration for Infrastructure Reference Group funding

Morena Felicity,

The reference is from the Draft Funding agreement between CIP and RDC for Community Housing, dated 2 October 2020.

This document was been provided from Ree Anderson (RDC Consultant) – in confidence. I note that Clive Manly and Ewen Skinner were cc'd into the email.

Perhaps a footnote referencing this document would suffice? If you think you require the document please let me know and I'll go back to Ree.

Kind regards
 Cynthia

From: Felicity Thurston Felicity.Thurston@hud.govt.nz
Sent: Friday, 19 November 2021 10:06 AM
To: Rachael Hurzeler Rachael.Hurzeler@kaingaora.govt.nz; Cynthia Ward Cynthia.Ward@kaingaora.govt.nz
Subject: RE: Ruapehu social housing project, reconsideration for Infrastructure Reference Group funding

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Thanks Rachael, If we are not able to provide it we might just need the relevant information that it is referencing?

[UNCLASSIFIED]

From: Rachael Hurzeler Rachael.Hurzeler@kaingaora.govt.nz
Sent: Friday, 19 November 2021 10:02 am
To: Felicity Thurston Felicity.Thurston@hud.govt.nz; Cynthia Ward Cynthia.Ward@kaingaora.govt.nz
Subject: Re: Ruapehu social housing project, reconsideration for Infrastructure Reference Group funding

Hi Felicity,

Cynthia - see below. I'm in a meeting for the next while - can you answer Felicity's query? It's the Doc Ree provided and I'm not sure we can/have permission to provide this?

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From: Felicity Thurston Felicity.Thurston@hud.govt.nz
Sent: Thursday, November 18, 2021 3:39 PM
To: Rachael Hurzeler
Subject: RE: Ruapehu social housing project, reconsideration for Infrastructure Reference Group funding

Hi

Sorry just trying to finalise the paper and noticed reference to some other material, I wonder if its worth annexing this as well? See below

| Item | Comment on how it is covered in Funding Agreement |
|--|--|
| Project will commence on time & within 12 months | Confirmed yes. |
| Any funding before sites works commence | In the Project Establishment Phase the following costs are identified before site works commence: \$125 000 for Design and Planning; \$370 000 for Land Use and Resource Consents; \$350 000 for Design and Drawing; and \$450 000 for Civil Works – Tendering and awarding Civil Works contracts |
| Funding type | Milestone payment on completion/achievement of Project Milestones as set out in Part C Schedule 1 . |
| Co-funding | Not applicable |
| Cost overruns | RDC has to fund any shortfall. |
| Procurement | As noted above RDC already contracts a local provider Cheal for engineering activities. In addition Council utilises an independent consultant planner in specific circumstances including circumstances such as where there is actual or even perceived conflicts of interest. RDC also has robust procurement processes in place to select providers of service. The Council's procurement processes accord with best industry practise. Council has recently updated and adopted a Procurement Strategy for Ruapehu which prioritises social procurement models where local employment including apprenticeship schemes will form part of the evaluation criteria. As this community housing project is in partnership with Kainga Ora procurement in the initial project establishment phases of this housing development may also be guided by Kainga Ora's requirements. |
| Fast-track consent | This process is not required. The land use and resource consents particularly the subdivision consent is likely to be reasonably straightforward. |
| Reporting | RDC will provide CIP with monthly reports by the 10 th Business Day following the end of each month |

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| | |
|----------------------|--|
| | (excluding December) and quarterly reports by the 10 Business Day following the end of each January April July and October to the End Date. RDC must provide CIP with a Post Contract Outcomes Report within 6 months of the completion of the Project(s). Further each monthly report quarterly report and Post Contract Outcomes Report must include the information for the Project as set out in Schedule 3. |
| Assurances | RDC are a capable entity to complete on time and in budget. |
| Benefits | The primary benefits identified are scheduled in Part B of the CIP Funding Agreement. |
| Scope | |
| Legal compliance | |
| Termination rights | |
| Higher Risk projects | |

[UNCLASSIFIED]

From: Rachael Hurzeler Rachael.Hurzeler@kaingaora.govt.nz
Sent: Thursday, 18 November 2021 1:24 pm
To: Felicity Thurston Felicity.Thurston@hud.govt.nz; Graeme Broderick Graeme.Broderick@kaingaora.govt.nz
Cc: Jason Haskell Jason.Haskell@hud.govt.nz
Subject: Re: Ruapehu social housing project, reconsideration for Infrastructure Reference Group funding

Hi Felicity

FTE is 50
 Execution is overdue so how should the describe
 This? It s just ASAP
 Expected first payment best estimate I can give is within 60-90 days from project commencement date

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From: Felicity Thurston Felicity.Thurston@hud.govt.nz
Sent: Thursday, November 18, 2021 1:06:10 PM
To: Rachael Hurzeler Rachael.Hurzeler@kaingaora.govt.nz; Graeme Broderick Graeme.Broderick@kaingaora.govt.nz
Cc: Jason Haskell Jason.Haskell@hud.govt.nz
Subject: RE: Ruapehu social housing project, reconsideration for Infrastructure Reference Group funding

Hi both

I need to fill in this table as part of the main IRG brief. Currently a few gaps, I cant seem to find the specific detail in what you sent through. Are you able to update this for me? Have highlighted bits I cant seem to find

| Project name | Project owner | Project total capex (\$m) | Govt funding (\$m) | FTE annualised | Date of expected execution | Date of expected project start | Date of expected first payment | Completion date | project description |
|--------------------------------|--------------------------------|---------------------------|--------------------|----------------|----------------------------|--------------------------------|--------------------------------|-----------------|---|
| Ruapehu Social Housing Project | Ruapehu District Council (RDC) | 16.4 | 5.2 | | | 1 December 2022 | | 30 June 2024 | A \$5.2 million funding grant to Ruapehu District Council to deliver the Ruapehu Social Housing Project at Tei Tei Drive, Ohakune Funding to enable land development and provide 44 individual, serviced and ready to be built on lots |
| Total | | | | | | | | | |

Thanks
 Felicity

[UNCLASSIFIED]

From: Rachael Hurzeler Rachael.Hurzeler@kaingaora.govt.nz
Sent: Thursday, 18 November 2021 11:37 am
To: Graeme Broderick Graeme.Broderick@kaingaora.govt.nz; Felicity Thurston Felicity.Thurston@hud.govt.nz
Cc: Jason Haskell Jason.Haskell@hud.govt.nz
Subject: Re: Ruapehu social housing project, reconsideration for Infrastructure Reference Group funding

Hi Felicity

Please find attached our finalised CIP Project Schedule Report for Community Housing Project at Tei Tei Drive Ohakune. Project Ref no. Q1282. Funding Applicant being Ruapehu District Council.

Please note this is not dated as I wasn't sure if you wanted date to be consistent with reporting you are collating your side. Please date this on our behalf.

If you require anything further please don't hesitate to contact either Graeme or myself.

Regards

Rachael Hurzeler

Director Business Development
Chief Commercial Office
Commercial Group

Mobile: s9(2)(a)
Email: rachael.hurzeler@kaingaora.govt.nz

Kāinga Ora - Homes and Communities
Catalina Workshops- 3 Boundary Road, Hobsonville, Auckland 0618
PO BOX 84143 Westgate Auckland 0616 | New Zealand Government | www.kaingaora.govt.nz

From: Graeme Broderick Graeme.Broderick@kaingaora.govt.nz
Sent: Thursday, 7 October 2021 3:26 PM
To: Felicity Thurston Felicity.Thurston@hud.govt.nz
Cc: Jason Haskell Jason.Haskell@hud.govt.nz; Rachael Hurzeler Rachael.Hurzeler@kaingaora.govt.nz
Subject: RE: Ruapehu social housing project, reconsideration for Infrastructure Reference Group funding

Kia ora Felicity,

I've forwarded your email to Rachael Hurzeler, Director Business Development. Rachael will pick up this piece of work and be the primary contact. I've copied Rachael in to this email.

Ngā mihi

Graeme



Graeme Broderick

Regional Director
Taranaki Whanganui Manawatu

Mobile: s9(2)(a)
Email: graeme.broderick@kaingaora.govt.nz

Freephone: 0800 801 601 | Mainline: (04) 439 3000 | Kāinga Ora - Homes and Communities
PO Box 248 Palmerston North 4440 | New Zealand Government | www.kaingaora.govt.nz



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From: Felicity Thurston Felicity.Thurston@hud.govt.nz
Sent: Thursday, 7 October 2021 10:27 AM
To: Graeme Broderick Graeme.Broderick@kaingaora.govt.nz
Cc: Jason Haskell Jason.Haskell@hud.govt.nz
Subject: RE: Ruapehu social housing project, reconsideration for Infrastructure Reference Group funding

Mōrengā Graeme

As signalled in my email last week, CIP have provided the Project schedule template that will need to be attached to the briefing that goes to IRG ministers. I don't think we have this level of detail so hoping you can fill it out and return to us? We can work on the relevant briefing content but may need to reach out to you again if we need some more information.

I know you signalled in your email someone else might be the contact person for this work going forward, so feel free to pass this email on.

Thanks
Felicity

Felicity Thurston *(she/her)*

Senior Policy Advisor | Urban Development Regulatory Tools

Place-based Policy and Programmes

felicity.thurston@hud.govt.nz Phone: s9(2)(a)





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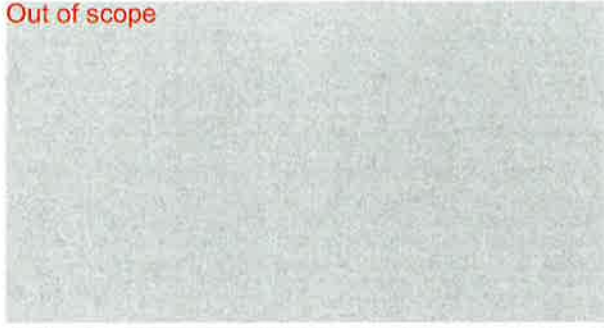
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-----Original Message-----

From: Graeme Broderick [mailto:Graeme.Broderick@kaingaora.govt.nz]

Sent: 14 December 2021 12:40 PM

To: Felicity Thurston [mailto:Felicity.Thurston@hud.govt.nz], Cynthia Ward [mailto:Cynthia.Ward@kaingaora.govt.nz]

Subject: RE: Approval of Ruapehu funding proposal

That's great news.

Thank you Felicity.

Graeme



Graeme Broderick

Regional Director
Taranaki Whanganui Manawatu

Mobile: s9(2)(a)

Email: graeme.broderick@kaingaora.govt.nz

Freephone: 0800 801 601 | Mainline: (04) 439 3000 | Kāinga Ora - Homes and Communities

PO Box 248 Palmerston North 4440 | New Zealand Government |

www.kaingaora.govt.nz



From: Felicity Thurston
Sent: Tuesday, 14 December 2021 11:26 AM
To: Cynthia Ward ; Graeme Broderick
Subject: Approval of Ruapehu funding proposal

Kia ora

Just letting you both know that IRG Ministers have approved the Ruapehu proposal. I am now just waiting to get confirmation from CIP about what the next steps on the process are.

Once I hear back from them, I will be in touch again with next steps.

Thanks
Felicity

Felicity Thurston ([she/her](#))
Senior Policy Advisor | Urban Development Regulatory Tools
Place-based Policy and Programmes
felicity.thurston@hud.govt.nz Phone: **s9(2)(a)**
www.hud.govt.nz Level 8, 7WQ, 7 Waterloo Quay, Wellington 6011

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-----Original Message-----

From: Cynthia Ward [mailto:Cynthia.Ward@kaingaora.govt.nz]

Sent: 15 December 2021 8:31 AM

To: Felicity Thurston [mailto:Felicity.Thurston@hud.govt.nz]

Subject: RE: Approval of Ruapehu funding proposal

Kia ora Felicity,

Thank you for getting back to me with this advice. Exciting news for the Council and the community!

In my view, and from what I've heard about CIP implementation, it would be good to have a briefing for the parties, as it's quite an involved process - particularly the start-up phase.

Looking forward to your follow up advice on the next steps.

Thanks and regards

Cynthia

From: Felicity Thurston

Sent: Tuesday, 14 December 2021 11:26 AM

To: Cynthia Ward, Graeme Broderick

Subject: Approval of Ruapehu funding proposal

Kia ora

Just letting you both know that IRG Ministers have approved the Ruapehu proposal. I am now just waiting to get confirmation from CIP about what the next steps on the process are.

Once I hear back from them, I will be in touch again with next steps.

Thanks

Felicity

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Felicity Thurston ([she/her](#))

Senior Policy Advisor : Urban Development Regulatory Tools

Place-based Policy and Programmes

felicity.thurston@hud.govt.nz Phone: s9(2)(a)

www.hud.govt.nz Level 8, 7WQ, 7 Waterloo Quay, Wellington 6011

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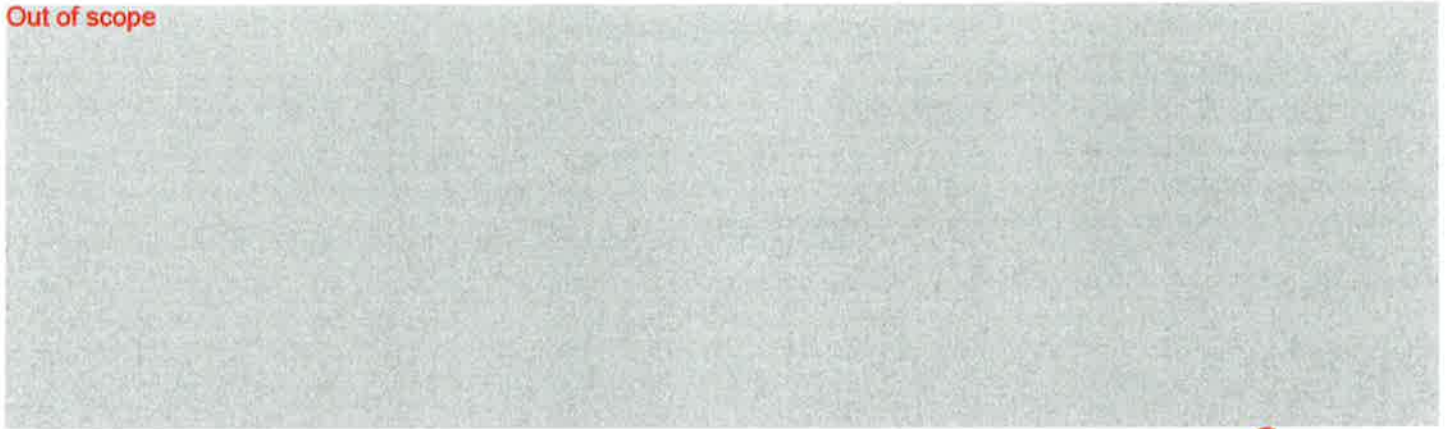
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-----Original Message-----

From: Felicity Thurston [mailto:Felicity.Thurston@hud.govt.nz]

Sent: 16 December 2021 8:38 AM

To: Nirav Amin [mailto:Nirav.Amin@kaingaora.govt.nz], Jason Chan [mailto:Jason.Chan@hud.govt.nz]

Subject: RE: Kāinga Ora / CIP / MHUD Shovel Ready Meeting

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Hi Nirav and Jason

Just following up on Nick's email from yesterday.

Is it at this stage that this passes on to you to move forward? Haven't been involved in an IRG project before so not sure what the process is.

Nirav I have been working with Cynthia Ward and Graeme Broderick on this from Kainga Ora. Not sure if they have been in touch with you?

Let me know what next steps are and how I can help going forward.

Thanks
Felicity

Felicity Thurston (she/her)
Senior Policy Advisor - Urban Development Regulatory Tools
Place-based Policy and Programmes
felicity.thurston@hud.govt.nz | Phone: s9(2)(a)
www.hud.govt.nz | Level 8, 7WQ, 7 Waterloo Quay, Wellington 6011



From: Nick Manning (Crown Infrastructure)
Sent: Wednesday, 15 December 2021 5:59 pm
To: Nirav Amin ; Jason Chan
Cc: Felicity Thurston
Subject: RE: Kāinga Ora / CIP / MHUD Shovel Ready Meeting

Hi Nirav and Jason

Hope you're well.

Just on tomorrow's meeting, I need to bring Jeremy Holman along as he's our GM Infrastructure Delivery and manages CIP's projects plus an eye across all projects – however he's not available. Could we bounce this to the new year – perhaps the week of 24 January (from 25 Jan)?

The only thing from our end is to note the new project KO and MHUD had approved in the recent briefing to IRG Ministers – recommendations which were agreed to below:

Te Tūāpapa Kura Kāinga and Kāinga Ora project

1. **Note** that Te Tūāpapa Kura Kāinga (MHUD) and Kāinga Ora recommend that IRG Ministers approve recommendations 46– 49;

Noted

Ohakune Social Housing project approval

2. **Note** that the Ruapehu Social Housing Project (as it was originally submitted in July 2020) was originally assigned to CIP as the IRG agency responsible for delivery, in approval briefing tranche 10. However, in December 2020, MHUD and Kāinga Ora considered a rescoped, smaller proposal for six social housing units in Ohakune as there was no committed party to construct houses on the Ohakune subdivision component of the project;

Noted

3. **Note** that the initial proposal has since been revisited as Kāinga Ora has now committed to build/underwrite 44 social/affordable housing units on the Ohakune subdivision site. The rescoped proposal is for a multistage development on 9.5ha of residentially zoned, Ruapehu District Council-owned land in Ohakune. Funding and implementation of the project are being transferred from CIP to MHUD and Kāinga Ora respectively. This could deliver roughly 200 sections and is being called the Ohakune Social Housing project;

Noted

4. **Agree** to approve the release of \$5.2m of Crown funds to MHUD and Kāinga Ora as a grant for the delivery of the Ohakune Social Housing Project;

Agree / Disagree

5. **Note** that the changes to appropriations to give effect to a decision will be confirmed in a subsequent Treasury Report;

Noted

We've been working with Felicity Thurston (copied) to get this new project approved – Felicity it might be good to speak with Jason or Nirav as they are across the processes. I owe you an email Felicity on next steps, and will respond today or tomorrow.

Kind regards
Nick

Nick Manning
GM Government and Industry Affairs | Crown Infrastructure Partners
Level 10 | HSBC Tower | 188 Quay Street | Auckland
PO Box 105321 | Auckland 1143
Mob s9(2)(a)

Infrastructure for Aotearoa
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-----Original Appointment-----

From: Nirav Amin Nirav.Amin@kaingaora.govt.nz>

Sent: Thursday, 12 August 2021 11:00 am

To: Nirav Amin; Nirav Amin; Nirav Amin; Ritashna Maharaj-Chand; Nick Manning (Crown Infrastructure); Teo McArthur (Crown Infrastructure); Jason Chan; Marc Lorentzen

Subject: Kāinga Ora / CIP / MHUD Shovel Ready Meeting

When: Thursday, 16 December 2021 1:00 pm-2:00 pm (UTC+12:00) Auckland, Wellington

Where: Microsoft Teams Meeting

Hi All – Alligning this meeting so it occurs after the monthly reports are issued. Thanks!

Shovel Ready Kāinga Ora / CIP / MHUD Bi-monthly meeting

General Catchup on Bundle Progress, any key risk/issues & opportunities etc.

Cheers

Microsoft Teams meeting

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