



RE: CE report content - Teitei Drive, Ohakune Development

Sent: 15 March 2024 12:21 PM

From: Aileen Maniti

To: Tiana Mioceвич; Iain Duncan; Tamsyn McDonald;

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Hi Iain,

The board was provided a briefing note on 23rd Feb, same as what was provided with the minister.

My comments in red below, should it is still be relevant. I was on leave since Wednesday afternoon.

Regards,
Aileen

From: Iain Duncan <Iain.Duncan@kaingaora.govt.nz>
Sent: Wednesday, March 13, 2024 3:17 PM
To: Tiana Mioceovich <Tiana.Mioceovich@kaingaora.govt.nz>; Aileen Maniti <Aileen.Maniti@kaingaora.govt.nz>;
Tamsyn McDonald <Tamsyn.McDonald@kaingaora.govt.nz>
Subject: FW: CE report content - Teitei Drive, Ohakune Development

Good afternoon all.

Sophie has asked me if it is appropriate if she add in a section around Ohakune into this months CE report to the Board? What exposure have they had to it to date and should this be something we put into the board report?

Thoughts?

Iain

From: Sophie Costello <Sophie.Costello@kaingaora.govt.nz>
Sent: Wednesday, March 13, 2024 3:03 PM
To: Iain Duncan <Iain.Duncan@kaingaora.govt.nz>
Subject: CE report content - Teitei Drive, Ohakune Development

Hello,

I was looking through the Minister weekly report for stuff to add into the Board's report and stumbled across the update on Teitei Drive, Ohakune Development – do you think that's ok to go into the CE's report/have they (the Board) already had an update on this?

Update on Teitei Drive, Ohakune Development

1. The updated masterplan for the mixed-housing development at Teitei Drive in Ohakune was finalised in December and the associated costs have now been updated.
2. It has been established that the land development costs are higher than was originally anticipated and as such, the \$5.2 million that has been allocated by the Crown Infrastructure Partnership (CIP) is no longer sufficient to complete the project as currently scoped.
3. This, combined with current economic and market pressures, has meant that the project is not financially viable for Kainga Ora, and we would be unable to deliver on the affordable housing outcomes.
4. We have considered multiple options, but none work with the allocated funding. Kāinga Ora is not able to provide funding above that which would be incurred in its normal residential social housing redevelopment activity.
5. Therefore, we will not be able to proceed as the master developer, as per the sales and development agreement signed between Ruapehu District Council (RDC) and Kāinga Ora.

6. However, we will continue to support RDC as a partner should they choose to proceed with the project.
7. We are proposing to offer:
 - a) to remain on the project as development managers, ensuring the council has access to the required expertise and as delivery agent of the \$5.2million CIP funding.
 - b) to pre-purchase the 15 lots allocated for public housing to help fund the project.
 - c) to deliver the 15 public homes.
8. Through recent engagement with the community, we had indicated that we would be lodging a resource consent for enabling works on the site in February. Given the current position, we will no longer be submitting this application. We have also notified RDC and Horizons to withdraw the resource consents that were lodged in 2023.
9. We have informed RDC of Kāinga Ora's position on 27th February. A formal email was sent on 5th March.
10. We remain committed to working closely with Ruapehu District Council and Ngāi Rangi to explore opportunities to deliver affordable housing, as together we recognise the need for housing in Ruapehu District.

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