

Out of Scope

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From: Renee Regal
Sent: Wednesday, February 28, 2024 9:14 AM
To: Clive Manley <xxxxx.xxxxxx@xxxxxxxxxx.xxxx.xx>
Subject: Key messages, letter and FAQ's

Morena Clive

As mentioned, we will be updating the community at 10am with the attached letter.

Please see a copy of the letter and FAQ's. We will load this on our website just after 10am.

Below are our key messages.

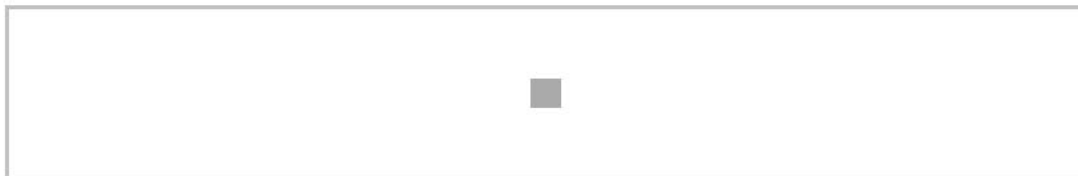
- Kainga Ora - Homes and Communities is withdrawing as the developer of the proposed

mixed housing development in Teitei Drive in Ohakune. As we have progressed further through detailed design and planning phases, it has become clear that the CIP funding will not be sufficient to complete the project as it was originally proposed three years ago. 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.

- The Teitei Drive development was initially scoped in 2021. As we have progressed further through the design phase, more detailed information has become available about the rising cost of development.
- Costs facing housing builders and developers across the country have risen significantly since this project was initially proposed by Ruapehu District Council in 2021. In addition, our ability to deliver affordable housing outcomes has become increasingly challenging.
- With rising housing construction and infrastructure costs affecting the entire industry, particularly over last three years, it's important that Kāinga Ora is fiscally responsible and disciplined in its decision making.
- Initial planning and design work undertaken last year identified that the \$5.2 million allocated by the Crown Infrastructure Partners for land development wasn't sufficient to cover all the costs of the work and that Kainga Ora would be responsible for any shortfall.
- Because of these factors, Kāinga Ora is not in a position to commit the additional funding to pay for the land development and will no longer be proceeding with the project.
- As such, we will not be submitting a resource consent for enabling works as we had previously signalled.
- We understand that our decision will be disappointing for those in need of housing, but we are committed to working with our partners and stakeholders to explore opportunities to bring public and affordable housing to the region, where we know there is a real need.

Feel free to call me if you have any questions

Ngā mihi



Renée Regal

Kaiwhakahaere Hononga Hapori
Manager - Community Engagement
and Partnerships

Phone :

9(2)(a)

Email:

Renee.Regal@kaingaora.govt.nz

Te Tai Hauāuru
Taranaki Whanganui Manawatu

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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28 February 2024

Update on proposed Teitei Drive development

Kia ora,

We are writing to you to provide an update about the proposed mixed housing development of 44 homes at Teitei Drive in Ohakune. This development is a partnership between Ruapehu District Council, Kāinga Ora – Homes and Communities and Ngāti Rangī.

As the Teitei Drive development has progressed through detailed design and planning phases, it has become clear that the Crown Infrastructure Partner (CIP) funding will not be sufficient to complete the project as it was originally scoped back in 2021.

This, combined with current market pressures, has meant that the project is no longer financially viable for Kāinga Ora and we cannot deliver the affordable housing outcomes as intended.

With this in mind, and after considering multiple options, we have made the difficult decision that it is no longer feasible for Kāinga Ora to proceed with this development. As such, we will no longer be submitting a resource consent application for enabling works as previously indicated.

While it is not uncommon for the costs to rise once more detailed investigations have been undertaken, we understand that our decision will be disappointing for those in need of housing.

We remain committed to working closely with Ruapehu District Council and Ngāti Rangī to explore opportunities to deliver public and affordable housing, as together we recognise that there is a need for more housing in the Ruapehu District.

If you have any further questions, please feel free to contact:

Renee Regal – Manager Community Engagement and Partnerships Kāinga Ora

9(2)(a)

0800 801 601 (please ask to be transferred)

communities@kaingaora.govt.nz

FAQ

Q: Why has Kainga Ora decided not to proceed with the proposed development at Teitei Drive?

A: As the Teitei Drive development has progressed through the detailed design and planning phases, it has become clear that the \$5.2 million allocated by the Crown Infrastructure Partners for land development is no longer sufficient to complete the project as originally scoped in 2021.

This, combined with current economic and market pressures, has meant that the project is not financially viable for Kāinga Ora, and we would be unable to deliver the intended affordable housing outcomes.

While we have considered multiple options, it is due to these factors that we have determined it is not feasible for Kāinga Ora to proceed with the project.

Q: Why have you found out now that the costs of the proposed development are higher than initially forecast?

A: Last year, Kainga Ora identified that the land development costs were higher than when the development was originally proposed in 2021.

The proposed masterplan was subsequently reviewed and revised in an effort to reduce costs. An independent quantity surveyor completed a cost assessment at the end of January 2024 based on the latest masterplan and found there would still be significant additional costs required to complete the land development.

Q: What is happening with the resource consent application for enabling works Kāinga Ora intended to lodge in February?

A: We will not be submitting a resource consent for enabling works as we had previously signalled.

Q: What is happening with the CIP funding that was allocated to this project?

A: Given this is a very recent decision, we are still working through the terms of the funding agreement with the Crown Infrastructure Partners and our project partners.

Q: What are the next steps?

A: Kāinga Ora remains committed to working closely with Ruapehu District Council and Ngati Rangi to explore opportunities to deliver public and affordable housing, as together we recognise that the need for housing in Ruapehu District remains.

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From: Renee Regal

Sent: Wednesday, February 28, 2024 9:17 AM

To: Helen Leahy <xxxxx@xxxxxxxxxxx.xxx>

Subject: Key messages, letter and FAQ's

Morena Helen,

I hope you're well.

As per your discussion with Graeme, we will be updating the community at 10am with the attached letter and FQA's.

Below are our key messages.

- Kainga Ora - Homes and Communities is withdrawing as the developer of the proposed mixed housing development in Teitei Drive in Ohakune. As we have progressed further through detailed design and planning phases, it has become clear that the CIP funding will not be sufficient to complete the project as it was originally proposed three years ago. 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.
- The Teitei Drive development was initially scoped in 2021. As we have progressed further through the design phase, more detailed information has become available about the rising cost of development.
- Costs facing housing builders and developers across the country have risen significantly since this project was initially proposed by Ruapehu District Council in 2021. In addition, our ability to deliver affordable housing outcomes has become increasingly challenging.
- With rising housing construction and infrastructure costs affecting the entire industry, particularly over last three years, it's important that Kāinga Ora is fiscally responsible and disciplined in its decision making.
- Initial planning and design work undertaken last year identified that the \$5.2 million allocated by the Crown Infrastructure Partners for land development wasn't sufficient to cover all the costs of the work and that Kainga Ora would be responsible for any shortfall.
- Because of these factors, Kāinga Ora is not in a position to commit the additional funding to pay for the land development and will no longer be proceeding with the project.
- As such, we will not be submitting a resource consent for enabling works as we had previously signalled.
- We understand that our decision will be disappointing for those in need of housing, but we are committed to working with our partners and stakeholders to explore opportunities to bring public and affordable housing to the region, where we know there is a real need.

Feel free to call me if you have any questions

Ngā mihi



Renée Regal

Kaiwhakahaere Hononga Hapori

Phone : 9(2)(a)

Manager - Community Engagement
and Partnerships

Email: xxxxx.xxxxx@xxxxxxxxx.xxxx.xx

Te Tai Hauāuru
Taranaki Whanganui Manawatu

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From: [Graeme Broderick](#)
To: [Helen Leahy](#); [Hayden Potaka](#)
Subject: Re: Reneging on TeiTei Drive a big step backwards says Ngati Rangi
Date: Wednesday, 28 February 2024 4:42:36 PM
Attachments: [image001.png](#)

Kia Ora Helen,

Thanks for sending this to us.

As we discussed this morning, we know the housing issues have not gone away and we are committed to working with Council and Ngati Rangi to identify other options to address this need.

Nga mihi

Graeme

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From: Helen Leahy <xxxxx@xxxxxxxxxxx.xxx>
Sent: Wednesday, February 28, 2024 2:20:12 PM
To: Graeme Broderick <xxxxxx.xxxxxxxxx@xxxxxxxxxxx.xxx.xx>; Hayden Potaka <xxxxxxxx.xxxxxx@xxxxxxxxxxx.xxx.xx>
Subject: Reneging on TeiTei Drive a big step backwards says Ngāti Rangi

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Reneging on TeiTei Drive a big step backwards says Ngāti Rangi

The decision by Kainga Ora and Ruapehu District Council to withdraw from the TeiTei Drive development is a major set-back for our local community says Ngāti Rangi Pou Ārahi, Helen Leahy.

“It is a basic human right to live in adequate housing. We have too many families across our region in dire housing need; in emergency housing; couch-surfing, living in sheds; families forced to live together in over-crowded conditions.

“Ngāti Rangi has set a vision for its people to vibrantly exist in 1000 years. The concept of a 100 day plan to address decades of state neglect is shortsighted in comparison. We know that housing directly relates to all aspects of wellbeing for a whānau.

The Council’s own portal, Pūwhenua ki Ruapehu, describes some of the complexity of the local housing market. The portal states the quality of housing in Raetihi was, in many cases, thought to be poor with substandard insulation and heating; while in Ohakune,

“There are houses on the market but they aren’t affordable. In the past three years it’s changed. Almost 70% of our houses are absentee owners. If we didn’t have them we’d be dead because they pay the rates. But for the locals, because there’s pressure from the tourists, the price goes up. So affordability is a problem, not for some people, but for the real people. The first home buyers, the residents”.

As a result of the poor state of housing, our most vulnerable, our babies and our elderly, are over-represented in hospitalisation rates in the region. Respiratory illness and infectious disease thrives in homes that are not healthy to live in.

“Asthma is huge. Mainly children. Because the homes aren’t healthy. They’re not insulated properly. But it’s well known that in this region asthma is one of the highest, in the Waimarino area”.

“Nga Waihua o Paerangi is aware of over thirty local whānau that are in dire need of safe, warm and healthy homes. The announcement today, axing the project to build 44 new houses in our region, is a major setback for Ngāti Rangī and the wider community.

“This decision, along with the rushed legislative passage to quash Te Aka Whai Ora – an agency that has supported Ngāti Rangī with opportunities to directly support our community (Whiria Nga Hua) – is devastating. We reflect on the hundreds of hours spent in community engagement, in design and development meetings, in cultural and environmental planning, in working together with our whānau to respond to their aspirations. We will be writing to respective Ministers to let them know of the adverse impacts that their 100 Day Plan is already having within our community”

“In order to see the change we need, we are dedicated to growing and nurturing the potential of our uri and our communities to vibrantly exist 1000 years from now. That doesn’t stop, no matter what else is going on”.

NGĀTI RANGI PRINCIPLES

Ko te Kāhui Maunga te mātāpuna o te ora

We understand that the Kāhui Maunga is the source of our origin and well-being of Ngāti Rangī

Me karioi te noho

We understand that we, as Ngāti Rangī, are here forever

Kia mana ai ngā kōrero tuku iho

We understand that the teachings of our tupuna are upheld

Ko te anga whakamua ki āpōpō

We understand that decisions must be future focused

Background

TeiTei Drive was a project to build 44 homes in a mixed housing development, which includes 14 homes for workers to rent long-term, 15 affordable homes and 15 public homes. Ruapehu District Council partnered with Kāinga Ora and Ngāti Rangī to enable the development of residentially-zoned vacant land at Teitei Drive in Ohakune.

Media Spokesperson:

Chairperson, Te Tōtarahoe o Paerangi

Whetu Moataane; ph 9(2)(a)

Helen Leahy

Pou Ārahi / Chief Executive

Ngā Waihua o Paerangi Trust

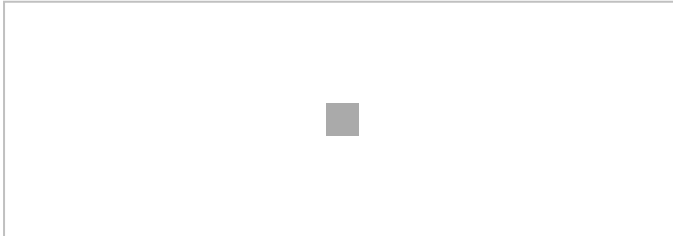
(formerly Ngāti Rangī Trust)

Phone: 9(2)(a)

Te Pae Tata
43a Ruapehu Rd
PO BOX 195
Ohakune 4625

Email: xxxxx@xxxxxxxxxxx.xxx
Web: www.ngatirangi.com

KĀKĀ TE WHARE TOKA O PAERANGI KĀKĀ HOKI KO AU
I am the eternal flame of the House of Stone of Paerangi



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From: [Clive Manley](#)
To: [Marin Surgenor](#)
Cc: [Aileen Maniti](#); [Graeme Broderick](#); [Melissa Jackson](#); [Sharon Robinson](#); [Katrina Wilson](#); [Info; ree@reeanderson.co.nz](#)
Subject: RE: Teitei Drive, Ohakune - Sale and Development Agreement
Date: Wednesday, 6 March 2024 3:23:06 PM

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Kia ora Martin,

Thank you for formally advising us of the Teitei Drive decision.

Council has yet to formally consider how it moves forward on meeting housing needs in the District, so we are not in a position to respond to your offer of 15 public houses in Teitei Drive at this time.

However, to assist in our planning I would be interested to know that if council found other land would the offer of 15 public houses still be on offer please?

Nga mihi
Clive

From: Marin Surgenor <Marin.Surgenor@kaingaora.govt.nz>
Sent: Tuesday, March 5, 2024 12:13 PM
To: Clive Manley <Clive.Manley@ruapehudc.govt.nz>
Cc: Aileen Maniti <Aileen.Maniti@kaingaora.govt.nz>; Graeme Broderick <Graeme.Broderick@kaingaora.govt.nz>; Melissa Jackson <Melissa.Jackson@ruapehudc.govt.nz>; Sharon Robinson <Sharon.Robinson@ruapehudc.govt.nz>; Katrina Wilson <Katrina.Wilson@kaingaora.govt.nz>
Subject: RE: Teitei Drive, Ohakune - Sale and Development Agreement

Warning: This email is from an External Sender. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Dear Clive

I refer to the Sale and Development Agreement between Ruapehu District Council and Housing New Zealand Build Limited dated 4 April 2023.

I am instructed that the HNZ Build Approval Condition in clause 2.1(b) is not satisfied. Accordingly, the agreement is now at an end.

I am also instructed that Kāinga Ora is willing to continue as a development manager for the Teitei Drive, Ohakune project and as a public housing build partner. In this capacity, Kāinga Ora is willing to pre-purchase up to 15 homes for public housing in this development.

If you wish to discuss this matter further, please contact Graeme Broderick or Aileen Maniti.

Ngā mihi
Marin

Marin Surgenor (he/him)

Senior Legal Counsel – Property
People, Governance and Capability
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