



# RUAPEHU DISTRICT COUNCIL

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26 October 2023

Barry Murphy

[fyi-request-24046-15c15186@requests.fyi.org.nz](mailto:fyi-request-24046-15c15186@requests.fyi.org.nz)

Dear Barry

## OFFICIAL INFORMATION REQUEST

I refer to your official information request dated 5 September 2023 for the agreement related to Teitei Drive, and the terms surrounding it; this is for the sale of gifting of the land to Kainga ora.

We apologise for the lateness in responding to your request. The requested information is enclosed.

*The original CIP application for housing support for Ruapehu stated that council would offer land at no cost as its local share for the development, CIP would provide the funding for infrastructure costs, and a CHP would provide the funding for the houses.*

*CIP subsequently modified the proposal with CIP providing funding direct to Kainga Ora but with the requirement that Kanga Ora should work with RDC and Ngati Rangī on its development*

*Kainga Ora, as the developer, would cover any escalation in costs*

*As part of the due diligence process between CIP and Kainga Ora, some of the council costs were not going to be covered by the CIP funding. To overcome that issue, discussions occurred which resulted in formulation of an intention by the Council to sell land for 44 lots to Kainga Ora to cover the shortfall in Council's costs, rather than being contributed by Council at no cost as part of the Council's local share for the funding of the project. This was not tied to the value of the land, but more to the anticipated Council costs which CIP would not fund. Negotiations then occurred in that respect which resulted in the Sale and Development Agreement being signed on 4 April 2023.*

*This approach supports Council's Public and Affordable Asset and Tenancy Management Strategy that was publicly consulted on in September 2020. The Strategy stated that it would not be Council's policy to undertake speculative development or housing risk. Council would work with other*

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*organisations on collaborative delivery of new housing by activating and unlocking the residual value of Council land holdings. Council would utilise Government funding to provide housing ready subdivisions on which other will build.*

*The sale of the land was accepted by CIP as the Council's local share, that enabled the drawdown of CIP funding. Additionally, Council did receive \$300,000 to cover consultants' costs.*

You have the right to seek an investigation and review by the Ombudsman of this decision. Information about how to make a complaint is available at [www.ombudsman.parliament.nz](http://www.ombudsman.parliament.nz) or freephone 0800 802 602.

If you wish to discuss this decision with us, please feel free to contact [details of contact person].

Yours sincerely

Maggie Flonk  
**MANAGER, INFORMATION MANAGEMENT**  
mf:tt