

13 September 2023

The CEO
Ruapehu District Council
Taumaranui

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For: Clive Manley/TeRina Tauranga/Warrick Zander/Tesse Owen

Teitei Drive Ohakune – Concerns from residents of Snowmass and Rocky Mountain Chalets and Resource Consent Applications (x2)

1. On 28 July 2023 I sent an email to Mr Zander which was as follows:

Thank you again for your prompt reply to my correspondence. My clients and I do appreciate it. I have circulated and discussed your response. Could you please provide the following information:

- a. *A copy of the written report as to the special circumstances application to extend the processing time.*
- b. *A copy of the letter to the applicant requesting further information (S.92 notice?).*
- c. *A list of those persons presents at the meeting that the CE attended.*

It would be appreciated if this information could be provided before Thursday, 31 August 2023. Please let me know if there will be a delay.

2. I have received a response to that email but the response on 4 September 2023 did not provide a copy of the written report as to the special circumstances. I also wish to know whether it was Mr Eccles who made the decision or someone else in Council.
3. I have received the copy of the section 92 notice issued on 21 August 2023. Under section 92A the applicant had 15 working days to advise which option under 92A(1)(a) – (c) the applicant is taking. I note that the 15 working days expired on 11 September 2023. Please advise what option the applicant elected and if it was option (b) what date the Council has set for the information to be provided.
4. I have now viewed the Facebook feed of the public meeting held in Ohakune on 31 August 2023. During the meeting the Chief Executive Mr Manley made a number of statements and as a result the following questions are now asked:
 - a. What date was the contract with Housing New Zealand Build Limited (NZBL) signed and under what authority did the Chief Executive sign?
 - b. When did Councillors receive a briefing on the “deal/agreement” with NZBL and what date was a resolution passed approving the deal/agreement?
 - c. As the contract is a sale of a super lot, it is conditional and requires a subdivision of the super-lot from the land owned by Council. When is that subdivision to be applied for – as the contract requires?



- d. Was the sale at a market valuation as confirmed to Council by a registered valuer?
 - e. Did Council consult with ratepayers with respect to the sale as required under the Local Government Act 2002 (sections 78 and 79) and if so, when?
 - f. Did Council consult with any other Councils as to their experience in approving a similar development in association with KO or its subsidiary? (It is noted that media coverage has reported on concerns in other Council areas where development proposed, and in some cases, development scaled back and in others cancelled).
 - g. As RDC is a joint applicant has the proposed subdivision plan been considered by Councillors and if so, when?
 - h. Were Councillors advised in writing as to the proposed sizes of sections and if so when and what was the advice?
 - i. Why did Councillors consider that it was appropriate to develop sections contrary to the operative district plan policy and minimum standards for the area created to accord with that policy.
 - j. Why are the designs of houses or duplexes including levels not part of the applications filed? The reason for this question is that once a subdivision is approved that breaches of side yards and height to boundary rules can be consented to for internal boundaries by the owner and must not be considered an “effect”
 - k. Was the delay in further applications and the minimisation of effects as set out in question j. above pointed out in any briefing to Councillors?
5. An article in the Ruapehu Bulletin dated 6 September has also been brought to my attention. It is headed “Petitioners oppose Tei Tei Drive Plan. The article is on pages 1, 3 and 12. I note that the article quotes responses from Mr Manley. Of particular interest is the statement that “Council and KO have requested to publicly notify”. Given that the application as lodged did not request notification please advise when the Council and KO decided to publicly notify, who made the decision for the Council and provide a copy of the request to notify.
6. My clients have received a response from CIF after making an OIA request. The response has provided some much-needed background information but has also allowed me to now make some targeted requests as follows:
- a. On Thursday 23 July 2020 at 8.41pm CIF emailed the CE at RDC advising that Ministers had agreed in principle to support the project referenced as Social and affordable (key worker) housing for Ruapehu District. Please provide a copy of this email and its attachments.
 - b. The email requested “what arrangements are in place to fund the difference between the total project costs and the amount of government funding and evidence that this co-funding is available”. Please provide a copy of the response made by RDC to these requests.

- c. Please advise who signed the funding document in relation to the \$2.4m grant for 6 units in Ohakune.
- d. The draft agreement appears to provide for monthly and/or quarterly reporting – Please provide copies of the reports filed.
- e. On 19 January 2021 Ministers Parker, Robertson and Woods approvals were given to an amended scope application. Please provide a copy of any and all communications (letters/emails/notes of phone calls) to RDC leading up to the change of scope and also the documents that record(s) the approvals given.
- f. When was the funding for the 6 Council social housing units in Ohakune finally approved?
- g. Please provide a copy of the approval letter above in 6f. and the final agreement signed with CIF as the figures are now in the public domain.
- h. Please detail each of the drawdown amounts and the total final cost of this project (excluding land value).
- i. On 29 April 2021 a briefing was sent to the three ministers (Parker, Robertson, and Wood) requesting agreement to a new funding arrangement for the 6-council social housing cost at \$2.405m in the form of a grant. This was peer reviewed by BECA. Please provide a copy of the Beca report on the costings/project budget.
- j. A report as of April 2020 (this date may be incorrect as the report refers to actions in December 2020) the Ministers were advised that MHUD and KO had become involved. Please advise when CIF was made aware by RDC that MHUD and KO were consulted by Council and provide a copy of that advice.
- k. Please provide a copy of the letter sent by RDC and signed by the CE to the each of IRG ministers to express concern that the original scope had not been supported by CIP.
- l. On 1 December 2021 the Ministers were briefed as to release of funds. This sought approval to release \$5.2m for the MHUD and KO Ohakune project. KO had revisited the project and was now “committed to build/underwrite 44 social/affordable housing units at Ohakune which also referenced up to 200 sections and is being called “The Ohakune Social Housing Project”. Please advise when the Ruapehu District Council received this advice, approved the name of the new project, and committed to proceed with the project. Please provide copies of all associated correspondence.
- m. In a further report to Ministers covering project risks it is stated that Ruapehu District Council will need to dispose of long-term rental stock (14 in one line) and that bulk and location studies had not been prepared. What is meant by “14 in one line” and provide an explanation of why RDC having to dispose of its long-term rental stock.

- n. Who advised Ministers or KO or MHUD “that the subdivision consent should be straight forward as it relates to a permitted activity”? Please provide a copy of that advice.
- o. Is the agreement with KO that they will acquire 44 fully serviced lots once RDC has utilised the funding to put in the infrastructure size in place for up to 200 lots ie., the network services sizing is front-loading. Is this correct and does RDC have responsibility for any over-run-in costs? If so, what provision has been made to cover such shortfall?
- p. How does the statement about RDC utilising the funding marry-up with the sale and purchase agreement signed with Housing New Zealand Build Limited, namely the funding is allocated to HNZ Build Limited and not RDC. Please provide an explanation.
- q. Is the land being made available to the project “at cost” and if so, how was that cost determined ie. What amount is Council to get to put back into housing as the policy requires? Will KO/HNZ Build Limited be paying any money to RDC for the transfer of the 44 lots?
- r. Ministers were advised that the total project cost was \$16.4m comprising \$5.2m of land development costs (funded by a grant) and \$11.2m being construction costs for 44 units (without margins). This analysis equates to \$254,545.50 per unit equivalent for each build. Given the Council experience in building the units at Moore Street cost approximately \$400,000 each what analysis was done to justify the anticipated construction costs some 3 years later? If an analysis was done, please provide a copy.
- s. There is an estimate that the number of Full Time Equivalent (FTE) jobs will be 50 for the project and that this will permeate through the district. Has the Council committed to only employ local contractors for the civil works or is it expected that outside contractors be required? Please provide a copy of the analysis that showed the creation of 50 FTE’s.
- t. In an answer to a parliamentary question KO advised that only 49% of the project cost comes under infrastructure for the 44-section development. Is this answer correct and if so, please provide the budget for this.
- u. Please provide a copy of the site development feasibility report authored by Cheal Consultants Ltd in December 2020.
- v. Ministers were assured following enquiry that “The land development is mostly funded by the CIP funding grant. RDC will fund all over costs to complete subdivision site works and infrastructure services (Road and 3 Waters) and deliver 44 lots to KO to purchase. Is this correct?
- w. Please provide a copy of the PWC Real estate Advisory advice/report.



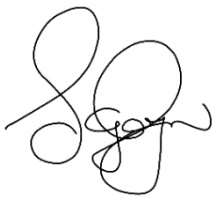
- x. Was the size and typology of the 44 units proposed informed by the composition of the households represented on the social housing waiting lists and if so, please provide a copy of the information relied upon.
- y. Ministers were advised that “RDC and/or their agents are responsible for planning design and installation of roading and three waters infrastructure for this subdivision. Was this advice correct then and is it still correct?
- z. Is it a key term of the agreement that “Project will commence on time and within 12 months of 18 November 2021 or approval, and can this deadline be met?
 - aa. Is it currently correct that the cost estimates include:
 - a. \$125,000 for Design and Planning
 - b. \$370,000 for land use and resource consents
 - c. \$350,000 for design and drawing AND
 - d. \$450,000 for Tendering and awarding Civil Works contracts.Total \$1,295,000?
 - ab. Do the costs referred to in 6aa. all come out of the grant of \$5.2m leaving \$3,905,000 for actual civil works and infrastructure for the site development? It seems clear that there could be quite a shortfall.
- 7. Please provide a copy of the agreement signed by RDC relating to the \$5.2m grant approved by Ministers.
- 8. For this \$5.2m grant has there been any monthly and/or quarterly reports filed? If so, please provide copies.
- 9. My clients have also seen two capital payments approved by Council that are recorded as relating to Teitei Drive. One is for \$15,000 and the other for \$3,000. What were these payments for?
- 10. I accept there are many requests, however most of the questions and requests for further information are specifically targeted and should easily dealt with.
- 11. I am happy to have the easy responses sent to me by email once available and to not wait the full 20 working days for response in one batch.
- 12. It is important to record that I am making these requests on behalf of a large number of concerned residents that I represent who are anxious to ensure that that the information is provided in a manner that is timely.
- 13. My clients are quite concerned with the slippage that has already occurred following my earlier LGOIMA request made (after extensions) which was due to be released to me yesterday. I have not received the documents or any explanation for delay. I note again that some of the requests were urgent, and reasons were provided as to why the request for that



information was made on an urgent basis. Nevertheless, there has been a breach and that breach must be rectified immediately.

14. The outstanding LGOIMA request must be complied with this week. If RDC is unable to facilitate this information, please call me without delay as I have been requested to advise on the options available to my clients later this week. I would like report positively that there has been compliance with my earlier request and focus on reviewing the contents of the information provided by RDC and determine how to facilitate the provision of any information that has not been received under that request.

Yours Faithfully
BYTALUS LEGAL



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