

<b>Decision released from confidential session</b>			
<b>Recommendation from (agenda report)</b>	<b>Date of meeting</b>	<b>Recommendation to (decision-making meeting)</b>	<b>Date of meeting</b>
		Council	22 September 2022
<b>Report Title and number</b>			
Infrastructure Acceleration Fund and Housing Outcomes Agreements for - Bridge Street Linear Active Transport Corridor and - Rutherford/Achilles Social and Affordable Housing Development (R27069)			
<b>Documents released</b>			
Report (R27069), decision (CL/2022/230) and attachments (336940202-2645 and 336940202-2646)			
<b>Decision</b>			
Resolved <i>That the Council</i> <ol style="list-style-type: none"> <li>1. <i><u>Receives</u> the report Infrastructure Acceleration Fund and Housing Outcomes Agreements for                - Bridge Street Linear Active Transport Corridor and                - Rutherford/Achilles Social and Affordable Housing Development (R27069) and its attachments (336940202-2645 and 336940202-2646); and</i></li> <li>2. <i><u>Notes</u> the IAF Funding Agreement is subject to an LTP amendment and this matter will be brought to the new Council (if required by a future assessment against Councils Significance and Engagement Policy); and</i></li> <li>3. <i><u>Notes</u> that the revised estimates of the Bridge Street Linear Active Transport Corridor of August 2022 indicate the project</i></li> </ol>			

*requires additional funding (estimated at \$6 Million uninflated); and*

4. *Notes that in accordance with revised inflation figures the project budget shortfall could be within the range of \$9 Million to \$12 Million depending on future inflation percentages adopted by Council; and*
5. *Approves the signing of the Housing Outcomes Agreement Attachment 1 (336940202-2646) with Housing NZ Build Limited (the developer) and Kāinga Ora – Homes and Communities (the IAF funder) acting on behalf of the Crown for the Rutherford/Achilles social and affordable housing development; and*
6. *Approves the signing of the IAF Funding Agreement Attachment 2 (336940202-2645) with Kāinga Ora – Homes and Communities, acting on behalf of the Crown Infrastructure Acceleration Fund (IAF) for the Bridge Street Linear Active Transport Corridor; and*
7. *Delegates to the Mayor and Chief Executive the signing of the Housing Outcomes Agreement Attachment 1 (336940202-2646) and the IAF Funding Agreement Attachment 2 (336940202-2645) including any minor amendments required as part of finalising the agreements with Kāinga Ora-Homes and Communities, acting on behalf of the Crown Infrastructure Acceleration Fund (IAF);*
8. *Agrees that Report (R27069), Attachments (336940202-2645 and 336940202-2646) and the decision be made publicly available following completion of negotiations and announcement of approval by the Minister of Housing Dr Megan Woods.*

# CONFIDENTIAL

Item 2: Infrastructure Acceleration Fund and Housing Outcomes Agreements for  
- Bridge Street Linear Active Transport Corridor and  
- Rutherford/Achilles Social and Affordable Housing Development

**Council**



**22 September 2022**

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**REPORT R27069**

## **Infrastructure Acceleration Fund and Housing Outcomes Agreements for - Bridge Street Linear Active Transport Corridor and - Rutherford/Achilles Social and Affordable Housing Development**

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### **1. Purpose of Report**

- 1.1 To approve the signing of the Housing Outcomes Agreement with Housing NZ Build Ltd (being the developer) and Kāinga Ora – Homes and Communities (the IAF funder) acting on behalf of the Crown Infrastructure Acceleration Fund (IAF) for the Rutherford/Achilles social and affordable housing development.
- 1.2 To approve the signing of IAF Funding Agreement with Kāinga Ora – Homes and Communities, acting on behalf of the Crown Infrastructure Acceleration Fund (IAF) for the Bridge Street Linear Active Transport Corridor.

### **2. Summary**

- 2.1 Having successfully made it through to the negotiations stage of the IAF, officers have been working closely with the IAF funder, and the developer of the Achilles/Rutherford social and affordable housing development.

- 2.2 The IAF funder has advised that it would like to recommend the Rutherford/Achilles housing development and the Bridge Street Linear Active Transport Corridor infrastructure projects to the Minister of Housing Dr Megan Woods for signing in October 2022 as part of a nationwide October tranche of successful IAF applications. The agreement is to fund the project for the full amount (\$36.3 Million) sought in Council's application subject to special conditions, including enabling further housing outcomes.

## CONFIDENTIAL

Item 2: Infrastructure Acceleration Fund and Housing Outcomes Agreements for  
- Bridge Street Linear Active Transport Corridor and  
- Rutherford/Achilles Social and Affordable Housing Development

- 2.3 Both the Housing Outcomes Agreement and the Infrastructure Funding Agreements commit the Council and the housing developer to “use their reasonable endeavours” to support and facilitate the delivery of the housing outcomes and the enabling infrastructure projects.
- 2.4 A discussion of the implications of entering into these agreements is provided in this report.

### 3. Recommendation

#### *That the Council*

1. ***Receives the report Infrastructure Acceleration Fund and Housing Outcomes Agreements for - Bridge Street Linear Active Transport Corridor and - Rutherford/Achilles Social and Affordable Housing Development (R27069) and its attachments (336940202-2645 and 336940202-2646); and***
2. ***Notes the IAF Funding Agreement is subject to an LTP amendment and this matter will be brought to the new Council (if required by a future assessment against Councils Significance and Engagement Policy); and***
3. ***Notes that the revised estimates of the Bridge Street Linear Active Transport Corridor of August 2022 indicate the project requires additional funding (estimated at \$6 Million uninflated); and***
4. ***Notes that in accordance with revised inflation figures the project budget shortfall could be within the range of \$9 Million to \$12 Million depending on future inflation percentages adopted by Council; and***
5. ***Approves the signing of the Housing Outcomes Agreement Attachment 1 (336940202-2646) with Housing NZ Build Limited (the developer) and Kāinga Ora – Homes and Communities (the IAF funder) acting on behalf of the Crown for the Rutherford/Achilles social and affordable housing development; and***
6. ***Approves the signing of the IAF Funding Agreement Attachment 2 (336940202-2645) with Kāinga Ora – Homes and Communities, acting on behalf of the Crown Infrastructure Acceleration Fund (IAF) for the Bridge Street Linear Active Transport Corridor; and***
7. ***Delegates to the Mayor and Chief Executive the signing of the Housing Outcomes Agreement Attachment 1 (336940202-2646) and the IAF Funding Agreement***

# CONFIDENTIAL

- Item 2: Infrastructure Acceleration Fund and Housing Outcomes Agreements for
- Bridge Street Linear Active Transport Corridor and
  - Rutherford/Achilles Social and Affordable Housing Development

***Attachment 2 (336940202-2645) including any minor amendments required as part of finalising the agreements with Kāinga Ora-Homes and Communities, acting on behalf of the Crown Infrastructure Acceleration Fund (IAF);***

- 8. Agrees that Report (R27069), Attachments (336940202-2645 and 336940202-2646) and the decision be made publicly available following completion of negotiations and announcement of approval by the Minister of Housing Dr Megan Woods.**

## **4. Exclusion of the Public**

4.1 This report has been placed in the confidential part of the agenda in accordance with section 48(1)(a) and section 7 of the Local Government Official Information and Meetings Act 1987. The reason for withholding information in this report under this Act is to:

- Section 7(2)(h) To enable the local authority to carry out, without prejudice or disadvantage, commercial activities
- Section 7(2)(i) To enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)

## **5. Background**

5.1 In June 2021, the New Zealand Government announced the Infrastructure Acceleration Fund (IAF) initiative as part of the Housing Acceleration Fund announced in March 2021.

5.2 The IAF is designed to allocate funding to new or upgraded infrastructure (such as transport, three waters and flood management infrastructure) to (1) unlock housing developments in the short-to-medium term, and (2) enable a meaningful contribution to housing outcomes in areas of need.

5.3 Kāinga Ora has been mandated by the New Zealand Government to administer the IAF and to conduct a process designed to allocate IAF funding to suitable eligible infrastructure projects to unlock housing developments and enable housing outcomes.

5.4 The Council has been successful in both the Expressions of Interest (EOI) and Request for Proposals (RFP) application processes for the Bridge Street Linear Active Transport Corridor to support the Rutherford and Achilles social and affordable housing development, and wider housing outcomes across the city centre.

## CONFIDENTIAL

Item 2: Infrastructure Acceleration Fund and Housing Outcomes Agreements for  
- Bridge Street Linear Active Transport Corridor and  
- Rutherford/Achilles Social and Affordable Housing Development

- 5.5 Subject to final approval by the Minister of Housing Dr Megan Woods, the Council has been approved for IAF funding on the terms and conditions set out in the Housing Outcomes Agreement (Attachment 1) and the Infrastructure Acceleration Agreement (Attachment 2). These terms are discussed in section 6 of this report.
- 5.6 Following an all day workshop with the IAF team on 9 June 2022, officers have been working on completing outstanding matters to assure funding. This culminated in a presentation to Andrew Brown, Kāinga Ora IAF Project Director on 16 August 2022.
- 5.7 The IAF project team have advised officers that they are now ready to present the Bridge Street Linear Active Transport Corridor IAF funding proposal to the Minister of Housing for approval in October, and that it will become part of the October 2022 tranche of government IAF announcements. Until then this matter remains confidential as the Minister is to make the first public announcement.
- 5.8 Council resolved on 28 July 2022 in report R26827 as follows:

*Approves Option 3 for officers to continue to negotiate with Kāinga Ora for a conditional sale and purchase agreement to purchase both properties (42 Rutherford Street and 69 to 101 Achilles Avenue) for social and affordable housing, subject to the approved negotiating brief and a suitable development partnership(s) with iwi, Community Housing Providers (CHPs) or other commercial housing provider being established to deliver the intended ratio of social and affordable housing; and*

*Notes that once a development partnership is in place, and the proposed development form known, a report will be brought back to Council for consideration of any further decisions required to facilitate the development; and*

- 5.9 Council also resolved on 28 July 2022 in report R26527 as follows:

*Confirms its commitment to the Achilles Avenue/Rutherford Street Affordable Housing development proposal, accepting that additional funding may be required by Council over and above any Crown funding received as part of the Infrastructural Acceleration Fund for this proposal; and*

*Supports the formation of a Working Group comprising Her Worship the Mayor, Deputy Mayor and Chief Executive to work alongside officers to review all agreements before they come to Council for approval; and*

## 6. Discussion

- 6.1 Since mid-August 2022 officers have been working with the Kāinga Ora IAF funding team and the Kāinga Ora (Housing NZ Build Ltd as the developer) Rutherford and Achilles housing development team to complete the draft agreements.

## CONFIDENTIAL

Item 2: Infrastructure Acceleration Fund and Housing Outcomes Agreements for  
- Bridge Street Linear Active Transport Corridor and  
- Rutherford/Achilles Social and Affordable Housing Development

- 6.2 The draft agreements have been through legal review by all parties. The agreements are subject to several special conditions summarised below.
- 6.3 The IAF team, and the wording of the agreements, recognise that this is just the beginning of both the housing and infrastructure projects and that there will be several variations likely to the agreements, as well as typical construction challenges to be faced, by both the Council and Kāinga Ora as the housing developer. The IAF team have advised that they are committed to working closely with all partners to the agreements as the projects progresses.

### **Housing Outcomes Agreement (HOA) – Attachment 1**

- 6.4 The Housing Outcomes Agreement records the Developer's commitment to the Housing Outcomes, along with complementary actions needed from the Council.
- 6.5 The Housing Outcomes are an essential element of the IAF, and they are the fundamental basis on which the Council has been selected to receive IAF funding.
- 6.6 Kāinga Ora as IAF funder acknowledges that, because of the many variables associated with each Housing Development, it is not reasonable to require an absolute obligation from developers with regard to the Housing Outcomes. In light of this, the Housing Outcomes Agreement reflects a pragmatic approach to the commitment from developers. Under the Agreement, developers are required to use 'reasonable endeavours' to achieve the Housing Outcomes.
- 6.7 The Council is also required to use 'reasonable endeavours' to achieve the Housing Outcomes. The Housing Outcomes Agreement between Council, Housing NZ Build Ltd (as the developer) and Kāinga Ora on behalf of the Crown (as IAF funder) must be entered into contemporaneously with the Infrastructure Funding Agreement.
- 6.8 The Housing Outcomes Agreement (refer Attachment 1) records the housing development to be unlocked and enabled by the infrastructure projects to be funded. This comprises the 175 units of social and affordable housing to be developed by Kāinga Ora (Housing NZ Build Ltd) and partners on the Rutherford and Achilles sites. The enabling capacity of the infrastructure projects to be provided by the Council is also recorded as 850 dwellings across the city centre.
- 6.9 The HOA requires that the Developer will use its "reasonable endeavours" to:
- 6.9.1 Deliver the total number of dwellings (175) to be provided by it and in the years contemplated (2028), as well as the social and affordable Housing Outcomes; and

## CONFIDENTIAL

- Item 2: Infrastructure Acceleration Fund and Housing Outcomes Agreements for  
- Bridge Street Linear Active Transport Corridor and  
- Rutherford/Achilles Social and Affordable Housing Development

- 6.9.2 Achieve the Housing Development milestones as set out in the agreement.
- 6.10 This HOA can be varied in the future as the developer gains partners to provide the affordable housing component of the development, at which time those partners will also become subject to the HOA.
- 6.11 The HOA also requires that the Council as the funding recipient commits to the developer that we will use all "reasonable endeavours" to support and facilitate the delivery of the housing outcomes.
- 6.12 Housing NZ Build Ltd as the developer is ready to sign the HOA subject to the following special terms:
- 6.12.1 The Agreement is conditional upon the Developer obtaining all internal approvals necessary to enable the Developer to enter into (and be bound by) this Agreement including, in particular, Business Case approval for the Developer's portion of the Housing Development. The Developer acknowledges and confirms for the benefit of Kāinga Ora that it will use reasonable endeavours to deliver the housing outcomes in a timely manner.
- 6.13 Officers recommend that the Council also enter into the HOA, which obligates the Council to:
- 6.13.1 Use reasonable endeavours to support the developer to satisfy the terms of the HOA.
- 6.14 The IAF team has advised that further HOA agreements are desirable to support the quantum of funding. The enabling infrastructure provides capacity for 850 additional households across the city centre and officers are working with consultants JLL to secure further housing outcomes to be realised before 2029. The HOA can be varied in the future when/if additional developers come on board to utilise the enabling infrastructure.

### **IAF Funding Agreement – Attachment 2**

- 6.15 The Funding Agreement records the terms of IAF grant funding to the Council to be applied to the eligible costs of the IAF Funded Enabling Infrastructure Project(s).
- 6.16 IAF Funding will only be payable on completion of the Infrastructure Milestone(s), which may include satisfaction of specified conditions.
- 6.17 Kāinga Ora is only responsible for the payment of IAF Funding. Any and all cost overruns or funding shortfalls in the delivery of the Enabling Infrastructure Project(s) must be borne by the Council. The IAF is a capped fund and no additional IAF Funding will be paid by Kāinga Ora to the Council.



## CONFIDENTIAL

- Item 2: Infrastructure Acceleration Fund and Housing Outcomes Agreements for  
- Bridge Street Linear Active Transport Corridor and  
- Rutherford/Achilles Social and Affordable Housing Development

- 6.18 The Infrastructure Project Milestones are based on four key stages: Stage 1 (Early), Stage 2 (Pre-Implementation), Stage 3 (Implementation) and Stage 4 (Practical Completion). Officers have entered place holder milestones that can be further refined as the housing development and infrastructure design is advanced. The milestones also ensure that Council's debt cap is not exceeded by this project, and the agreement sets out the expected annual payment profile.
- 6.19 The IAF and HOA agreements are standard template documents. DLA Piper provided legal advice to Officers from a risk perspective on these standard terms. During the negotiation process, DLA Piper and Officers sought to have various amendments made to the standard terms (particularly the IAF), however Kāinga Ora generally refused. Kāinga Ora did however provide some comfort as to the meaning of the terms in issue via email correspondence with Officers. On the explicit terms of the IAF and HOA agreements, the principal risks under the IAF are:
- 6.19.1 Council must ensure the delivery of the infrastructure projects and that those projects enable the housing development (and Council must in turn ensure that the housing development is capable of providing the housing outcomes), whereas the developer is only required to use reasonable endeavours to produce the housing outcomes under the HOA; and
- 6.19.2 Under the IAF and HOA, Kāinga Ora can suspend or terminate the agreements at will with immediate effect if certain requirements aren't met – for example, in the case of a material breach by Council which is not remedied to Kāinga Ora's satisfaction. The funder has assured officers during the negotiation process both verbally and by email that IAF funding cannot be suspended if housing outcomes are not met provided Council uses reasonable endeavours to support and secure the outcomes. However, the wording of the agreement does not explicitly reflect the standard in this way – instead it uses the standard that Council 'must ensure' that the infrastructure projects are delivered and have the capability of enabling the housing development. Council 'must ensure' the housing development is capable of providing the housing outcomes. These are higher standards than reasonable endeavours. Therefore, some residual risk of suspension remains. In practice it is considered unlikely that Kāinga Ora would exercise a right of suspension, particularly as Kāinga Ora is the developer and funder and therefore would be unlikely to suspend funding on itself.
- 6.19.3 Council must ensure that each infrastructure project is carried out in compliance with all applicable laws, regulations, consents, authorisations, rules and professional codes of conduct/practice, including all health & safety and employment and labour laws and

## CONFIDENTIAL

- Item 2: Infrastructure Acceleration Fund and Housing Outcomes Agreements for
- Bridge Street Linear Active Transport Corridor and
  - Rutherford/Achilles Social and Affordable Housing Development

must ensure that all contracts and subcontracts are required to do the same.

- 6.20 Officers propose that the IAF Funding Agreement with Council will be subject the following conditions which have been provided for in the agreement:
- 6.20.1 That the Council will provide updated milestones/dates once Kāinga Ora as the developer has achieved partnership and the Bridge Street Linear Active Transport design and delivery programme is complete;
  - 6.20.2 That the Council will undertake an appropriate consultation process with a view to including (or to bringing forward in time) the Enabling Infrastructure Project(s) that require funding for the Recipient (including Territorial Authority Funding and the Funding Balance) in its Long Term Plan (via amendment/update), and in such case, IAF Funding will be conditional on Kāinga Ora receiving subsequent written confirmation that such Enabling Infrastructure Project(s) have been included in the Recipient's Long Term Plan;
  - 6.20.3 That Kāinga Ora acknowledges that the Delivery Plan will (where appropriate) reflect the Recipient's recovery planning following the impact of the August 2022 weather event in the Recipient's region;
  - 6.20.4 That the Council will undertake an appropriate consultation process so that all the land for the Paru Paru Road wastewater pump station has received designation as a "utility reserve" under the Reserve Act.
- 6.21 The total estimate of the proposed work for this stage (Rutherford to Collingwood Streets) of the Bridge Street Linear Active Transport Corridor is \$68.5M. The Council through the RFP requested \$36.3M from the IAF with Council to fund the remaining \$32.2M already allocated in the LTP. A split of roughly 47% Council and 53% IAF
- 6.22 The infrastructure projects are summarised below:
- 6.22.1 City centre (potable) water supply upgrade – construction of a water supply ring main from the trunk main on Bridge Street near Tasman Street along Bridge Street, Rutherford Street, Halifax Street and Collingwood Street; and
  - 6.22.2 City centre stormwater upgrade – construction of a new stormwater main along Bridge Street and associated green infrastructure, and a new flood gate for the Halifax Street stormwater outfall into Saltwater Creek; and

## CONFIDENTIAL

Item 2: Infrastructure Acceleration Fund and Housing Outcomes Agreements for  
 - Bridge Street Linear Active Transport Corridor and  
 - Rutherford/Achilles Social and Affordable Housing Development

6.22.3 City centre wastewater upgrade – Pump Station Upgrade on Paru Paru Road and renewal/upgrade on Rutherford Street, Achilles Avenue and Bridge Street wastewater infrastructure; and

6.22.4 Bridge Street Linear Active Transport Corridor between Rutherford and Collingwood – a corridor to enable residents to safely access the city centre east to west, offering access to high-quality, well-maintained green public spaces which is proven to improve our physical and mental health by encouraging higher levels of walking and cycling, along with increased passive activity and sociability.

6.23 The estimate of the proposed work per activity and associated budget included within the LTP is detailed below. The estimate did at the time (December 2021) include an allowance for inflation, however inflation is now higher as is the ongoing effects from COVID-19 on construction costs. Realistically costs will fluctuate right up to the point when work is expected to start on site.

<b>Activity</b>	<b>Total*</b>	<b>Council share* (included in LTP)</b>	<b>IAF Funded*</b>
Water	\$ 8,327,000	\$ 6,601,000	\$1,726,000
Wastewater	\$ 25,227,000	\$15,764,000	\$9,463,000
Stormwater	\$ 4,489,000	\$ 585,000	\$3,904,000
Flood Protection	\$ 431,000	\$ 431,000	\$0
Transport	\$ 29,988,000	\$ 8,770,000	\$21,218,000
<b>Total</b>	<b>\$ 68,462,000</b>	<b>\$32,151,000</b>	<b>36,311,000</b>

**\* All figures are inflated**

6.24 The estimates for this proposal were first prepared back in December 2021 and as Council is aware things have moved significantly since that time especially with inflation and construction costs.

6.25 The revised estimates for the Bridge Street Linear Active Transport Corridor and associated projects of August 2022 indicate the project requires an additional \$6 Million (uninflated) of funding, but that even this is subject to measures beyond Council's control.

## CONFIDENTIAL

Item 2: Infrastructure Acceleration Fund and Housing Outcomes Agreements for  
- Bridge Street Linear Active Transport Corridor and  
- Rutherford/Achilles Social and Affordable Housing Development

- 6.26 The project budget shortfall could be within the range of \$9 million to \$12 million depending on future inflation percentages adopted by Council.
- 6.27 It is too early in the process for Council to make a decision on any funding shortfall or Long Term Plan project re-prioritisation for the Bridge Street Linear Active Transport Corridor. Officers will be assessing this under the Significance and Engagement Policy and will be bringing this to a future Council for a decision.

### August 2022 Weather Event

- 6.28 The severe weather event of August 2022 and the recovery required raises issues and uncertainties in respect of Council's ability to fund additional costs and availability of resourcing to deliver recovery and the IAF infrastructure projects. This will need to be further considered once a Recovery Plan is in place, and work programmes and resourcing evaluated, and LTP amendments considered.
- 6.29 Notwithstanding this the IAF funded Bridge Street Linear Active Transport Corridor programme involves investigation, design, community engagement and consenting works being undertaken from 2021 to 2025, with construction taking place from 2025 to 2027. Construction of the Bridge Street Linear Active Transport Corridor is unlikely to conflict with recovery works which will occur earlier.

## 7. Options

- 7.1 This report proposes that Council enters into a Housing Outcomes Agreement and an Infrastructure Funding Agreement for the Achilles and Rutherford social and affordable housing development and supporting infrastructure summarised as the Bridge Street Linear Active Transport Corridor. Council has the option of entering into these agreements, subject to special conditions, or not.
- 7.2 The options, advantages, disadvantages, and risks are summarised in the table below.

<b>Option 1: Enter into the HOA and IAF agreements subject to conditions outlined in section 6</b>	
Advantages	<ul style="list-style-type: none"><li>• Council secures \$36 Million of funding from the Crown to accelerate the construction of Bridge Street Linear Active Transport Corridor.</li><li>• The first stage of a transformative Te Ara o Whakatu project is completed ahead of schedule realising its amenity, active transport, climate change and revitalisation of the city centre benefits for the community.</li></ul>

## CONFIDENTIAL

### Item 2: Infrastructure Acceleration Fund and Housing Outcomes Agreements for - Bridge Street Linear Active Transport Corridor and - Rutherford/Achilles Social and Affordable Housing Development

	<ul style="list-style-type: none"> <li>• Increased housing in the city centre is enabled faster than otherwise provided for in the LTP.</li> <li>• Three waters infrastructure is made more resilient in the city centre.</li> </ul>
Risks and Disadvantages	<ul style="list-style-type: none"> <li>• Any costs over and above those funded by IAF are to be met by the Council.</li> <li>• Capacity of Council to deliver the project may will need to be prioritised over other projects.</li> <li>• Reputational risk if the project is not completed and/or the housing outcomes not achieved.</li> <li>• Amendments to the timing of LTP projects and additional LTP funding will be required but must be subject to an appropriate public consultation process (if required). Relevant aspects of the agreements are subject to this process.</li> <li>• The risk of termination is low given the contract is based on Council needing to demonstrate that it has/will deliver the enabling infrastructure in accordance with milestones (which can be varied with the consent of the funder if required). It is also considered low risk in relation to achievement of the housing outcomes given that the funder has acknowledged during the negotiation process that there are many construction, supply, housing outcomes factors that cannot be guaranteed in the future. It is also unlikely that termination would occur given Kāinga Ora is both funder and developer, and therefore it would not be in its own interests to terminate on itself.</li> <li>• Both the IAF and HOA agreements can be varied/amended over the next year by deed of variation as project partners and delivery plans are formed. This minuses risk and ensures that officers can set appropriate milestones derived from the latest design and construction/supply chain information.</li> </ul>
<b>Option 2: Do not enter into HOA and IAF agreements</b>	
Advantages	<ul style="list-style-type: none"> <li>• Officer capacity is freed up for other work.</li> </ul>
Risks and Disadvantages	<ul style="list-style-type: none"> <li>• \$36M in funding is forgone and Council will need to fund the Bridge Street Linear Active Transport Corridor itself over a much longer time.</li> <li>• It takes longer to realise housing, amenity, active transport and climate resilience outcomes of the project.</li> <li>• Reputational risk associated with being</li> </ul>

## CONFIDENTIAL

- Item 2: Infrastructure Acceleration Fund and Housing Outcomes Agreements for  
- Bridge Street Linear Active Transport Corridor and  
- Rutherford/Achilles Social and Affordable Housing Development

	recommended for funding but not taking the opportunity to achieve this transformative project for the city centre.
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### 8. Conclusion

- 8.1 Council has the opportunity to receive \$36M in funding from the Crown to accelerate the Bridge Street Linear Active Transport Corridor and associated three waters infrastructure to enable significant housing capacity in the city centre. This report seeks a decision from Council on entering into the Housing Outcomes Agreement (HOA) and the IAF Funding agreement with Kāinga Ora (the funder).

### 9. Next Steps

- 9.1 Kāinga Ora IAF team reports the project to the Housing Minister, Dr Megan Woods, for signing in late September/early October 2022.
- 9.2 If approved, Minister Woods makes a public announcement in October 2022.
- 9.3 Establish project team as required by IAF Agreement.
- 9.4 Continue to work with Kāinga Ora (Housing NZ Build Ltd as the developer) on social and affordable housing using the development at the Achilles and Rutherford sites.
- 9.5 Continue to work with developers and property owners in the city centre to achieve additional housing outcomes.
- 9.6 Bring a report to the new Council in the New Year considering any additional LTP funding required and whether consultation is required.
- 9.7 Bring a report to the new Council in the New Year to outline the development partnership formed by Kāinga Ora (Housing NZ Build Ltd as the developer) for the affordable component of the housing development and whether there is any need for any changes to existing resolutions.
- 9.8 Commence design work for Bridge Street Linear Active Transport Project in the new financial year.
- 9.9 Meet monthly and quarterly reporting requirements of the IAF contract, refine milestones and agreements.

**CONFIDENTIAL**

Item 2: Infrastructure Acceleration Fund and Housing Outcomes Agreements for  
- Bridge Street Linear Active Transport Corridor and  
- Rutherford/Achilles Social and Affordable Housing Development

**Authoriser: Alec Louverdis, Group Manager Infrastructure**

**Attachments**

Attachment 1: Housing Outcomes Agreement (336940202-2646)

Attachment 2: Infrastructure Funding Agreement (336940202-2645)

Released 20 July 2023

**CONFIDENTIAL**

Item 2: Infrastructure Acceleration Fund and Housing Outcomes Agreements for  
- Bridge Street Linear Active Transport Corridor and  
- Rutherford/Achilles Social and Affordable Housing Development

**Important considerations for decision making**

Released 20 July 2023



# CONFIDENTIAL

Item 2: Infrastructure Acceleration Fund and Housing Outcomes Agreements for  
- Bridge Street Linear Active Transport Corridor and  
- Rutherford/Achilles Social and Affordable Housing Development

## 1. Fit with purpose of Local Government

The Government has specifically asked territorial authorities to participate in this EOI/RFP process. Affordable housing development is supported by good quality local infrastructure which promotes the social, economic, and environmental wellbeing of the community.

## 2. Consistency with community outcomes and Council policy

The recommendations in this report align with the following community outcomes:

- Our urban and rural environments are people friendly, well planned and sustainably managed
- Our infrastructure is efficient, cost effective and meets current and future needs
- Our communities are healthy, safe, and resilient
- Our Council provides leadership and fosters partnerships, a regional perspective, and community engagement

## 3. Risk

There is a residual risk that the funder can terminate the contract if certain conditions aren't met. Risk can be mitigated by the Council committing to and documenting evidence it has used reasonable endeavours to support the housing outcomes. Officers will be working with the funder over the next two years before construction commences to provide updated milestones and construction timelines which will also reduce risk.

There may be reputational risk associated with not entering into the contract, and it may result in the Achilles and Rutherford Street housing proposals not going ahead. There would also be reputational risk associated with the contract if it is terminated by the funder for failure to deliver, however this is mitigated by the willingness of the funder to work with Council to resolve any issues as they present and also that the funder is also the developer and therefore unlikely to suspend funding on itself.

## CONFIDENTIAL

- Item 2: Infrastructure Acceleration Fund and Housing Outcomes Agreements for  
- Bridge Street Linear Active Transport Corridor and  
- Rutherford/Achilles Social and Affordable Housing Development

### 4. Financial impact

Council has already indicated its strong support for the EOI and RFP, which has a requirement for infrastructure to be provided by Council to support the development objectives. In some cases, budget has been provided in the LTP. Council will need to undertake an LTP amendment next year bring forward some of the projects and to provide for additional funding required to meet latest cost estimates and inflation figures. Further analysis of these impacts will be provided to the new Council in the New Year.

There are significant positive financial impacts in attracting central government funding for its infrastructure programme.

### 5. Degree of significance and level of engagement

This matter is of low significance to the community given the stage in the process. This decision is in line with Council's LTP priority of housing affordability and intensification, and of investing in infrastructure.

Any subsequent changes to the LTP 2021-31 capital programme may require further consultation.

### 6. Climate impact

Climate change impact will need to be considered during the design phase of the infrastructure projects and the development as they progress. Council will work with the developer to assist them in determining design options that address climate change impact in the development of their concept plans and to integrate this with the design of the infrastructure.

### 7. Inclusion of Māori in the decision-making process

Māori have not been consulted on in the writing of this report.

### 8. Delegations

This matter is a cross-committee matter as it falls within the delegations of both the Infrastructure Committee and the Urban Development Subcommittee, and is therefore a matter for Council.

DRAFT DATED 12 SEPTEMBER 2022



**IAF HOUSING OUTCOMES AGREEMENT**

BETWEEN

**KĀINGA ORA - HOMES AND  
COMMUNITIES**

AND

**HOUSING NEW ZEALAND BUILD  
LIMITED**

AND

**NELSON CITY COUNCIL**

FOR

**ACHILLES AVENUE AND  
RUTHERFORD STREET  
AFFORDABLE HOUSING  
DEVELOPMENT**

**REFERENCE P045**

**Date:**

336940202-2646)

## AGREEMENT

The parties (identified below in Part 1) agree to be bound by the terms and conditions of this Agreement, as set out below in Part 1 (Key Details), Part 2 (General Terms), Part 3 (Definitions and Interpretation) and the Schedules.

### Part 1: Key Details

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<b>1. Parties</b>	<p><b>KĀINGA ORA</b> Kāinga Ora – Homes and Communities, a Crown entity established under the Kāinga Ora – Homes and Communities Act 2019 and a Crown agency under the Crown Entities Act 2004 (<b>Kāinga Ora</b>), acting on behalf of the Crown</p> <p><b>DEVELOPER</b> Housing New Zealand Build Limited (Company Number 6837775), a wholly owned subsidiary of Kāinga Ora and duly registered company under the Companies Act 1993, acting separately in its capacity as a developer (<b>Developer</b>)</p> <p><b>FUNDING RECIPIENT</b> Nelson City Council, a territorial authority listed in Part 2 of Schedule 2 to the Local Government Act 2002 (<b>Funding Recipient</b>)</p> <p>with the Developer and the Funding Recipient together being the <b>Housing Development Parties</b>.</p>
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<b>2. Background</b>	<p><b>Infrastructure Acceleration Fund</b></p> <p>In June 2021, the New Zealand Government announced the Infrastructure Acceleration Fund (IAF) initiative as part of the Housing Acceleration Fund (announced in March 2021).</p> <p>The IAF is designed to allocate funding to new or upgraded infrastructure (such as transport, three waters and flood management infrastructure) to (1) unlock housing development in the short-to-medium term, and (2) enable a meaningful contribution to housing outcomes in areas of need.</p> <p>Kāinga Ora has been mandated by the New Zealand Government to administer the IAF and to conduct a process designed to allocate IAF funding to suitable eligible infrastructure projects to unlock housing developments and enable housing outcomes.</p> <p><b>IAF process</b></p> <p>On 30 June 2021, Kāinga Ora released an Invitation for Expressions of Interest (EOI) as the first stage in the IAF process. Applicants responded to the EOI with housing development proposals outlining high level information about the relevant housing development, its associated infrastructure requirements and responses to the eligibility and evaluation criteria.</p> <p>Applicants with successful EOI proposals received a Request for Proposals (RFP), asking them to submit more fulsome information and sufficient detail about their proposal in order to enable Kāinga Ora to undertake due diligence to confirm eligibility and fully evaluate the proposals.</p> <p>The Funding Recipient submitted a housing development proposal in response to the EOI and subsequently received a RFP. The Funding Recipient submitted a response to the RFP in December 2021 (<b>Updated Proposal</b>), which Kāinga Ora has evaluated.</p> <p>The Funding Recipient and Kāinga Ora subsequently entered into negotiations in relation to the Updated Proposal.</p>
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Item 2: Infrastructure Acceleration Fund and Housing Outcomes Agreements for  
 - Bridge Street Linear Active Transport Corridor and  
 - Rutherford/Achilles Social and Affordable Housing Development: Attachment 1

IAF Housing Outcomes Agreement – Kāinga Ora – Homes and Communities

**Approval of IAF funding and Funding Agreement**

Based on the Updated Proposal and negotiations as part of the process described above, the Funding Recipient has been approved by the New Zealand Government for IAF funding support (on the terms and conditions set out in the Funding Agreement between Kāinga Ora and the Funding Recipient entered into contemporaneously with this Agreement (**Funding Agreement**)) to deliver the Enabling Infrastructure Project(s) to unlock and enable the Housing Development identified in **Item 3** below and as further described in **Schedule 1**, which will provide the Housing Outcomes identified in **Item 5** below.

**3. Housing Development**

The housing development to be unlocked and enabled by the Enabling Infrastructure Project(s), is summarised below and is further described in **Schedule 1** (as may be updated, amended or replaced by the parties from time to time pursuant to a HOA Variation Agreement) (the **Housing Development**):

<b>Name of Housing Development</b>	Nelson Central City intensification, including the Achilles Avenue and Rutherford Street Affordable Housing Development to be provided by the Developer under this Agreement
<b>Name of Developer(s)</b>	Housing New Zealand Build Limited
<b>Name of Landowner(s)</b>	Housing New Zealand Build Limited
<b>Location (suburb and city)</b>	Central City, Nelson
<b>Territorial Authority region</b>	Nelson City Council
<b>Total number of dwellings to be Completed (in aggregate across the entire Housing Development)</b>	1,025 dwellings
<b>Delivery period for those dwellings to be Completed</b>	<ul style="list-style-type: none"> <li>By December 2028 for the portion of the dwellings (175) to be Completed by the Developer</li> <li>From 2028 for the balance (850) of the aggregate dwellings to be Completed</li> </ul>
<b>Brownfield / Greenfield?</b>	Brownfield
<b>Description of land comprising the entire Housing Development</b>	See land map in Attachment below
<b>Description of Developer's Land</b>	<ul style="list-style-type: none"> <li>42 Rutherford Street: 961 m2 being Lot 1-3 DP 3511 comprised in record of title NL100/75.</li> <li>69-101 Achilles Avenue:                             <ul style="list-style-type: none"> <li>1012m2 being Lot 1-2 DP 1831 comprised in record of title NL3B/618;</li> <li>591m2 being Lot 26 DP 132 comprised in record of title NL29/122;</li> <li>591 m2 being Lot 27 DP 132 comprised in record of title NL33/277;</li> <li>352m2 being Pt Sec 226A DP 1746 comprised in record of title NL58/232; and</li> <li>240m2 being Part Lot 28 DP 132 comprised in record of title NL73/29.</li> </ul> </li> </ul>

**4. Enabling Infrastructure Project(s)**

Under the Funding Agreement, the Funding Recipient must undertake and deliver the following new or upgraded infrastructure to unlock and/or accelerate the Housing Development (the **Enabling Infrastructure Project(s)**) on the terms and conditions of the Funding Agreement:

<b>Enabling Infrastructure Project(s)</b>	<b>Description</b>
<b>Transport Enabling Infrastructure Project(s)</b>	Linear Active Transport Corridor – Bridge Street and Haven Road
<b>Three Waters Enabling Infrastructure Project(s)</b>	<ul style="list-style-type: none"> <li>Watermain upgrades (Bridge, Rutherford, Halifax, and Collingwood)</li> <li>Wastewater pipeline upgrades (Bridge, Rutherford, Paru Paru and Achilles)</li> <li>Wastewater pump station upgrade</li> <li>Stormwater pipeline upgrades (Bridge and Haven)</li> </ul>

<b>Flood Management Enabling Infrastructure Project(s)</b>	Stormwater Flood Gate
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Table 4.1

The Enabling Infrastructure Project(s) are further defined and described in **Schedule 1** (as may be updated by the parties from time to time pursuant to a HOA Variation Agreement).

In this Agreement the term “Enabling Infrastructure Project(s)” shall mean all Enabling Infrastructure Project(s) as described from time to time in the Funding Agreement and summarised as at the date of this Agreement in **Table 4.1**.

**5. Housing Outcomes**

The Enabling Infrastructure Project(s), will unlock and enable the Housing Development, which will be capable of providing the relevant infrastructure services to enable the housing outcomes set out below (as may be updated by the parties from time to time pursuant to a HOA Variation Agreement) (**Housing Outcomes**):

Type of Housing Outcome	Description of Housing Outcome (to be provided in aggregate)	Description of Housing Outcome (responsibility of the Developer under the terms of the Agreement)																				
1. Type and total number of dwellings to be Completed	<p>The type and total number of dwellings to be Completed in aggregate in respect of the Housing Development, including those to be Completed by the Developer, are as follows:</p> <table border="1"> <tr> <td>Public housing dwellings:</td> <td>60</td> </tr> <tr> <td>Papakāinga dwellings:</td> <td>0</td> </tr> <tr> <td>Lower-cost dwellings (within the first home grant price cap for the region in which the Housing Development is located):</td> <td>115</td> </tr> <tr> <td>Other dwellings:</td> <td>850</td> </tr> <tr> <td><b>Total number of dwellings to be Completed in aggregate in respect of the Housing Development:</b></td> <td><b>1,025</b></td> </tr> </table>	Public housing dwellings:	60	Papakāinga dwellings:	0	Lower-cost dwellings (within the first home grant price cap for the region in which the Housing Development is located):	115	Other dwellings:	850	<b>Total number of dwellings to be Completed in aggregate in respect of the Housing Development:</b>	<b>1,025</b>	<p>The type and total number of dwellings to be Completed by the Developer in respect of the Housing Development, are as follows:</p> <table border="1"> <tr> <td>Public housing dwellings:</td> <td>60</td> </tr> <tr> <td>Papakāinga dwellings:</td> <td>0</td> </tr> <tr> <td>Lower-cost dwellings (within the first home grant price cap for the region in which the Housing Development is located):</td> <td>115</td> </tr> <tr> <td>Other dwellings:</td> <td>0</td> </tr> <tr> <td><b>Total number of dwellings to be Completed by the Developer in respect of the Housing Development:</b></td> <td><b>175</b></td> </tr> </table>	Public housing dwellings:	60	Papakāinga dwellings:	0	Lower-cost dwellings (within the first home grant price cap for the region in which the Housing Development is located):	115	Other dwellings:	0	<b>Total number of dwellings to be Completed by the Developer in respect of the Housing Development:</b>	<b>175</b>
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Other dwellings:	0																					
<b>Total number of dwellings to be Completed by the Developer in respect of the Housing Development:</b>	<b>175</b>																					
2. Type and total number of dwellings to be Completed over each year	The type and total number of dwellings (to be Completed in aggregate in respect of the Housing Development, including those to be Completed by the Developer) in each year are set out in <b>Part A of Schedule 3</b> .	The type and total number of dwellings (to be Completed by the Developer in respect of the Housing Development) in each year are set out in <b>Part B of Schedule 3</b> .																				
3. Additional special features of the Housing Development	IAF Funding will enable significant intensification of the Nelson City Centre, increasing city centre residents by ten-fold.	The Developer is planning to deliver all public and affordable houses within the Housing Development. It is currently working to enter into a partnerships with Iwi Māori and / or a commercial developer to deliver the affordable dwellings.																				
4. Typology	The expected typology of the dwellings within the Housing Development is high density apartments. Other housing developments are expected to include a mixture of terraced houses and apartments.	The Developer is planning on delivering high density apartments.																				
5. Access to amenity and	The dwellings (in aggregate in respect of the Housing Development, including those to be provided by the Developer) will provide access	The dwellings (to be provided by the Developer in respect of the Housing Development) will provide access to amenity and opportunity																				

Item 2: Infrastructure Acceleration Fund and Housing Outcomes Agreements for  
 - Bridge Street Linear Active Transport Corridor and  
 - Rutherford/Achilles Social and Affordable Housing Development: Attachment 1

IAF Housing Outcomes Agreement – Kāinga Ora – Homes and Communities

<p><b>opportunity</b></p>	<p>to amenity and opportunity through the proximity of the dwellings to relevant amenities as set out below:</p> <table border="1"> <tr> <td data-bbox="633 427 756 584"> <p>Employment opportunities</p> </td> <td data-bbox="764 427 968 584"> <p>The site is located within the centre city and adjacent to the Nelson Port and has active and public transport options to wider opportunities.</p> </td> </tr> <tr> <td data-bbox="633 595 756 752"> <p>Educational facilities</p> </td> <td data-bbox="764 595 968 752"> <p>There are early childhood facilities, primary, intermediate and secondary schools and Nelson Marlborough Institute of Technology within walking distance.</p> </td> </tr> <tr> <td data-bbox="633 763 756 887"> <p>Other amenities</p> </td> <td data-bbox="764 763 968 887"> <p>The development is adjacent to large format retail, marina, theatre, library, stadium and the Cawthron Institute.</p> </td> </tr> </table>	<p>Employment opportunities</p>	<p>The site is located within the centre city and adjacent to the Nelson Port and has active and public transport options to wider opportunities.</p>	<p>Educational facilities</p>	<p>There are early childhood facilities, primary, intermediate and secondary schools and Nelson Marlborough Institute of Technology within walking distance.</p>	<p>Other amenities</p>	<p>The development is adjacent to large format retail, marina, theatre, library, stadium and the Cawthron Institute.</p>	<p>through the proximity of the dwellings to relevant amenities as set out below:</p> <table border="1"> <tr> <td data-bbox="1005 405 1128 562"> <p>Employment opportunities</p> </td> <td data-bbox="1136 405 1340 562"> <p>The site is located within the centre city and adjacent to the Nelson Port and has active and public transport options to wider opportunities.</p> </td> </tr> <tr> <td data-bbox="1005 573 1128 730"> <p>Educational facilities</p> </td> <td data-bbox="1136 573 1340 730"> <p>There are early childhood facilities, primary, intermediate and secondary schools and Nelson Marlborough Institute of Technology within walking distance.</p> </td> </tr> <tr> <td data-bbox="1005 741 1128 864"> <p>Other amenities</p> </td> <td data-bbox="1136 741 1340 864"> <p>The development is adjacent to large format retail, marina, theatre, library, stadium and the Cawthron Institute.</p> </td> </tr> </table>	<p>Employment opportunities</p>	<p>The site is located within the centre city and adjacent to the Nelson Port and has active and public transport options to wider opportunities.</p>	<p>Educational facilities</p>	<p>There are early childhood facilities, primary, intermediate and secondary schools and Nelson Marlborough Institute of Technology within walking distance.</p>	<p>Other amenities</p>	<p>The development is adjacent to large format retail, marina, theatre, library, stadium and the Cawthron Institute.</p>
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<p>Other amenities</p>	<p>The development is adjacent to large format retail, marina, theatre, library, stadium and the Cawthron Institute.</p>													
<p>6. <b>Density</b></p>	<p>The IAF Funded IAF Funded Enabling Infrastructure Project(s) will support a mix of medium and high density options that aligns with the NPS-UD.</p>	<p>The IAF Funded Enabling Infrastructure Project(s) will enable high density apartments that aligns with the NPS-UD.</p>												
<p>7. <b>Māori / Iwi</b></p>	<p>The Funding Recipient and the Developer have sought the views of mana whenua on the Housing Development, and continue to invite their input. The Enabling Infrastructure Project(s) provide development capacity to iwi/Wakatu owned land however any additional housing proposals are to be developed by the parties following the date of this Agreement.</p>	<p>The Funding Recipient and Kāinga Ora have sought the views of mana whenua on the proposal, and continue to invite their input. Kāinga Ora is exploring a partnership approach with iwi Māori for the Housing Development and this may involve iwi Māori housing and/or iwi Māori input into the design of the buildings.</p>												
<p>8. <b>Environmental</b></p>	<p>The Housing Development will be well served by public transport and is a short 400 metre walk from the proposed inner city interchange and major bus routes pass by the Housing Development. Nelson is well served with active transport corridors to the north and south of the city centre. IAF Funding is requested for the Bridge Street linear corridor which will not only serve the development residents well, but provide a safe and accessible route into and through the city centre, and will unlock the east to west connection to the wider community. The Funding Recipient is developing an improved east-west linkage across the wider city area that would connect to either end of the linear corridor.</p>	<p>The Housing Development will be well served by public transport and is a short 400 metre walk from the proposed inner city interchange and major bus routes pass by the Housing Development. Nelson is well served with active transport corridors to the north and south of the city centre. IAF Funding is requested for the Bridge Street linear corridor which will not only serve the development residents well, but provide a safe and accessible route into and through the city centre, and will unlock the east to west connection to the wider community. The Funding Recipient is developing an improved east-west linkage across the wider city area that would connect to either end of the linear corridor.</p>												

The Housing Outcomes are based on the information submitted as part of the Updated Proposal (as updated as necessary to reflect the position as at the date of this Agreement).

The Funding Recipient and the Developer each acknowledge that the Housing Outcomes are the fundamental basis on which the Funding Recipient was selected to receive IAF Funding for the IAF Funded Enabling Infrastructure Project(s) under the Funding Agreement. The Funding Recipient and the Developer therefore each acknowledge that achievement of the Housing Outcomes in relation to the Housing Development are of the utmost importance to Kāinga Ora, including, in particular, the

delivery of the total number of dwellings to be provided by the Developer and in the years contemplated, in each case as set out in this **Item 5** and **Schedule 3**.

The Developer will use its reasonable endeavours to:

- deliver the total number of dwellings to be provided by it and in the years contemplated (as set out in **Schedule 3**), as well as all other Housing Outcomes identified in relation to it as set out in this **Item 5**; and
- achieve the Housing Development milestones (**Housing Development Milestones**), as set out in **Schedule 2**.

**6. Developer Commitments** The Developer provides the following commitments to Kāinga Ora and the Funding Recipient under this Agreement (the **Developer Commitments**):

	Developer Commitments	Description of Developer Housing Outcomes Commitment
1.	<b>Housing Outcomes</b>	<ul style="list-style-type: none"> <li>• The Developer will use its reasonable endeavours to achieve the Housing Outcomes identified in relation to it as set out in <b>Item 5</b> and <b>Schedule 3</b>.</li> </ul>
2.	<b>Fair Share Principle</b>	<ul style="list-style-type: none"> <li>• The Developer acknowledges and commits to the principle that it should be paying a similar share of the costs of the Enabling Infrastructure Project(s) as would be the case if the Enabling Infrastructure Project(s) were funded by traditional means through the Funding Recipient (but recognising the Funding Recipient’s ability to recover costs of the Enabling Infrastructure Project(s) from Developer(s)/Landowner(s) is subject to the requirements of the Local Government Act 2002 and applicable law) (the <b>Fair Share Principle</b>). This is generally its fair share of the reasonable “growth” portion of the total cost of the Enabling Infrastructure Project(s), which as at the Commencement Date is expected to be approximately at least \$5,290,080 (of the total cost of the Enabling Infrastructure Project(s)).</li> <li>• The Developer confirms that it will enter into all necessary arrangements with the Funding Recipient to give effect to, and make relevant payments in accordance with, the Fair Share Principle.</li> </ul>
3.	<b>Dwellings</b>	<ul style="list-style-type: none"> <li>• The Developer confirms that:                             <ul style="list-style-type: none"> <li>○ in the case of an integrated land and housing development to be undertaken by the Developer in respect of the Housing Development:                                     <ul style="list-style-type: none"> <li>▪ all dwellings to be Completed by the Developer in relation to the Housing Development are to be funded and constructed by or on behalf of the Developer; and</li> <li>▪ the Developer expects to have access to sufficient funding to undertake construction of the relevant dwellings for the Housing Development; or</li> </ul> </li> <li>○ in the case of a land subdivision development to be undertaken by the Developer in respect of the Housing Development, it will provide when required by Kāinga Ora a well-defined sales strategy to give confidence that dwellings will be delivered on the sites enabled and it will execute that sales strategy.</li> </ul> </li> </ul>
4.	<b>Developer(s)/Landowner(s) Local infrastructure</b>	<ul style="list-style-type: none"> <li>• The Developer confirms that, as is ordinarily the case:                             <ul style="list-style-type: none"> <li>○ all Developer(s)/Landowner(s) Local Infrastructure in relation to the dwellings to be Completed by the Developer, or the relevant sites to be subdivided and sold by the Developer pursuant to a land subdivision development, in each case in respect of the Housing Development is to be funded or undertaken by or on behalf of the Developer; and</li> <li>○ the Developer expects to have access to sufficient funding to undertake all Developer(s)/Landowner(s) Local Infrastructure in relation to the dwellings to be Completed by the Developer, or the relevant sites to be subdivided and sold by the Developer pursuant to a land subdivision development, in each case in respect of the Housing Development.</li> </ul> </li> </ul>



Item 2: Infrastructure Acceleration Fund and Housing Outcomes Agreements for  
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IAF Housing Outcomes Agreement – Kāinga Ora – Homes and Communities

5.	<b>Developer Information Confirmations</b>	<ul style="list-style-type: none"> <li>Except as specifically disclosed otherwise to Kāinga Ora prior to the Commencement Date, the Developer warrants that all information in relation to the Developer provided to Kāinga Ora pursuant to or in connection with the Updated Proposal and any other information provided to Kāinga Ora by the Developer (or by the Funding Recipient) in relation to the Developer in connection with this Agreement, particularly in relation to (but without limitation) the Developer’s capability, track record, experience and reputation in relation to the delivery of housing developments (the <b>Developer Information</b>), is true, accurate and complete in all respects and not misleading in any material respects, and to the Developer’s best state of knowledge, remains true, accurate and complete as at the date of this Agreement.</li> <li>The Developer will immediately notify Kāinga Ora in writing if any of the Developer Information is no longer true, accurate and complete at any stage during the term of this Agreement.</li> </ul>
6.	<b>Developer Public Announcements</b>	<ul style="list-style-type: none"> <li>Where the Funding Recipient, Kāinga Ora, relevant Ministers and other applicable governmental entities or agencies are preparing for, or making, a joint public announcement in relation to the Enabling Infrastructure Project(s), the Housing Development and the Housing Outcomes, the Developer will:                     <ul style="list-style-type: none"> <li>Co-operate with the Funding Recipient and Kāinga Ora in relation to such announcement; and</li> <li>where appropriate, join the Funding Recipient and Kāinga Ora in making such announcement.</li> </ul> </li> <li>The Developer shall not make any public announcement referencing the Enabling Infrastructure Project(s) and/or the IAF without obtaining Kāinga Ora’s prior consent to any statements to be made by the Developer.</li> </ul>
7.	<b>Developer Reporting</b>	<ul style="list-style-type: none"> <li>The Developer will:                     <ul style="list-style-type: none"> <li>Co-operate with the Funding Recipient and provide all assistance reasonably requested by the Funding Recipient in relation to the satisfaction of the Funding Recipient’s reporting obligations to Kāinga Ora (as set out in the Funding Agreement or otherwise), including, but not limited to, providing regular quarterly reporting to the Funding Recipient in relation to the progress and status of the Housing Development, and the delivery of the Housing Outcomes, in the reporting format specified by the Funding Recipient. These reports will be provided to the Funding Recipient to enable the Funding Recipient to provide to Kāinga Ora as part of its general reporting package by the 10th Business Day following the end of each December, March, June and September prior to the End Date; and</li> <li>immediately notify Kāinga Ora in writing of any material issues or risks arising or expected to arise in relation to the Housing Development or the Housing Outcomes, or performance of this Agreement, and the actual or proposed mitigations to remedy any such issues or risks.</li> </ul> </li> </ul>

**7. Funding Recipient Commitments** The Funding Recipient provides the following commitments to Kāinga Ora and the Developer under this Agreement to help facilitate and support the Housing Development and the Housing Outcomes (**Funding Recipient Commitments**):

Funding Recipient Commitment	Description of Funding Recipient Commitment
1. <b>Funding Recipient Information</b>	The Funding Recipient warrants that it is not aware of any fact or circumstance that would adversely affect the deliverability of the Enabling Infrastructure Project(s), the Housing Development and the Housing Outcomes in accordance with the terms of the Funding Agreement and this Agreement.
2. <b>Funding Recipient Public Announcements</b>	If requested, the Funding Recipient will make a joint public announcement with Kāinga Ora and the Developer in relation to the Enabling Infrastructure Project(s), the Housing Development and the Housing Outcomes and will obtain Kāinga Ora’s prior consent to any statements made by the Funding Recipient as part of that announcement.
3. <b>Funding Recipient Support</b>	The Funding Recipient must use reasonable endeavours to support and facilitate the delivery of the Housing Development and achievement of the Housing Outcomes, including by:

		<ul style="list-style-type: none"> <li>○ granting all necessary consents and approving all required plan changes in a timely manner (subject always to the acknowledgement below this table in <b>Item 7</b>);</li> <li>○ co-operating with Kāinga Ora and the Developer(s) and working together in good faith;</li> <li>○ doing or procuring the doing of all acts and/or execute or procure the execution of documents reasonably necessary or required to give full effect to this Agreement;</li> <li>○ providing the Developer with assistance and information as reasonably requested by the Developer in relation to the Housing Development, including:             <ul style="list-style-type: none"> <li>▪ establishing a team responsible for engaging with the Developer to manage the regulatory functions associated with resource and building consents and engineering approvals in relation to the Housing Development (<b>Responsible Team</b>);</li> <li>▪ ensuring that a representative of the Funding Recipient will be a single point of contact for all queries and issue resolution and have the necessary authority to escalate matters at the senior management and executive level at the Funding Recipient for urgent response (<b>Funding Recipient Representative</b>);</li> <li>▪ appointing a person to be the role of key account manager who will be one point of contact for queries and resolving issues, who will have oversight of the whole consenting process and authority to escalate matters to senior management and executive level at the Funding Recipient for urgent response (<b>Key Account Manager</b>);</li> <li>▪ ensuring that the Responsible Team, Funding Recipient Representative and Key Account Manager are fully briefed on the Housing Development, the programme for delivery and are required to diligently work to meet the relevant statutory timeframes for processing consent applications; and</li> </ul> </li> <li>○ responding reasonably, promptly and adequately to any reasonable requests for information made by the Developer in relation to the Housing Development within a reasonable timeframe.</li> </ul>
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Kāinga Ora and the Developer each acknowledge that the Funding Recipient is the territorial authority for the area in which the Enabling Infrastructure Project(s) and the Housing Development are to be undertaken, and that in terms of its regulatory functions as a local authority the Funding Recipient must act as an independent local authority and not as a party to this Agreement. Any undertaking of the Funding Recipient acting as a party to this Agreement shall not be construed as a consent or approval of or bind it in its regulatory capacity.

**8. Achieving Housing Outcomes**

The Developer shall establish a monitoring system and notify Kāinga Ora in writing as soon as it becomes aware of any matter which:

- poses a risk or raises an issue in relation to the achievement of any Housing Outcome identified in relation to it as set out in **Item 5**;
- is reasonably likely to result in the Developer breaching any of its Developer Commitments as set out in **Item 6**; and/or
- poses a risk or raises an issue in relation to the satisfaction of any Housing Development Milestone by the applicable timeframe set out in **Schedule 2**.

At any time after notification of any matter or issue and otherwise upon reasonable request, Kāinga Ora may require the Developer and, if required, the Funding Recipient:

- to meet with Kāinga Ora (including pursuant to clause 4.3 of **Part 2** (General Terms)) to discuss and understand, and explore options for avoiding or reducing the impact of any matters or issues notified or relating to any matters contemplated by this Agreement, including in particular the achievement of any Housing Outcome; and/or
- to use its reasonable endeavours to pursue any option(s) agreed with Kāinga Ora as

Item 2: Infrastructure Acceleration Fund and Housing Outcomes Agreements for  
- Bridge Street Linear Active Transport Corridor and  
- Rutherford/Achilles Social and Affordable Housing Development: Attachment 1

IAF Housing Outcomes Agreement – Kāinga Ora – Homes and Communities

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further described in clause 4.3(d) of **Part 2** (General Terms)) to avoid or reduce the impact of the matters or issues notified or relating to any matters contemplated by this Agreement, including in particular the achievement of any Housing Outcome.

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**9. Transfer of land**

Kāinga Ora acknowledges that, subject to this **Item 9**, the Developer may sell, transfer or otherwise dispose of the Land in the ordinary course of its business as a developer for the purpose of enabling the Housing Outcomes. For clarity, this includes granting a mortgage, subdividing the Land into superlots or individual lots, and transferring those lots to third parties for the delivery of the Housing Outcomes.

Given that the Housing Outcomes are the fundamental basis on which the Funding Recipient has been selected to receive the IAF Funding under the Funding Agreement Kāinga Ora requires that if the Developer sells, transfers or otherwise disposes of any of its rights, title or interest in all or a substantial part of the Land to a third party (each a **Proposed Transferee**) then the Proposed Transferee also commits to using reasonable endeavours to achieve the Housing Outcomes.

Therefore, the Developer may sell, transfer or otherwise dispose of any of its rights, title or interest in all or a substantial part of the Land to any Proposed Transferee provided the Developer has obtained the prior written approval of Kāinga Ora, which will be given provided that:

- the Proposed Transferee enters into documentation agreeing to be bound by and perform the Developer's obligations under this Agreement on terms satisfactory to Kāinga Ora, acting reasonably; and
- the Proposed Transferee is able to comply with the Developer's obligations under this Agreement to the satisfaction of Kāinga Ora, acting reasonably.

Kāinga Ora will use its reasonable endeavours to respond to any such request for written approval within five (5) Business Days of receipt of such request.

The Developer must notify Kāinga Ora in writing of its intention to sell, transfer or otherwise dispose of any of its rights, title or interest in all or a substantial part of the Land at least five (5) Business Days before taking any steps to sell, transfer or otherwise dispose of any of such rights, title or interests (for example, and without limitation, five (5) Business Days prior to commencing any marketing or advertising).

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**10. Further assurances**

Each party to this Agreement will:

- co-operate with each other party and work together in good faith, and, as soon as possible, agree a protocol for managing information flows between them (including in relation to the Enabling Infrastructure Project(s), the Housing Development and the Housing Development Milestones), including:
  - so that the relationship between the parties is operated, and material information is provided, on a no surprises basis; and
  - to ensure the timely supply of information as and when it is due, and the parties raise any issue or concern at the earliest possible opportunity; and
- do or procure the doing of all acts and/or execute or procure the execution of documents reasonably necessary or required for giving full effect to this Agreement (and in the case of the Developer only, achieving the Housing Outcomes identified in relation to it as set out in **Item 5**).

**11. Special Terms Conditions**

This Agreement is conditional upon satisfaction of the later of:

- (a) a sale and purchase agreement for the Land (to be entered into between the Funding Recipient and the Developer after the date of this Agreement) being unconditional (**Sale Condition**); and
- (b) the Developer obtaining all internal approvals necessary to enable the Developer to enter into (and be bound by) this Agreement including, in particular, Business Case approval for the Developer’s portion of the Housing Development (**Approval Condition**).

The Sale Condition and the Approval Condition have each been included for the sole benefit of the Developer and may only be waived by the Developer by written notice to the other parties.

The Developer will use its reasonable endeavours to satisfy the Sale Condition and the Approval Condition, and the Funding Recipient will use its reasonable endeavours to satisfy the Sale Condition, in a timely manner.

**Housing Development Milestones**

Kāinga Ora, the Funding Recipient and the Developer will, in good faith, endeavour to agree to the terms of, and enter into, an HOA Variation Agreement to update the Housing Development Milestones in **Schedule 2** of this Agreement (such updated Housing Development Milestones to be satisfactory to Kāinga Ora, acting reasonably) in a timely manner following the Approval Condition being satisfied.

From the Commencement Date until such HOA Variation Agreement is entered into, the Developer will provide to Kāinga Ora written updates in relation to the progress towards satisfaction of the Sale Condition and the Approval Condition (such updates to be received by Kāinga Ora on the tenth Business Day following the end of each calendar month (or such other period agreed by Kāinga Ora in writing)).

**Public announcements**

Before the Funding Recipient or Kāinga Ora make any media statements or press releases (including social media posts) referencing the portion of dwellings of the Housing Development to be completed by the Developer, the Funding Recipient and Kāinga Ora will consult with the Developer.

**12. Contents** The contents of this Agreement are set out below:

<b>Part 1</b>	Key Details	<b>Schedule 1</b>	Housing Development and Enabling Infrastructure Project(s)
<b>Part 2</b>	General Terms	<b>Schedule 2</b>	Housing Development Milestones
<b>Part 3</b>	Definitions and Interpretation	<b>Schedule 3</b>	Dwellings to be Completed in each year

**13. Contact Persons**

Kāinga Ora’s Contact Person:

Name: Suresh Ram

Email: suresh.ram@kaingaora.govt.nz

Funding Recipient’s Contact Person:

Name: Alec Louverdis

Email: alec.louverdis@ncc.govt.nz

Item 2: Infrastructure Acceleration Fund and Housing Outcomes Agreements for  
- Bridge Street Linear Active Transport Corridor and  
- Rutherford/Achilles Social and Affordable Housing Development: Attachment 1

IAF Housing Outcomes Agreement – Kāinga Ora – Homes and Communities

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Developer's Contact Person:

Name: Russell Allen

Email: Russell.Allen@kaingaora.govt.nz

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**14. Address for Notices**

To Kāinga Ora – Homes and Communities

7 Waterloo Quay, Pipitea, Wellington

Attention: IAF Project Team

Email: IAF@kaingaora.govt.nz

To the Developer

To Housing New Zealand Build Limited

7 Waterloo Quay, Pipitea, Wellington

Attention: Russell Allen

Email: Russell.Allen@kaingaora.govt.nz

To the Funding Recipient:

Alec Louverdis

110 Trafalgar Street, Nelson 7010

Attention: Alec Louverdis

Email: alec.louverdis@ncc.govt.nz

Released 20 July 2023

336940202-2646)

**SIGNED** for and on behalf of  
**KĀINGA ORA – HOMES AND  
COMMUNITIES** by the persons named  
below, being persons duly authorised to  
enter into obligations on behalf of  
**KĀINGA ORA – HOMES AND  
COMMUNITIES**, acting on behalf of the  
Crown:

Name:

Name:

Position:

Position:

Date:

Date:

Released 20 July 2023

Item 2: Infrastructure Acceleration Fund and Housing Outcomes Agreements for  
- Bridge Street Linear Active Transport Corridor and  
- Rutherford/Achilles Social and Affordable Housing Development: Attachment 1

IAF Housing Outcomes Agreement – Kāinga Ora – Homes and Communities

**SIGNED** for and on behalf of  
**HOUSING NEW ZEALAND BUILD  
LIMITED** by the persons named  
below, being persons duly authorised  
to enter into obligations on behalf of  
**HOUSING NEW ZEALAND BUILD  
LIMITED**:

Name:

Name:

Position:

Position:

Date:

Date:

Released 20 July 2023

**SIGNED** for and on behalf of **NELSON CITY COUNCIL** by the persons named below, being persons duly authorised to enter into obligations on behalf of the **NELSON CITY COUNCIL**:

Name:

Name:

Position:

Position:

Date:

Date:

END OF PART 1

Released 20 July 2023



Item 2: Infrastructure Acceleration Fund and Housing Outcomes Agreements for  
- Bridge Street Linear Active Transport Corridor and  
- Rutherford/Achilles Social and Affordable Housing Development: Attachment 1

IAF Housing Outcomes Agreement – Kāinga Ora – Homes and Communities

**PART 2: GENERAL TERMS**

**1. TERM AND TERMINATION**

**Commencement Date**

- 1.1. This Agreement will be effective on and from the Commencement Date and will remain in force until the End Date, unless terminated in accordance with this Agreement.

**Funding Recipient's obligations**

- 1.2. For the avoidance of doubt the Funding Recipient shall not be responsible for achieving the Housing Outcomes (including the Housing Development Milestones), unless expressly provided for in this Agreement.

**Termination**

- 1.3. Kāinga Ora can terminate this Agreement in full or part with immediate effect, by giving notice to the Housing Development Parties, at any time:
- (a) when the Funding Agreement is terminated by Kāinga Ora in accordance with its terms;
  - (b) if any Housing Development Party repudiates this Agreement or this Agreement is invalid;
  - (c) if any Housing Development Party is materially in breach of any obligation or commitment, or a condition or warranty, under this Agreement and, in the case of a Developer, the Developer fails to remedy that breach to Kāinga Ora's satisfaction; and
  - (d) if any Housing Development Party is in breach of any material obligation or commitment, or a material condition or warranty, under this Agreement and, in the case of a Developer, the Developer fails to remedy that breach to Kāinga Ora's satisfaction.

**Survival**

- 1.4. Clauses 1 to 9 of Part 2 (General Terms) survive expiry or termination of this Agreement, along with any other parts of this Agreement necessary to give effect to those provisions. Expiry or termination of this Agreement does not affect any accrued rights, including any rights in respect of a breach of this Agreement that occurred before expiry or termination.

**2. WARRANTIES**

- 2.1. Each Housing Development Party warrants that, as at the Commencement Date, it has full power and authority to enter into and perform its obligations under this Agreement which, when executed, will constitute binding obligations on it in accordance with its terms.
- 2.2. The Developer provides the warranties set out in Item 6 of Part 1 (Key Details).
- 2.3. The Funding Recipient provides the warranties set out in Item 7 of Part 1 (Key Details).
- 2.4. Each Housing Development Party acknowledges that Kāinga Ora has entered into this Agreement in reliance on these warranties.

**3. LIABILITY**

- 3.1. Kāinga Ora has no liability to the Housing Development Parties under or in connection with this Agreement and the Funding

Agreement, whether arising in contract, tort (including negligence) or otherwise, other than the obligation to pay to the Funding Recipient the IAF Funding due and payable under the Funding Agreement, capped at the Maximum Amount Payable (as defined in the Funding Agreement).

- 3.2. Each Housing Development Party acknowledges that damages may not be an adequate remedy for any breach or default by a Housing Development Party under or in connection with the performance of an obligation under this Agreement, and that Kāinga Ora may seek specific performance of the terms of this Agreement or injunctive relief or any other similar remedy in addition to any other remedies available to it at law or in equity.

**4. NOTIFICATION OBLIGATIONS**

**General**

- 4.1. Each Housing Development Party will promptly notify Kāinga Ora if:
- (a) the Housing Development Party (or any of its personnel or contractors) becomes aware of, or subject to, a Conflict of Interest; or
  - (b) the Housing Development Party becomes aware of any matter that could reasonably be expected to have an adverse effect on an Enabling Infrastructure Project(s) or the Housing Development, or result in a breach of any term of this Agreement by the Housing Development Party or termination of this Agreement pursuant to clause 1.3 of Part 2 (General Terms).
- 4.2. Each Housing Development Party will not at any time do anything in connection with the Enabling Infrastructure Project(s) or the Housing Development that could reasonably be expected to have an adverse effect on the reputation, good standing or goodwill of Kāinga Ora or any Crown Office. The Funding Recipient will keep Kāinga Ora informed of any matter known to the Funding Recipient which could reasonably be expected to have such an effect.

**Review meetings**

- 4.3. If reasonably requested by Kāinga Ora, the Housing Development Parties must meet with Kāinga Ora to review and discuss:
- (a) the progress and status of, and any risks and/or issues in relation to, the Housing Development, the delivery of the Housing Outcomes and/or the achievement of the Housing Development Milestones, including all matters contained in the most recent quarterly reports referred to in Item 6 and Item 7 of Part 1 (Key Details) and any issues notified to Kāinga Ora in accordance with Item 6, Item 7 or Item 8 of Part 1 (Key Details) and/or clause 4.1 of Part 2 (General Terms);
  - (b) compliance by the Housing Development Parties with their obligations under this Agreement;
  - (c) any other matter reasonably requested by Kāinga Ora; and
  - (d) how the Housing Development Parties and Kāinga Ora can ensure that any risks or issues are appropriately managed and, if reasonably requested by Kāinga Ora, to also then work together in good faith to agree any plan and/or options to avoid or reduce the impact of the relevant risk or issue, and the timeframes for any applicable actions.
- 4.4. Each Housing Development Party will use its reasonable endeavours to undertake and give effect to any plan and/or options

## IAF Housing Outcomes Agreement – Kāinga Ora – Homes and Communities

prepared and agreed under clause 4.3(d) of **Part 2** (General Terms), or any other plan and/or option as otherwise agreed with Kāinga Ora.

### Co-operation

- 4.5. Each Housing Development Party will co-operate with Kāinga Ora and provide Kāinga Ora with any information about the Enabling Infrastructure Project(s), the Housing Development, the Housing Outcomes and/or the Housing Development Milestones reasonably requested by Kāinga Ora within the timeframe set out in the request, as well as providing reasonable access to its personnel in relation to any such information requests.

### 5. CONFIDENTIALITY

- 5.1. Subject to clauses 5.2 and 5.3, each party will keep the other parties' Confidential Information in confidence, and will use or disclose that Confidential Information only to the extent necessary to perform its obligations, and/or take the intended benefit of its rights, under this Agreement. However, this will not prohibit:

- (a) any party from using or disclosing any information with the written prior consent of the other relevant party;
- (b) use or disclosure of information that has become generally known to the public other than through a breach of this Agreement;
- (c) disclosure required by any law, or any compulsory order or requirement issued pursuant to any law;
- (d) the Developer from disclosing the terms of this Agreement to a Proposed Transferee(s) in accordance with **Item 9 of Part 1** (Key Details); or
- (e) Kāinga Ora from using or disclosing to any third party any information, document, report or other material, provided that prior to any such disclosure Kāinga Ora removes all information that is commercially sensitive to the relevant Housing Development Party from the relevant work.

- 5.2. The Housing Development Parties acknowledge and agree that nothing in this Agreement restricts Kāinga Ora's ability to:

- (a) discuss with, and provide all information in respect of, any matters concerning the Housing Development Parties, the Enabling Infrastructure Project(s), the Housing Development, the Housing Outcomes, the Funding Agreement or this Agreement, to any Crown Office or any of their respective advisors;
- (b) meet its obligations under any constitutional or parliamentary convention (or other obligation at law) of or in relation to the New Zealand Parliament, the New Zealand House of Representatives or any of its Committees, any Minister of the Crown, or the New Zealand Auditor-General, including any obligations under the Cabinet Manual including the "no surprises" principle; and
- (c) publicise and report on the Housing Development and the Housing Outcomes, including the Housing Development Parties and any subcontractor names, and a brief description of the Enabling Infrastructure Project(s) and the Housing Development, on websites; in media releases; general announcements and annual reports.

- 5.3. The Housing Development Parties each acknowledge that:

- (a) the contents of this Agreement; and
- (b) information provided to Kāinga Ora,

may be official information in terms of the Official Information Act 1982 and, in line with the purpose and principles of the Official Information Act 1982, this Agreement and such information may be released to the public unless there is good reason, in terms of the Official Information Act 1982, to withhold it. This may include a copy of the Agreement (redacted to remove confidential and commercially sensitive information), being published on Kāinga Ora's website.

- 5.4. Kāinga Ora acknowledges that the Funding Recipient is subject to the Local Government Official Information and Meetings Act 1987 and that its confidentiality obligations under this clause are subject to its compliance with that Act. The Funding Recipient must notify Kāinga Ora if it receives any request for Confidential Information pursuant to the Local Government Official Information and Meetings Act 1987 prior to any disclosure of Confidential Information.

### 6. MEDIA AND COMMUNICATIONS

- 6.1. Before making any media statements or press releases (including social media posts) referencing this Agreement and/or Kāinga Ora's involvement with the Enabling Infrastructure Project(s) and the Housing Development, the Housing Development Parties will consult with Kāinga Ora, and will obtain Kāinga Ora's prior approval to any such statements or releases.
- 6.2. All correspondence with Kāinga Ora under this clause 6 of **Part 2** (General Terms) must be directed to Kāinga Ora's Contact Person. The Housing Development Parties will refer any enquiries from the media or any other person about the terms or performance of this Agreement to Kāinga Ora's Contact Person.
- 6.3. The Housing Development Parties do not have the right to enter into any commitment, contract or agreement on behalf of Kāinga Ora or any associated body, or to make any public statement or comment on behalf of Kāinga Ora or any Crown Office.

### 7. DISPUTES

In the event of any dispute, controversy or claim arising out of or in connection with this Agreement, or in relation to any question regarding its existence, breach, termination or invalidity (in each case, a **Dispute**), any party may give written notice to the other parties. As soon as reasonably practicable thereafter, the parties will meet and endeavour to resolve the Dispute by discussion, negotiation and agreement. A party must not commence any proceedings in connection with a Dispute unless at least 40 days have elapsed since the issue of a notice, and that party has used reasonable endeavours to comply with this clause. However, nothing in this clause prohibits any party from seeking urgent interim relief.

### 8. CONTACT PERSONS

- 8.1. All matters or enquiries regarding this Agreement will be directed to each party's Contact Person (set out in **Item 13 of Part 1** (Key Details)).
- 8.2. Each party may from time to time change the person designated as its Contact Person on 10 Business Days' written notice to the other parties.

### 9. GENERAL

- 9.1. The Funding Recipient and each Developer acknowledges that Kāinga Ora is acting as the agent of the Crown and is required to consult with the Crown and seek the Crown's consent in relation to the exercise of certain of the rights and obligations of Kāinga Ora under this Agreement.

Item 2: Infrastructure Acceleration Fund and Housing Outcomes Agreements for  
- Bridge Street Linear Active Transport Corridor and  
- Rutherford/Achilles Social and Affordable Housing Development: Attachment 1

IAF Housing Outcomes Agreement – Kāinga Ora – Homes and Communities

- 9.2. The Funding Recipient agrees that the Crown may terminate the appointment of Kāinga Ora in relation to the IAF and/or this Agreement and assume, or appoint another person to undertake, the rights and obligations of Kāinga Ora under this Agreement and/or the IAF, without the consent of the Funding Recipient and the Funding Recipient agrees to co-operate with the Crown or such other person to facilitate any such assumption or appointment.
- 9.3. Each notice or other communication given under this Agreement (each a **notice**) will be in writing and delivered personally or sent by post or email to the address of the relevant party set out in **Item 14 of Part 1** (Key Details) or to any other address from time to time designated for that purpose by at least 10 Business Days' prior written notice to the other party. A notice under this Agreement is deemed to be received if:
- (a) **Delivery:** delivered personally, when delivered;
  - (b) **Post:** posted, 5 Business Days after posting or, in the case of international post, 7 Business Days after **posting**; and
  - (c) **Email:** sent by email:
    - i. if sent between the hours of 9am and 5pm (local time) on a Business Day, at the time of transmission; or
    - ii. if subclause (i) does not apply, at 9am (local time) on the Business Day most immediately after the time of sending, provided that an email is not deemed received unless (if receipt is disputed) the party giving notice produces a printed copy of the email which evidences that the email was sent to the email address of the party given notice.
- 9.4. This Agreement (and the Funding Agreement in respect of Kāinga Ora and the Funding Recipient only) constitutes the sole and entire understanding with respect to the subject matter hereof and supersedes all prior discussions, representations and understandings, written or oral.
- 9.5. This Agreement may be amended by way of a HOA Variation Agreement signed by all parties in accordance with this Agreement. No amendment to this Agreement will be effective unless agreed in writing and signed by all parties.
- 9.6. No Housing Development Party may assign or transfer any of its contractual rights or obligations under this Agreement, except:
- (a) with Kāinga Ora's prior written approval;
  - (b) in the case of the Funding Recipient only, pursuant to clause 9.7; or
  - (c) in the case of the Developer only, pursuant to **Item 9 of Part 1** (Key Details).
- 9.7. If and to the extent the Funding Recipient is required by law to assign, transfer, sell or dispose of any Enabling Infrastructure Project(s) assets during the term of the Funding Agreement, then this Agreement will be assigned by the Funding Recipient to the relevant assignee at the same time the relevant Enabling Infrastructure Project(s) assets are assigned, transferred, sold or disposed (but such assignment of this Agreement will be only to the extent this Agreement relates to those Enabling Infrastructure Project(s) assets).
- 9.8. No failure, delay or indulgence by any party in exercising any power or right conferred on that party by this Agreement shall operate as a waiver. A single exercise of any of those powers or rights does not preclude further exercises of those powers or rights or the exercise of any other powers or rights.
- 9.9. The exercise by a party of any express right set out in this Agreement is without prejudice to any other rights, powers or remedies available to a party in contract, at law or in equity, including any rights, powers or remedies which would be available if the express rights were not set out in this Agreement.
- 9.10. Any provision of this Agreement that is invalid or unenforceable will be deemed deleted, and will not affect the other provisions of this Agreement, all of which remain in force to the extent permitted by law, subject to any modifications made necessary by the deletion of the invalid or unenforceable provision.
- 9.11. This Agreement is to be governed by the laws of New Zealand, and the parties submit to the non-exclusive jurisdiction of the courts of New Zealand.
- 9.12. This Agreement may be executed in any number of counterparts (including scanned and emailed copies). So long as each party has received a counterpart signed by each of the other parties, the counterparts together shall constitute a binding and enforceable agreement.

END OF PART 2

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17

**PART 3: DEFINITIONS AND INTERPRETATION**

**A. Definitions**

In this Agreement, unless the context requires otherwise, terms defined in **Part 1** (Key Details) have the meanings specified therein and:

*Agreement* means this agreement including Parts 1, 2 and 3 and the schedule and appendices (and any other attachments).

*Business Day* means any day other than a Saturday, Sunday or public holiday within the meaning of section 44 of the Holidays Act 2003.

*Commencement Date* means the date this Agreement has been signed by all parties specified in **Item 1 of Part 1** (Key Details).

*Completed* means in respect of a dwelling or dwellings, the date on which all necessary code compliance certificates for that dwelling(s) have been obtained.

*Confidential Information* of a party (**Owner**), means any information in the possession or control of another party (**Holder**) that:

- (a) was originally acquired by the Holder through disclosures made by the Owner or on the Owner's behalf or at the request of the Holder; and/or
- (a) was originally acquired by the Holder in connection with this Agreement through any access to, or viewing, inspection or evaluation of, the premises, facilities, documents, systems or other assets owned or controlled by the Owner; and/or
- (b) is derived from information of a kind described in paragraph (a) or (b) above,

but excludes any information which the Holder can show:

- (c) was lawfully acquired by the Holder, entirely independently of its activities in connection with this Agreement, and is free of any other obligation of confidence owed to the Owner; and/or
- (d) has been independently developed by the Holder without reference to the Owner's Confidential Information, and without breaching any other obligation of confidence owed to the Owner.

Notwithstanding the foregoing, the terms of this Agreement are Confidential Information of which each party is both an Owner and a Holder.

*Conflict of Interest* means any matter, circumstance, interest or activity of the Housing Development Party, its personnel or contractors, or any other person with whom the Housing Development Party has a relationship that:

- (a) conflicts with:
  - i. the obligations of the Housing Development Party (or its personnel or contractors) to Kāinga Ora under this Agreement; or
  - ii. the interests of the Housing Development Party in relation to this Agreement and/or the procuring of the Enabling Infrastructure Project(s); or
- (b) otherwise impairs or might appear to impair the ability of the Housing Development Party (or any of its personnel or contractors)

to diligently and independently comply with its obligations under this Agreement.

*Contact Person* means, in respect of each party, the applicable "Contact Person" specified in **Item 13 of Part 1** (Key Details).

*Crown* means The Sovereign in Right of New Zealand.

*Crown Office* means the Crown, any Minister of the Crown, any Government department or agency and the New Zealand Government generally.

*Delivery Plan* means a delivery plan agreed in writing and signed by the Funding Recipient and Kāinga Ora pursuant to, and in accordance with, the Funding Agreement.

*Developer* has the meaning given in **Item 1 of Part 1** (Key Details).

*Developer Commitments* means the "Developer Commitments" defined in **Item 6 of Part 1** (Key Details).

*Developer Information* means the "Developer Information" defined in **Item 6 of Part 1** (Key Details).

*Developer(s)/Landowner(s) Local Infrastructure* means all ineligible "local" infrastructure that is required to enable the construction of housing in respect of the Housing Development and which is undertaken by or on behalf of the Developer and/or landowner(s) in order for the Developer and/or landowner(s) to obtain a certificate under section 224(c) of the Resource Management Act 1991 in respect of the relevant housing.

*EOI* means the "EOI" defined in **Item 2 of Part 1** (Key Details).

*Enabling Infrastructure Project(s)* means the "Enabling Infrastructure Project(s)" as defined in the Funding Agreement from time to time and as summarised at the date of this Agreement in **Item 4 of Part 1** (Key Details).

*End Date* means the date that Kāinga Ora is satisfied that all Housing Outcomes have been delivered by the Housing Development Parties in accordance with this Agreement.

*Fair Share Principle* means the "Fair Share Principle" defined in **Item 6 of Part 1** (Key Details).

*Funding Agreement* means the "Funding Agreement" defined in **Item 2 of Part 1** (Key Details).

*Funding Recipient Commitments* means the "Funding Recipient Commitments" defined in **Item 7 of Part 1** (Key Details).

*Funding Recipient Representative* means the "Funding Recipient Representative" defined in **Item 7 of Part 1** (Key Details).

*HOA Variation Agreement* means a variation agreement agreed in writing by the parties (based on the standard form provided by Kāinga Ora) which sets out any of the following:

- (a) any updates or amendments to **Schedule 1** following the Commencement Date as contemplated by **Item 3** and **Item 4 of Part 1** (Key Details);

Item 2: Infrastructure Acceleration Fund and Housing Outcomes Agreements for  
- Bridge Street Linear Active Transport Corridor and  
- Rutherford/Achilles Social and Affordable Housing Development: Attachment 1

IAF Housing Outcomes Agreement – Kāinga Ora – Homes and Communities

- (b) any updates or amendments to **Item 5** and/or **Schedule 3** following the Commencement Date as contemplated by **Item 5** of **Part 1** (Key Details); and
- (c) any other updates or amendments to this Agreement as agreed by the parties from time to time;

*Housing Development* means the “Housing Development” defined in **Item 3** of **Part 1** (Key Details).

*Housing Development Milestones* has the meaning given in **Item 5** of **Part 1** (Key Details).

*Housing Development Parties* has the meaning given in **Item 1** of **Part 1** (Key Details).

*Housing Outcomes* means the “Housing Outcomes” defined in **Item 5** of **Part 1** (Key Details).

*IAF* means the “IAF” defined in **Item 2** of **Part 1** (Key Details).

*IAF Funding* means IAF funding paid under the Funding Agreement.

*Key Account Manager* means the “Key Account Manager” defined in **Item 7** of **Part 1** (Key Details).

*Land* means all of the land owned (or to be owned) by the Developer which is the subject of the Housing Development as more particularly described in the Legal Description in **Schedule 1**.

*Responsible Team* means the “Responsible Team” defined in **Item 7** of **Part 1** (Key Details).

*RFP* means the “RFP” defined in **Item 2** of **Part 1** (Key Details).

*Updated Proposal* means the “Updated Proposal” defined in **Item 2** of **Part 1** (Key Details).

## B. Interpretation

In the construction of this Agreement, unless the context requires otherwise:

*Conflicts*: if and to the extent there is any inconsistency or conflict between this Agreement and the Funding Agreement, the terms of the Funding Agreement will prevail.

*Documents*: a reference to any document, including this Agreement, includes a reference to that document as amended or replaced from time to time (including by way of a Delivery Plan in accordance with the Funding Agreement).

*Including*: mentioning anything after include, includes or including does not limit what else might be included.

*Order of priority*: the following order of precedence will apply to the extent of any inconsistency or conflict between the parts of and schedules to this Agreement:

- (a) first, the Schedules to this Agreement;
- (b) second, **Part 1** (Key Details) of this Agreement; and
- (c) third, **Part 2** (General Terms) of this Agreement.

*Parties*: a reference to a party to this Agreement or any other document

includes that party’s personal representatives/successors and permitted assigns.

*Related Terms*: where a word or expression is defined in this Agreement, other parts of speech and grammatical forms of that word or expression have corresponding meanings.

*Singular and plural*: the singular includes the plural and vice versa.

*Summaries*: any clause in **Part 2** (General Terms) and any provision of any Schedule applies irrespective of whether or not it is also summarised in **Part 1** (Key Details) (in addition to being set out in **Part 2** (General Terms) and/or any Schedule).

*Writing*: a reference to “written” or “in writing” includes email and any commonly used electronic document format such as .DOC or .PDF.

END OF PART 3

336940202-2646)

19

**Schedule 1: Housing Development and Enabling Infrastructure Project(s)**

**Key Details of the Housing Development and Enabling Infrastructure Project(s)**

The Housing Development key details are as follows:

<b>Name of Housing Development</b>	Nelson Central City intensification, including the Achilles Avenue and Rutherford Street Affordable Housing Development to be provided by the Developer under this Agreement
<b>Name of Developer(s)</b>	Housing New Zealand Build Limited
<b>Name of Landowner(s)</b>	Housing New Zealand Build Limited
<b>Location (suburb and city)</b>	Central City, Nelson
<b>Territorial Authority region</b>	Nelson City Council
<b>Total number of dwellings to be Completed (in aggregate across the entire Housing Development)</b>	1,025 dwellings
<b>Delivery period for those dwellings to be Completed</b>	<ul style="list-style-type: none"> <li>By December 2028 for the portion of the dwellings (175) to be Completed by the Developer</li> <li>From 2028 for the balance (850) of the aggregate dwellings to be Completed</li> </ul>
<b>Brownfield / Greenfield?</b>	Brownfield
<b>Description of land comprising the entire Housing Development</b>	See map in Attachment below
<b>Description of Developer's Land</b>	<ul style="list-style-type: none"> <li>42 Rutherford Street: 961 m2 being Lot 1-3 DP 3511 comprised in record of title NL100/75.</li> <li>69-101 Achilles Avenue:                             <ul style="list-style-type: none"> <li>1012m2 being Lot 1-2 DP 1831 comprised in record of title NL3B/618;</li> <li>591m2 being Lot 26 DP 132 comprised in record of title NL29/122;</li> <li>591 m2 being Lot 27 DP 132 comprised in record of title NL33/277;</li> <li>352m2 being Pt Sec 226A DP 1746 comprised in record of title NL58/232; and</li> <li>240m2 being Part Lot 28 DP 132 comprised in record of title NL73/29.</li> </ul> </li> </ul>

The key details of the Enabling Infrastructure Project(s) are as follows:

<b>Enabling Infrastructure Project(s)</b>	<b>Description</b>
<b>Transport Enabling Infrastructure Project(s)</b>	Linear Active Transport Corridor – Bridge Street and Haven Road
<b>Three Waters Enabling Infrastructure Project(s)</b>	<ul style="list-style-type: none"> <li>Watermain upgrades (Bridge, Rutherford, Halifax, and Collingwood)</li> <li>Wastewater pipeline upgrades (Bridge, Rutherford, Paru Paru and Achilles)</li> <li>Wastewater pump station upgrade</li> <li>Stormwater pipeline upgrades (Bridge and Haven)</li> </ul>
<b>Flood Management Infrastructure Project(s)</b>	Stormwater Flood Gate

**General description**

The Housing Development includes development located within central Nelson at 69 – 101 Achilles Avenue, and 42 Rutherford Street. The Funding Recipient will sell the Land to the Developer for the purpose of building the Housing Development, which is part of the Funding Recipient's commitment to use its property portfolio to support housing affordability and intensification.

Currently, there is unmet demand for housing in Nelson's city centre (of some 217 households), particularly in the lower-price brackets. This has been caused by high population growth coupled with a shortage of housing supply. Median house prices in the Nelson region have increased 88% over five years.

Item 2: Infrastructure Acceleration Fund and Housing Outcomes Agreements for  
- Bridge Street Linear Active Transport Corridor and  
- Rutherford/Achilles Social and Affordable Housing Development: Attachment 1

IAF Housing Outcomes Agreement – Kāinga Ora – Homes and Communities

The Housing Development is zoned as inner city and will deliver approximately 1,025 dwellings, with the Developer delivering the first 175 dwellings. The Housing Development for which the Developer will be responsible will be high density and all dwellings will be either social or affordable housing, and include affordable rental accommodation. The Housing Development, together with the Enabling Infrastructure Project(s), will support the intensification objectives of the National Policy on Urban Development and Te Ara o Whakatū's (the Nelson City Centre Spatial Plan) goal of invigorating public spaces through a range of city centre investments.

Nelson city has a compact urban form that facilitates living near employment opportunities, educational facilities and general services. Employment opportunities include Nelson Port, Nelson hospital, businesses such as Sealords, Sanfords and Talleys fisheries, the Nelson Marlborough Institute of Technology and the Cawthorn Institute. The Housing Development is located within walking or cycling from education facilities, including Nelson College for Girls and Nelson College. Being in the city centres, the Housing Development site is also located in the commercial, social recreational, and transportation hub of the region.

IAF Funding is essential to accelerating the up-take of people living in the Nelson city centre. It will enable a greater scale, and efficiency, of infrastructure that would not otherwise be achieved, particularly due to the Funding Recipient's financial constraints. The Bridge Street transport corridor will not only serve the Housing Development residents, but will provide a safe transport route through the city centre, unlocking the east-to-west connection to the wider community.

The Funding Recipient and the Developer are aligned in their commitments to bring affordable housing to Nelson. The Funding Recipient and the Developer have entered into a "relationship agreement" that commits them to work together to achieve this aim. In relation to the Housing Development, the Funding Recipient has resolved to sell the Land to the Developer (subject to conditions) for a development of less than 50% social housing with the remainder being affordable housing types.

Released 20 JULY 2023

**Schedule 2: Housing Development Milestones**

The Housing Development Milestones to be achieved by the Developer are set out in the table below. References in the table below to “Housing Development” means the dwellings that the Developer is responsible for under this Agreement, as set out in **Item 5 of Part 1**.

Phase	Housing Development Milestone	Dwellings Completed	Milestone Date
<b>1. Pre-Feasibility</b>	Confirmation from the Developer to Kāinga Ora that the pre-feasibility activities for the Housing Development are completed, including: <ul style="list-style-type: none"> <li>• identification of the Housing Development concept;</li> <li>• scenario testing of the Housing Development concept; and</li> <li>• initiation of feasibility inputs commenced.</li> </ul>	N/A	TBC
<b>2. Feasibility / Concept Plan</b>	Confirmation from the Developer to Kāinga Ora that the feasibility activities for the Housing Development are completed, including: <ul style="list-style-type: none"> <li>• analysis of Housing Development opportunity completed;</li> <li>• commitment to deliver Housing Development; and</li> <li>• high level cost estimate and net funding identified.</li> </ul>	N/A	TBC
<b>3. Planning / Master Planning</b>	Confirmation from the Developer to Kāinga Ora that the planning / masterplanning work activities for the Housing Development are completed, including: <ul style="list-style-type: none"> <li>• masterplan completed;</li> <li>• lodgement and approval of district plan changes (if any);</li> <li>• refined feasibility of Housing Development (based on completed masterplan); and</li> <li>• business case finalized.</li> </ul>	N/A	TBC



Item 2: Infrastructure Acceleration Fund and Housing Outcomes Agreements for  
 - Bridge Street Linear Active Transport Corridor and  
 - Rutherford/Achilles Social and Affordable Housing Development: Attachment 1

IAF Housing Outcomes Agreement – Kāinga Ora – Homes and Communities

Phase	Housing Development Milestone	Dwellings Completed	Milestone Date
<b>4. Design / Consenting</b>	<p>Confirmation from the Developer to Kāinga Ora that the design / consenting activities for the Housing Development are completed, including:</p> <ul style="list-style-type: none"> <li>resource, subdivision land use consents and engineering approval applications have been submitted to the relevant decision maker;</li> <li>the commercial framework required for the Housing Development are in place; and</li> <li>all necessary land acquisition agreements have been entered into.</li> </ul>	N/A	December 2025
<b>5. Pre-Construction</b>	<p>Confirmation from the Developer to Kāinga Ora that the pre-construction activities are completed for Achilles Avenue and Rutherford Street, including:</p> <ul style="list-style-type: none"> <li>resource, subdivision and building consents issued; and</li> <li>build partner contracted.</li> </ul>	N/A	June 2026
<b>6. First Dwelling Completed</b>	Confirmation from the Developer to Kāinga Ora of the first Dwelling Completed (i.e., code of compliance certificate issued) in relation to the Housing Development.	1	June 2028
<b>7. Construction</b>	Confirmation from the Developer to Kāinga Ora of Dwellings Completed (i.e., code of compliance certificates issued) in relation to Achilles Avenue and Rutherford Street.	175	December 2028

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**Schedule 3: Dwellings to be Completed in each year**

This Schedule 3 sets out:

- in **Part A**, the type and total number of dwellings (to be Completed in aggregate in respect of the Housing Development, including those to be Completed by the Developer) in each year; and
- in **Part B**, the type and total number of dwellings (to be Completed by the Developer in respect of the Housing Development) in each year.

**Part A: Dwellings to be Completed in aggregate**

	2022	2023	2024	2025	2026	2027	2028	2028 onwards	Total
1. Public housing dwellings	0	0	0	0	0	0	60	0	60
2. Papakāinga dwellings	0	0	0	0	0	0	0	0	0
3. Lower-cost dwellings	0	0	0	0	0	0	115	0	115
4. Other dwellings	0	0	0	0	0	0	0	850	850
5. Total	0	0	0	0	0	0	175	850	1,025

**Part B: Dwellings to be completed by the Developer**

	2022	2023	2024	2025	2026	2027	2028	2028 onwards	Total
1. Public housing dwellings	0	0	0	0	0	0	60	0	60
2. Papakāinga dwellings	0	0	0	0	0	0	0	0	0
3. Lower-cost dwellings	0	0	0	0	0	0	115	0	115
4. Other dwellings	0	0	0	0	0	0	0	0	0
5. Total	0	0	0	0	0	0	175	0	175

Item 2: Infrastructure Acceleration Fund and Housing Outcomes Agreements for  
- Bridge Street Linear Active Transport Corridor and  
- Rutherford/Achilles Social and Affordable Housing Development: Attachment 1

IAF Housing Outcomes Agreement – Kāinga Ora – Homes and Communities

Attachment: Land map



**IAF FUNDING AGREEMENT**

BETWEEN

**KĀINGA ORA - HOMES AND  
COMMUNITIES**

AND

**NELSON CITY COUNCIL**

FOR

**NELSON CENTRAL CITY  
INTENSIFICATION**

**(INCLUDING ACHILLES AVENUE  
AND RUTHERFORD STREET  
AFFORDABLE HOUSING  
DEVELOPMENT)**

**REFERENCE P045**

**Date:**

336940202-2645

Item 2: Infrastructure Acceleration Fund and Housing Outcomes Agreements for  
- Bridge Street Linear Active Transport Corridor and  
- Rutherford/Achilles Social and Affordable Housing Development: Attachment 2

IAF Funding Agreement – Kāinga Ora – Homes and Communities

**AGREEMENT**

The parties (identified below in Part 1) agree to be bound by the terms and conditions of this Agreement, as set out below in Part 1 (Key Details), Part 2 (General Terms), Part 3 (Definitions and Interpretation) and the Schedules.

**Part 1: Key Details**

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<b>1. Parties</b>	<p><b>KĀINGA ORA</b> Kāinga Ora – Homes and Communities, a Crown entity established under the Kāinga Ora – Homes and Communities Act 2019 and a Crown agency under the Crown Entities Act 2004 (<b>Kāinga Ora</b>), acting on behalf of the Crown</p> <p><b>RECIPIENT</b> Nelson City Council, a territorial authority listed in Part 2 of Schedule 2 to the Local Government Act 2002 (<b>Recipient</b>)</p>
<b>2. Background</b>	<p><b>Infrastructure Acceleration Fund</b></p> <p>In June 2021, the New Zealand Government announced the Infrastructure Acceleration Fund (IAF) initiative as part of the Housing Acceleration Fund announced in March 2021.</p> <p>The IAF is designed to allocate funding to new or upgraded infrastructure (such as transport, three waters and flood management infrastructure) to (1) unlock housing developments in the short-to-medium term, and (2) enable a meaningful contribution to housing outcomes in areas of need.</p> <p>Kāinga Ora has been mandated by the New Zealand Government to administer the IAF and to conduct a process designed to allocate IAF funding to suitable eligible infrastructure projects to unlock housing developments and enable housing outcomes.</p> <p><b>IAF process</b></p> <p>On 30 June 2021, Kāinga Ora released an Invitation for Expressions of Interest (EOI) as the first stage in the IAF process. Applicants responded to the EOI with housing development proposals outlining high level information about the relevant housing development, its associated infrastructure requirements and responses to the eligibility and evaluation criteria.</p> <p>Applicants with successful EOI proposals received a Request for Proposals (RFP), asking them to submit more fulsome information and sufficient detail about their proposal in order to enable Kāinga Ora to undertake due diligence to confirm eligibility and fully evaluate the proposal.</p> <p>The Recipient submitted a housing development proposal in response to the EOI and subsequently received a RFP. The Recipient submitted its response to the RFP in December 2021 (<b>Updated Proposal</b>), which Kāinga Ora has evaluated.</p> <p>The Recipient and Kāinga Ora subsequently entered into negotiations in relation to the Updated Proposal.</p> <p><b>Approval of IAF funding</b></p> <p>Based on the Updated Proposal and negotiations as part of the IAF process described above, the Recipient has been approved by the New Zealand Government for IAF funding support, on the terms and conditions set out in this Agreement, to deliver the Enabling Infrastructure Project(s) to unlock and enable the Housing Development identified in <b>Item 3</b> below and as further described in <b>Schedule 1</b>, which will provide the Housing Outcomes identified in <b>Item 4</b> below.</p> <p>The Recipient is a territorial authority and will, or will continue to be (as applicable), the owner of the new or upgraded infrastructure delivered pursuant to the Enabling Infrastructure Project(s).</p>

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**Housing Development and Housing Outcomes**

**3. Housing Development** The Recipient must ensure that the Enabling Infrastructure Project(s) will have the capacity and be capable of unlocking and enabling the housing development summarised below and further described in **Schedule 1** (as may be updated, amended or replaced by the parties from time to time pursuant to a Delivery Plan which will be agreed and signed by the parties) (the **Housing Development**):

<b>Name of Housing Development</b>	Nelson Central City intensification, including Achilles Avenue and Rutherford Street Affordable Housing Development
<b>Name of Developer(s) (if known)</b>	Kāinga Ora - Homes and Communities and/or Housing New Zealand Build Limited
<b>Name of Landowner(s) (if known)</b>	Kāinga Ora - Homes and Communities and/or Housing New Zealand Build Limited
<b>Location (suburb and city)</b>	Central City, Nelson
<b>Territorial Authority region</b>	Nelson City Council
<b>Total number of dwellings to be Completed (in aggregate)</b>	1,025 dwellings
<b>Delivery period for dwellings to be Completed</b>	<ul style="list-style-type: none"> <li>December 2028 for the portion of the dwellings (175) to be Completed by the Developer</li> <li>From 2028 for the balance (850) of the aggregate dwellings to be Completed</li> </ul>
<b>Brownfield / Greenfield?</b>	Brownfield

**4. Housing Outcomes and Housing Outcomes Agreement** The Recipient must ensure that the Housing Development (to be unlocked and enabled by the Enabling Infrastructure Project(s)) will be capable of providing the housing outcomes (**Housing Outcomes**) summarised below and set out in further detail in the Housing Outcomes Agreement(s) entered into contemporaneously with this Agreement and/or if required under this **Item 4** and **Schedule 2**, entered into following the date of this Agreement (**Housing Outcomes Agreement(s)**), as may be updated, amended or replaced from time to time in accordance with **Item 5** below:

Type of Housing Outcome	Summary Description of Housing Outcome										
<b>Type and total number of dwellings to be Completed</b>	<p>The type and total number of dwellings to be Completed in aggregate in respect of the Housing Development, are as follows:</p> <table border="1"> <tr> <td>Public housing dwellings:</td> <td>60</td> </tr> <tr> <td>Papakāinga dwellings:</td> <td>0</td> </tr> <tr> <td>Lower-cost dwellings (within the first home grant price cap for the region in which the Housing Development is located):</td> <td>115</td> </tr> <tr> <td>Other dwellings:</td> <td>850</td> </tr> <tr> <td><b>Total number of dwellings to be Completed in aggregate in respect of the Housing Development:</b></td> <td><b>1,025</b></td> </tr> </table>	Public housing dwellings:	60	Papakāinga dwellings:	0	Lower-cost dwellings (within the first home grant price cap for the region in which the Housing Development is located):	115	Other dwellings:	850	<b>Total number of dwellings to be Completed in aggregate in respect of the Housing Development:</b>	<b>1,025</b>
Public housing dwellings:	60										
Papakāinga dwellings:	0										
Lower-cost dwellings (within the first home grant price cap for the region in which the Housing Development is located):	115										
Other dwellings:	850										
<b>Total number of dwellings to be Completed in aggregate in respect of the Housing Development:</b>	<b>1,025</b>										
<b>Type and total number of dwellings to be Completed over each year</b>	The type and total number of dwellings (to be Completed in aggregate in respect of the Housing Development) in each year are set out in <b>Schedule 5</b> .										
<b>Additional special features of the Housing Development</b>	The Recipient has adopted housing intensification and affordability as a key Long Term Plan strategic priority. This strategic direction is being implemented through the Recipient's Future Development Strategy 2022 (under the National Policy Statement on Urban Development), Intensification Action Plan, City Centre Spatial Plan (Te Ara o Whakatū) and Active Travel Strategy. The Recipient's key										

Item 2: Infrastructure Acceleration Fund and Housing Outcomes Agreements for  
 - Bridge Street Linear Active Transport Corridor and  
 - Rutherford/Achilles Social and Affordable Housing Development: Attachment 2

IAF Funding Agreement – Kāinga Ora – Homes and Communities

	<p>tools to deliver on this strategic vision include enabling the regulatory environment, supplying infrastructure capacity, incentivising via development contributions, leveraging a \$12million housing reserve (created from the sale of our community housing to Kāinga Ora), and importantly working with others, including central government, to address our housing crisis.</p> <p>The Housing Development will be an exemplar residential intensification development in the Nelson city centre. It will be the result of a Recipient, Developer, and partner (Iwi, Wakatu, CHP, other affordable housing provider or local developer) partnership bringing 100% affordable housing into the city centre (a mix of social and affordable housing with no more than 50% social housing to be owned by the Developer). The IAF Funded Enabling Infrastructure Project(s) will leverage further inner city intensification over the next 10 plus years and is a key part of the package of other actions identified above that the Recipient is working on to leverage and unlock increased residential intensification and housing affordability in Nelson.</p>	
<p><b>Other housing outcomes</b></p>	<ul style="list-style-type: none"> <li>• <b>Typology:</b> the expected typology of the dwellings within the Housing Development is high density apartments. Other housing developments are expected to include a mixture of terraced houses and apartments.</li> <li>• <b>Access to amenity and opportunity:</b> The dwellings will be within a 5 minutes walk (within the City Centre Zone) to employment opportunities, large format retail, educational facilities (including early childhood facilities, primary, intermediate and secondary schools and Nelson Marlborough Institute of Technology) and other amenities (including Nelson Port and Marina, theatre, library, stadium and the Cawthron Institute, a compilation of the largest employers in the region). Port Nelson, in collaboration with the Cawthron Institute, intend to develop a Science and Technology Precinct within the city centre alongside SH6, which will attract new companies and employment opportunities. There are active transport routes to local amenities and opportunities (which will be further enhanced with IAF Funding), with public transport options to wider amenity and opportunity.</li> <li>• <b>Density:</b> the dwellings are a direct response to intensification opportunities enabled by the Recipient’s obligation to implement the National Policy Statement on Urban Development.</li> <li>• <b>Māori / Iwi:</b> the Funding Recipient and Kāinga Ora have sought the views of mana whenua on the proposal, and continue to invite their input. Kāinga Ora is exploring a partnership approach with iwi for the Housing Development and this may involve iwi housing and/or iwi input into the design of the buildings.</li> <li>• <b>Environmental:</b> The Housing Development will be well served by public transport and is a short 400 metre walk from the proposed inner city interchange and major bus routes pass by the Housing Development. Nelson is well served with active transport corridors to the north and south of the city centre. IAF Funding is requested for the Bridge Street linear corridor which will not only serve the development residents well, but provide a safe and accessible route into and through the city centre, and will unlock the east to west connection to the wider community. The Funding Recipient is developing an improved east-west linkage across the wider city area that would connect to either end of the linear corridor.</li> </ul>	

The Recipient must use their reasonable endeavours to support and facilitate the delivery of the Housing Development and achievement of the Housing Outcomes, including by:

- granting all necessary consents and approving all required plan changes in a timely manner (subject always to the acknowledgement in the paragraph below);
- co-operating with Kāinga Ora and the Developer(s) and working together in good faith; and
- doing or procuring the doing of all acts and/or execute or procure the execution of documents reasonably necessary or required to give full effect to this Agreement.

Kāinga Ora acknowledges that the Recipient is the territorial authority for the area in which the Enabling Infrastructure Project(s) and the Housing Development are to be undertaken, and that in terms of its regulatory functions as a local authority the Recipient must act as an independent local authority and not as a party to this Agreement. Any undertaking of the Recipient acting as a party to this Agreement shall not be construed as a consent or approval of, or bind it in, its regulatory capacity.

To the extent that the Housing Outcomes Agreements in place at any time do not collectively account for the total number of dwellings to be Completed (as specified in the table above in this **Item 4**), then the Recipient will:

- actively promote the Housing Development opportunities to prospective Developers with the intent that all of the Housing Outcomes will be achieved;
- provide Kāinga Ora with updates on such promotional activity in accordance with the reporting requirements in **Item 16** and **Schedule 4**; and
- procure that one or more Developers will each become a party to a Housing Outcomes Agreement with the Recipient and Kāinga Ora following the date of this Agreement, as set out in **Part A** of **Schedule 2**, with the intent that all of the Housing Outcomes are achieved.

The Recipient will not be responsible for funding the construction of the dwellings (referred to in the Housing Outcomes Agreement(s)) directly enabled by the Enabling Infrastructure Project(s).

<b>5. Housing Outcomes and Housing Outcomes Agreement(s) updates</b>	Any updates to a Housing Outcomes Agreement(s) during the term of this Agreement will be made pursuant to a HOA Variation Agreement agreed and signed by the parties to the relevant Housing Outcomes Agreement(s). If and to the extent the relevant changes also relate to this Agreement, such changes will also be included in a Delivery Plan which will be agreed and signed by the parties to this Agreement.
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**Enabling Infrastructure Project(s)**

<b>6. Enabling Infrastructure Project(s)</b>	The Recipient must undertake and ensure the delivery of the following new or upgraded infrastructure to unlock and/or accelerate the Housing Development (the <b>Enabling Infrastructure Project(s)</b> ), on the terms and conditions of this Agreement.
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Enabling Infrastructure Project(s)	Description
Transport Enabling Infrastructure Project(s)	Linear Active Transport Corridor – Bridge Street and Haven Road
Three Waters Enabling Infrastructure Project(s)	<ul style="list-style-type: none"> <li>• Watermain upgrades (Bridge, Rutherford, Halifax, and Collingwood)</li> <li>• Wastewater pipeline upgrades (Bridge, Rutherford, Paru Paru and Achilles)</li> <li>• Wastewater pump station upgrade</li> <li>• Stormwater pipeline upgrades (Bridge and Haven)</li> </ul>
Flood Management Enabling Infrastructure Project(s)	Stormwater Flood Gate



Item 2: Infrastructure Acceleration Fund and Housing Outcomes Agreements for  
 - Bridge Street Linear Active Transport Corridor and  
 - Rutherford/Achilles Social and Affordable Housing Development: Attachment 2

IAF Funding Agreement – Kāinga Ora – Homes and Communities

Table 6.1

The Recipient must ensure that IAF Funding paid by Kāinga Ora to the Recipient in accordance with this Agreement will be applied by the Recipient to the Eligible Costs of planning for and delivering the following Enabling Infrastructure Project(s) (the **IAF Funded Enabling Infrastructure Project(s)**), on the terms and conditions of this Agreement:

IAF Funded Enabling Infrastructure Project(s)	Description
Transport IAF Funded Enabling Infrastructure Project(s)	<ul style="list-style-type: none"> <li>Linear Active Transport Corridor - Bridge Street and Haven Road</li> </ul>
Three Waters IAF Funded Enabling Infrastructure Project(s)	<ul style="list-style-type: none"> <li>Watermain upgrades (Bridge, Rutherford, Halifax, and Collingwood)</li> <li>Wastewater pump station upgrade</li> <li>Stormwater pipeline upgrades (Bridge and Haven)</li> </ul>

Table 6.2

The Recipient acknowledges that no IAF Funding will be paid by Kāinga Ora to the Recipient in respect of any Enabling Infrastructure Project(s) other than those described in Table 6.2 above.

The Enabling Infrastructure Project(s) are further defined and described in **Schedule 1** (as may be updated by the parties from time to time pursuant to a Delivery Plan which will be agreed and signed by the parties).

In this Agreement, the term “Enabling Infrastructure Project(s)” shall mean all Enabling Infrastructure Project(s) described in Table 6.1 above, except where they are referenced as the “IAF Funded Enabling Infrastructure Project(s)”.

**7. Enabling Infrastructure Project(s) Milestones**

The Enabling Infrastructure Project(s) milestones for the IAF Funded Enabling Infrastructure Project(s) (the **IAF Funded Enabling Infrastructure Project(s) Milestones**) as at the date of this Agreement are summarised below and are further described in **Part A of Schedule 2**:

	IAF Funded Enabling Infrastructure Project(s) Milestone Heading	Completion Date	Summary Description of Key IAF Funded Enabling Infrastructure Project(s) Milestone
<b>Transport IAF Funded Enabling Infrastructure Project(s) – Linear Active Transport Corridor (Bridge and Haven Road)</b>			
1.	<b>Stage 1 (Early)</b>	27 June 2024	The following feasibility activities are completed & approved by the Recipient: <ul style="list-style-type: none"> <li>consultant engagement;</li> <li>concept and developed designs; and</li> <li>a consenting strategy.</li> </ul>
2.	<b>Stage 2 (Pre-Implementation)</b>	30 June 2025	The following design, consenting and tendering activities are completed and approved the Recipient: <ul style="list-style-type: none"> <li>detailed design; and</li> <li>all necessary consents.</li> </ul>
3.	<b>Stage 3 (Implementation)</b>	30 June 2026	The Construction Contract has been entered into by the Recipient and the Head Contractor, physical works have commenced, and at least 20% of the contract price completed
4.	<b>Stage 3 (Implementation)</b>	30 September 2026	Construction works have been completed to at least 40% of the contract price

5.	<b>Stage 3 (Implementation)</b>	29 January 2027	Construction works have been completed to at least 60% of the contract price
6.	<b>Stage 3 (Implementation)</b>	31 May 2027	Construction works have been completed to at least 80% of the contract price
7.	<b>Practical Completion</b>	31 August 2027	Practical Completion has been achieved
<b>Three Waters IAF Funded Enabling Infrastructure Project(s) – Watemain upgrades (Bridge, Rutherford, Halifax, and Collingwood)</b>			
8.	<b>Stage 1 (Early)</b>	27 June 2024	The following activities are completed and approved by the Recipient: <ul style="list-style-type: none"> <li>• consultant engagement;</li> <li>• preliminary and detailed designs (Rutherford, Halifax and Collingwood);</li> <li>• concept and developed designs (Bridge); and</li> <li>• all necessary consents have been issued (Rutherford, Halifax and Collingwood).</li> </ul>
9.	<b>Stage 2 (Pre-Implementation)</b>	30 June 2025	The following activities are completed and approved by the Recipient: <ul style="list-style-type: none"> <li>• detailed design (Bridge Street); and</li> <li>• all necessary consents and been issued (Bridge Street)</li> </ul>
10.	<b>Stage 3 (Implementation)</b>	30 June 2026	Bridge Street – the Construction Contract has been entered into by the Recipient and the Head Contractor, physical works have commenced, and at least 20% of the contract price completed
11.	<b>Practical Completion</b>	30 June 2025	Practical Completion has been achieved (Rutherford, Halifax and Collingwood)
12.	<b>Practical Completion</b>	31 August 2027	Practical Completion has been achieved (Bridge Street)
<b>Three Waters IAF Funded Enabling Infrastructure Project(s) – Wastewater Pump Station upgrade</b>			
13.	<b>Stage 1 (Early)</b>	27 June 2024	The following feasibility activities are completed and approved by the Recipient: <ul style="list-style-type: none"> <li>• consultant engagement;</li> <li>• concept design; and</li> <li>• a consenting strategy.</li> </ul>
14.	<b>Stage 2 (Pre-Implementation)</b>	30 June 2025	The developed design has been completed and approved by the Recipient
15.	<b>Stage 2 (Pre-Implementation)</b>	30 June 2026	The detailed design has been completed and consents have been approved by the relevant authorities
16.	<b>Stage 3 (Implementation)</b>	30 October 2026	The Construction Contract has been entered into by the Recipient and the Head Contractor, physical works have commenced, and at least 20% of the contract price has been completed
17.	<b>Stage 3 (Implementation)</b>	26 February 2027	Construction works have been completed to at least 40% of the contract price

Item 2: Infrastructure Acceleration Fund and Housing Outcomes Agreements for  
 - Bridge Street Linear Active Transport Corridor and  
 - Rutherford/Achilles Social and Affordable Housing Development: Attachment 2

IAF Funding Agreement – Kāinga Ora – Homes and Communities

18.	Stage 3 (Implementation)	30 July 2027	Construction works have been completed to at least 60% of the contract price
19.	Stage 3 (Implementation)	30 September 2027	Construction works have been completed to at least 80% of the contract price
20.	Practical Completion	31 May 2028	Practical Completion has been achieved
<b>Three Waters IAF Funded Enabling Infrastructure Project(s) – Stormwater upgrades (Bridge and Haven)</b>			
21.	Stage 1 (Early)	27 June 2024	The following feasibility activities are completed and approved by the Recipient: <ul style="list-style-type: none"> <li>• consultant engagement</li> <li>• concept design; and</li> <li>• a consenting strategy.</li> </ul>
22.	Stage 2 (Pre-Implementation)	30 June 2025	The following design, consenting and tendering activities are completed and approved the Recipient: <ul style="list-style-type: none"> <li>• detailed design; and</li> <li>• all necessary consents.</li> </ul>
23.	Stage 3 (Implementation)	30 June 2026	The Construction Contract has been entered into by the Recipient and the Head Contractor, physical works have commenced, and at least 20% of the contract price completed
24.	Stage 3 (Implementation)	30 September 2026	Construction works have been completed to at least 40% of the contract price
25.	Stage 3 (Implementation)	29 January 2027	Construction works have been completed to at least 60% of the contract price
26.	Stage 3 (Implementation)	31 May 2027	Construction works have been completed to at least 80% of the contract price
27.	Practical Completion	31 August 2027	Practical Completion has been achieved

The Enabling Infrastructure Project(s) milestones for the Enabling Infrastructure Project(s) described in Table 6.1 (excluding the IAF Funded Enabling Infrastructure Project(s)) (**Non-IAF Funded Enabling Infrastructure Project(s) Milestones**) as at the date of this Agreement are set out in **Part C of Schedule 2**.

The IAF Funded Enabling Infrastructure Project(s) Milestones and the Non-IAF Funded Enabling Infrastructure Project(s) Milestones are together known as the **Enabling Infrastructure Project(s) Milestones**.

**8. Updates to Enabling Infrastructure Project(s) Milestones**

The Enabling Infrastructure Project(s) Milestones in **Parts A and C of Schedule 2** are specified to the extent they are known at the date of this Agreement.

The parties have specified in **Parts A and/or C of Schedule 2** that the Enabling Infrastructure Project(s) Milestones will be added to or updated following the date of this Agreement by way of a Delivery Plan (which will be agreed and signed by the parties).

The Delivery Plan will set out the additions or updates to the relevant Enabling Infrastructure Project(s) Milestones (and any other updates required more generally to **Schedule 2**, for example, the relevant amount of IAF Funding to be paid against particular IAF Funded Enabling Infrastructure Project(s) Milestones), and will be deemed to replace the relevant sections of **Schedule 2** for the purposes of this Agreement.

The Recipient agrees to promptly engage with Kāinga Ora to agree and sign each required Delivery Plan as required by **Parts A** and/or **C** of **Schedule 2**.

**Funding for Enabling Infrastructure Project(s)**

**9. Funding sources for Enabling Infrastructure Project(s)**

The funding sources for the IAF Funded Enabling Infrastructure Project(s), based on the Estimated Total Cost of such IAF Funded Enabling Infrastructure Project(s), are summarised in the table below and are set out in further detail in **Items 10 - 15** below:

	Source of Funding	Referred to in this Agreement as	Who bears the ultimate cost	Amount	Cross reference
1.	Territorial Authority (not recovered from the Developer(s) and/or Landowner(s))	Territorial Authority Funding	The Recipient	\$26,865,483 plus GST (if any) as at the date of this Agreement	Refer to <b>Item 14</b> below
2.	Territorial Authority (to be recovered from Developer(s) and/or Landowners(s) via development contributions or an agreed development agreement or financial contributions) (if any)	Developer(s)/Landowner(s) Funding	All developer(s) in the Recipient's development contribution catchment area, excluding those in the city centre, where a waiver applies.	\$5,290,080 plus GST (if any) as at the date of this Agreement	Refer to <b>Item 13</b> below
3.	Other targeted central Government funding sources (including Waka Kotahi, CIP and DIA Three Waters)	Other Funding	N/A	\$0 plus GST (if any) as at the date of this Agreement	Refer to <b>Item 15</b> below
4.	Kāinga Ora (paid as IAF Funding)	IAF Funding	The New Zealand Government	A maximum amount of \$36,400,000 plus GST (if any)	As further described in <b>Item 10</b> below

Table 9.1

The Estimated Total Cost of the IAF Funded Enabling Infrastructure Project(s) is \$68,555,563 plus GST (if any).

The Recipient must also pay the Funding Balance in accordance with **Item 14** below.

Wherever possible, the Recipient will apply all Known Co-Funding amounts, and any Other Funding amounts it has received, to the Costs of the IAF Funded Enabling Infrastructure Project(s) before it applies any IAF Funding amounts to Eligible Costs.

The expected funding sources for the Enabling Infrastructure Project(s) (not including the IAF Funded Enabling Infrastructure Project(s)), in aggregate, are set out in the table below:

	Source of Funding	Who bears the ultimate cost	Amount
1.	Territorial Authority (not recovered from the Developer(s) and/or Landowner(s))	The Recipient	\$383,003 plus GST (if any) as at the date of this Agreement
2.	Territorial Authority (to be recovered from Developer(s) and/or Landowners(s) via development contributions or an agreed development agreement or financial contributions) (if any)	All developer(s) in the Recipient's development contribution catchment area, excluding those in the city centre, where a waiver applies.	\$47,695 plus GST (if any) as at the date of this Agreement

Item 2: Infrastructure Acceleration Fund and Housing Outcomes Agreements for  
 - Bridge Street Linear Active Transport Corridor and  
 - Rutherford/Achilles Social and Affordable Housing Development: Attachment 2

IAF Funding Agreement – Kāinga Ora – Homes and Communities

3.	Other funding sources	N/A	\$N/A plus GST (if any) as at the date of this Agreement
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Table 9.2

**10. IAF Funding**

The total amount of IAF Funding available to be paid by Kāinga Ora under and on the terms of this Agreement is up to \$36,400,000 plus GST (if any). This is the **Maximum Amount Payable**.

The total amount of IAF Funding available to be paid by Kāinga Ora under and on the terms of this Agreement for each IAF Funded Enabling Infrastructure Project (the **EIP Maximum Amount Payable**) is set out below:

IAF Funded Enabling Infrastructure Project(s)	EIP Maximum Amount Payable
Transport IAF Funded Enabling Infrastructure Project(s)	\$21,218,123
Three Waters IAF Funded Enabling Infrastructure Project(s)	\$15,092,609

In this Agreement where IAF Funding is to be paid by Kāinga Ora under this Agreement, it may be paid directly by Kāinga Ora or its nominee (at Kāinga Ora’s sole discretion).

As at the date of this Agreement, the expected annual payment profile of IAF Funding is as follows:

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031 onward
Amount (\$)	\$0	\$1,851,037	\$2,733,083	\$4,752,594	\$16,621,265	\$10,352,753	\$0	\$0	\$0	\$0

Kāinga Ora will pay to the Recipient the IAF Funding to be applied to the Eligible Costs of the IAF Funded Enabling Infrastructure Project(s) in accordance with, and subject to, the terms of this Agreement, including, subject to:

- satisfaction of any conditions set out in **Item 18** below;
- completion of the relevant IAF Funded Enabling Infrastructure Project(s) Milestones, as set out in **Part A of Schedule 2**;
- satisfaction of the applicable Additional Project(s) Deliverables set out in **Part B of Schedule 2** for the relevant IAF Funded Enabling Infrastructure Project(s) Milestone; and
- a Payment Request to Kāinga Ora for payment of the IAF Funding amount for the relevant IAF Funded Enabling Infrastructure Project(s) Milestone, signed by the Chief Executive (or their authorised delegate), which must include the information set out in **Schedule 3**,

in each case, to Kāinga Ora’s satisfaction (acting reasonably).

**11. Development Confirmations**

The Recipient confirms, represents and warrants to Kāinga Ora that:

- **Enabling Infrastructure Project(s):** the Recipient will undertake an appropriate consultation process (if required) on whether to include (or bring forward in time) the Enabling Infrastructure Project(s) that require funding from the Recipient (including Territorial Authority Funding and the Funding Balance) in its current Long Term Plan (via an amendment/update), and in such case, IAF Funding will be conditional on Kāinga Ora receiving subsequent written confirmation that such Enabling Infrastructure Project(s) have been included in the Recipient’s Long Term Plan;

	<ul style="list-style-type: none"> <li>• <b>Recipient ineligible infrastructure:</b> it is responsible, and has access to funding, for the design, consenting, delivery and provision of ineligible infrastructure in relation to the Housing Development which is not Developer(s)/Landowner(s) Local Infrastructure, such as social infrastructure (e.g., libraries, parks and recreation facilities); and</li> <li>• <b>Enabling Infrastructure Project Milestones Completion Dates:</b> the Enabling Infrastructure Project Milestones Completion Dates in <b>Schedule 2</b> (including as updated in accordance with <b>Item 8</b>) are consistent with the milestone completion dates applicable to the Housing Development (as set out in the Housing Outcomes Agreement(s)) so as to enable the Developer to deliver the total number of dwellings to be Completed (and in the years contemplated) as set out in the Housing Outcomes Agreement.</li> </ul> <p>(together, the <b>Development Confirmations</b>, and each, a <b>Development Confirmation</b>).</p>
<p><b>12. Co-Funding Principles and Fair Share</b></p>	<p>The Recipient acknowledges and commits to the co-funding principles of the IAF referred to below, so as to ensure that Developer(s)/Landowner(s) are paying their Fair Share (as defined below) of the costs of the Enabling Infrastructure Project(s) and that Long Term Plan funding is not displaced by IAF Funding.</p> <p>The co-funding principles of the IAF are that:</p> <p>(a) where possible, Developer(s)/Landowner(s) should be paying a similar share of the costs of the Enabling Infrastructure Project(s) as would be the case if the Enabling Infrastructure Project(s) were funded by traditional means through the Recipient (but recognising the Recipient’s ability to recover costs of the Enabling Infrastructure Project(s) from Developer(s)/Landowner(s) is subject to the requirements of the Local Government Act 2002 and applicable law). This is generally the reasonable “growth” portion of the total cost of the Enabling Infrastructure Project(s) (the <b>Fair Share</b>); and</p> <p>(b) territorial authorities should not use IAF Funding to displace Long Term Plan funding and should be co-investing in the Enabling Infrastructure Project(s),</p> <p>(together, the <b>Co-Funding Principles</b>).</p> <p>The Recipient agrees that, under the Co-Funding Principles (but without limiting the above paragraph), Developer(s)/Landowners(s) should not pay any less of the share of the costs of the Enabling Infrastructure Project(s) than the amount they would otherwise pay if IAF Funding was not being provided to the Recipient to be applied to the Costs of the Enabling Infrastructure Project(s) under this Agreement (but recognising the Recipient’s ability to recover costs from Developer(s)/Landowners(s) is subject to the requirements of the Local Government Act 2002 and applicable law). In some cases, the Developer(s)/Landowner(s) contribution to the share of the costs of the Enabling Infrastructure Project(s) can be non-financial (eg. land or commitments to affordable housing), but any such contribution should be similar in value to the financial contribution that would otherwise have been paid.</p>
<p><b>13. Developer(s)/Landowner(s) Funding</b></p>	<p>The Developer(s)/Landowner(s) funding is the funding amount set out in Table 9.1 of <b>Item 9</b> above and represents the Fair Share of the aggregate costs of the IAF Funded Enabling Infrastructure Project(s) (<b>Developer(s)/Landowner(s) Funding</b>).</p> <p>The Recipient must recover the Developer(s)/Landowner(s) Funding.</p>
<p><b>14. Territorial Authority Funding, Known Co-Funding and Funding Balance</b></p>	<p>Except in relation to IAF Funding paid under this Agreement for the IAF Funded Enabling Infrastructure Project(s), the Recipient is required to fund (and/or source funding for) all other Costs required to complete the Enabling Infrastructure Project(s) (including, for the avoidance of doubt, sourcing the funding amounts from the funding sources set out in Table 9.1 and Table 9.2 of <b>Item 9</b>).</p>

Item 2: Infrastructure Acceleration Fund and Housing Outcomes Agreements for  
- Bridge Street Linear Active Transport Corridor and  
- Rutherford/Achilles Social and Affordable Housing Development: Attachment 2

IAF Funding Agreement – Kāinga Ora – Homes and Communities

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The Territorial Authority Funding and Developer(s)/Landowner(s) Funding are together known as the **Known Co-Funding**.

The Recipient must apply the Territorial Authority Funding of \$26,865,483 plus GST (if any), to the Costs of the IAF Funded Enabling Infrastructure Project(s) in instalments in accordance with **Part A of Schedule 2** and must ensure this is committed or will be available in accordance with the relevant Development Confirmations.

If and to the extent the aggregate amount of IAF Funding paid under this Agreement, the Known Co-Funding and any Other Funding received by the Recipient is insufficient to pay all the actual Costs to complete the IAF Funded Enabling Infrastructure Project(s) in accordance with clause 3.4 of **Part 2** (General Terms), the Recipient must meet, as required from time to time, all Cost overruns or funding shortfalls to achieve Practical Completion of each IAF Funded Enabling Infrastructure Project (the **Funding Balance**). The Recipient is solely responsible for funding the Funding Balance and the Recipient acknowledges that Kāinga Ora has no obligations or responsibilities whatsoever in respect of Cost overruns or funding shortfalls. The Recipient is solely responsible for funding (and/or sourcing funding) all Costs required to achieve Practical Completion of all other Enabling Infrastructure Project(s), and the Recipient acknowledges that Kāinga Ora has no obligations or responsibilities whatsoever in respect of funding the Costs of all other Enabling Infrastructure Project(s).

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**15. Other Funding**

The parties acknowledge that there is no Other Funding secured by the Recipient as at the date of this Agreement.

If and to the extent there is any other Crown funding secured by the Recipient for any IAF Funded Enabling Infrastructure Project following the date of this Agreement, the Recipient must apply this to the Costs of such IAF Funded Enabling Infrastructure Project(s).

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**General**

**16. Reporting**

**General reporting**

The Recipient must provide Kāinga Ora with:

- monthly reports by the 10<sup>th</sup> Business Day following the end of each month (excluding December);
- quarterly reports by the 10<sup>th</sup> Business Day following the end of each December, March, June and September prior to the End Date; and
- the total dwellings enabled report as soon as practicable (but in any event, within 10 Business Days) following completion of all of the Enabling Infrastructure Project(s).

Each **monthly report**, **quarterly report** and the **total dwellings enabled report** will be based on a standard form and must include the information set out in **Schedule 4**.

**Housing Outcomes reporting**

The Recipient must provide Kāinga Ora with the Housing Outcomes reports required to be provided by each of the Developer(s) and the Recipient as set out in the Housing Outcomes Agreement(s) (and in accordance with the requirements set out in the Housing Outcomes Agreement(s)).

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**17. Head Contractors**

Each Head Contractor for:

- the main contract works for each Enabling Infrastructure Project; and

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12

- any other material component of the contract works for each Enabling Infrastructure Project,

must be approved by Kāinga Ora in its reasonable discretion as required in **Part B of Schedule 2**. Such Head Contractor(s) must be procured in accordance with clause 3.5(e) of **Part 2** (General Terms) (except as otherwise approved by Kāinga Ora (acting reasonably)).

**18. Special Terms**      **Delivery Plan**

Kāinga Ora acknowledges that the Delivery Plan referred to in **Item 8 of Part A** will (where appropriate) reflect the Recipient’s recovery planning following the impact of the August 2022 weather event in the Recipient’s region.

**19. Contents**      The contents of this Agreement are set out below:

<b>Part 1</b>	Key Details	<b>Schedule 1</b>	Housing Development(s) and Enabling Infrastructure Project(s)
<b>Part 2</b>	General Terms	<b>Schedule 2</b>	Enabling Infrastructure Project(s) Milestones
<b>Part 3</b>	Definitions and Interpretation	<b>Schedule 3</b>	Payment Request
		<b>Schedule 4</b>	Reporting
		<b>Schedule 5</b>	Dwellings to be Completed over each year

**20. Contact Person**

Kāinga Ora’s Contact Person:

Name: Suresh Ram

Email: suresh.ram@kaingaora.govt.nz

Recipient’s Contact Person:

Name: Alec Louverdis

Email: alec.louverdis@ncc.govt.nz

**21. Address for Notices**

To Kāinga Ora – Homes and Communities

7 Waterloo Quay, Pipitea, Wellington

Attention: IAF Project Team

Email: IAF@kaingaora.govt.nz

To the Recipient: Alec Louverdis

110 Trafalgar Street, Nelson 7010

Attention: Alec Louverdis

Email: alec.louverdis@ncc.govt.nz

Released 20 JULY 2023



Item 2: Infrastructure Acceleration Fund and Housing Outcomes Agreements for  
- Bridge Street Linear Active Transport Corridor and  
- Rutherford/Achilles Social and Affordable Housing Development: Attachment 2

IAF Funding Agreement – Kāinga Ora – Homes and Communities

**SIGNED** for and on behalf of  
**KĀINGA ORA – HOMES AND COMMUNITIES**  
by the person named below, being the person  
duly authorised to enter into obligations on  
behalf of **KĀINGA ORA – HOMES AND**  
**COMMUNITIES**, acting on behalf of the Crown:

Name:

Position:

Date:

Released 20 July 2023

**SIGNED** for and on behalf of **NELSON CITY COUNCIL** by the persons named below, being the persons duly authorised to enter into obligations on behalf of the **NELSON CITY COUNCIL**:

Name:

Name:

Position:

Position:

Date:

Date:

**END OF PART 1**

Released 20 July 2023

Item 2: Infrastructure Acceleration Fund and Housing Outcomes Agreements for  
 - Bridge Street Linear Active Transport Corridor and  
 - Rutherford/Achilles Social and Affordable Housing Development: Attachment 2

IAF Funding Agreement – Kāinga Ora – Homes and Communities

**PART 2: GENERAL TERMS**

**1. FUNDING**

**Payment Milestones**

1.1 In relation to each IAF Funded Enabling Infrastructure Project, each Maximum IAF Funding Payment Milestone amount in **Part A of Schedule 2** represents the maximum payment to be made by Kāinga Ora to the Recipient to be applied to the Eligible Costs for completion of the applicable IAF Funded Enabling Infrastructure Project(s) Milestone. In the event that, in respect of an IAF Funded Enabling Infrastructure Project, the Recipient's Eligible Costs for completion of an IAF Funded Enabling Infrastructure Project(s) Milestone (less the applicable Known Co-Funding and Other Funding contributions that have been applied against those Eligible Costs in accordance with this Agreement) are:

- (a) more than the Maximum IAF Funding Payment Milestone amount in **Part A of Schedule 2** for that IAF Funded Enabling Infrastructure Project(s) Milestone, Kāinga Ora and the Recipient may from time to time agree (such agreement not to be unreasonably withheld by Kāinga Ora) that such excess costs may be carried forward to be claimed against the next IAF Funded Enabling Infrastructure Project(s) Milestone for that IAF Funded Enabling Infrastructure Project (subject always to the Maximum IAF Funding Payment amount relating to that next IAF Funded Enabling Infrastructure Project(s) Milestone); or
- (b) less than the Maximum IAF Funding Payment Milestone amount for that IAF Funded Enabling Infrastructure Project(s) Milestone:
  - i. Kāinga Ora and the Recipient may from time to time agree (such agreement not to be unreasonably withheld by Kāinga Ora) that the amount of IAF Funding payable by Kāinga Ora towards Eligible Costs in respect of the next IAF Funded Enabling Infrastructure Project(s) Milestone for that IAF Funded Enabling Infrastructure Project may be increased by the amount of the difference and the Maximum IAF Funding Payment Milestone amount for that IAF Funded Enabling Infrastructure Project(s) Milestone will be increased accordingly (provided that in each case above, the total amount of IAF Funding for each IAF Funded Enabling Infrastructure Project is in no circumstances to exceed the EIP Maximum Amount Payable for that IAF Funded Enabling Infrastructure Project); and/or
  - ii. Kāinga Ora and the Recipient may from time to time agree (such agreement not to be unreasonably withheld by Kāinga Ora) that any IAF Funded Enabling Infrastructure Project(s) Milestone for any other IAF Funded Enabling Infrastructure Project(s) may be increased by the amount of the difference and the Maximum IAF Funding Payment Milestone amount for that other IAF Funded Enabling Infrastructure Project(s) Milestone will be increased accordingly provided that before providing its agreement, Kāinga Ora must be satisfied that the requirements of clause 1.2 of this Part 2 (General Terms) are met (provided that in no circumstances will the total amount of IAF Funding for all IAF Funded Enabling Infrastructure Project(s) exceed the Maximum Amount Payable).

1.2 The requirements referred to in clause 1.1(b)ii above are as follows:

- (a) the Recipient's Eligible Costs for completion of the relevant other IAF Funded Enabling Infrastructure Project(s) Milestone

for the other IAF Funded Enabling Infrastructure Project(s) are more than the Maximum IAF Funding Payment Milestone amount for that other IAF Funded Enabling Infrastructure Project(s) Milestone, and this is not as a result of a change in project scope; and

- (b) Kāinga Ora is satisfied that, in respect of both the IAF Funded Enabling Infrastructure Project(s) referred to in clause 1.1 above and the other IAF Funded Enabling Infrastructure Project(s) referred to in clause 1.1(b)ii above, the project scope has not changed; and
- (c) Kāinga Ora is satisfied that the "amount of the difference" referred to in clause 1.1(b)ii above is not as a result of a change in project scope and is instead a result of genuine cost savings.

1.3 Kāinga Ora will pay each amount of IAF Funding in respect of a Payment Request to the Recipient, subject to the terms of this Agreement.

1.4 Kāinga Ora is not required to pay any amount of IAF Funding in respect of a Payment Request:

- (a) if any of the requirements in **Item 10 of Part 1** (Key Details) are not satisfied;
- (b) if any condition set out in **Item 18 of Part 1** (Key Details) is not satisfied;
- (c) while there are one or more Termination Event(s) subsisting;
- (d) if this Agreement has expired or been terminated; and/or
- (e) if IAF Funding has been suspended under clause 1.6.

1.5 Subject to the terms of this Agreement, Kāinga Ora will pay each valid Payment Request by no later than 20 Business Days after the date the valid Payment Request is received by Kāinga Ora.

**IAF Funding suspension**

1.6 Kāinga Ora may suspend all IAF Funding for all IAF Funded Enabling Infrastructure Project(s) immediately where:

- (a) the Recipient has failed to meet an Enabling Infrastructure Project(s) Milestone for any Enabling Infrastructure Project by the applicable Completion Date set out in **Part A or Part C of Schedule 2** (as may be amended in accordance with clause 3.26 or as may be updated from time to time if required under **Item 8 of Part 1** (Key Details)) and such failure has not been remedied within a period which Kāinga Ora believes is reasonable;
- (b) the Cost to Complete Test is not met, or in Kāinga Ora's reasonable opinion, is unlikely to be met, in respect of any Enabling Infrastructure Project; and/or
- (c) there has been a material change to the scope of an Enabling Infrastructure Project which has not been consented to by Kāinga Ora pursuant to clause 3.1.

1.7 Kāinga Ora will resume payments of IAF Funding following any suspension pursuant to clause 1.6 on Kāinga Ora being satisfied that the relevant event or circumstance leading to suspension pursuant to clause 1.6 has been remedied to its satisfaction (and subject to this Agreement not having been terminated in accordance with clause 5.2).

**2. KNOWN CO-FUNDING AND NOTIFICATIONS**

**2.1 The Recipient must:**

- (a) ensure that during the term of this Agreement the Known Co-Funding:
  - i. is and remains committed and available to the Recipient to be applied towards the IAF Funded Enabling Infrastructure Project(s); and
  - ii. is, and that any Other Funding amounts it has received are, applied to Costs;
- (b) immediately notify Kāinga Ora if it becomes aware of any circumstances that may result in the Known Co-Funding (or any part of the Known Co-Funding), or any Other Funding amounts (or any part of the Other Funding amounts) not being paid to the Recipient to be applied towards the relevant IAF Funded Enabling Infrastructure Project(s); and
- (c) immediately notify Kāinga Ora if it becomes aware of any circumstances that may result in the Recipient failing to:
  - i. recover any Developer(s)/Landowner(s) Funding from Developer(s) and/or Landowner(s) as required under **Item 13 of Part 1** (Key Details); or
  - ii. confirm and procure any Other Funding, as required under **Item 15 of Part 1** (Key Details) (if applicable).

**3. RECIPIENT'S RESPONSIBILITIES**

**The Project**

- 3.1 The Recipient must undertake the Enabling Infrastructure Project(s) as described in this Agreement and will not make any material reduction to the scope of any Enabling Infrastructure Project(s) without Kāinga Ora's prior written consent, or make any material increase to the scope of any Enabling Infrastructure Project(s) without first satisfying Kāinga Ora that the Recipient can fund or finance such additional scope.
- 3.2 The Recipient confirms that the IAF Funding supports the Enabling Infrastructure Project(s) proceeding in the timeframes contemplated in this Agreement.
- 3.3 The Recipient will take all reasonable steps to ensure that the Enabling Infrastructure Project(s) Milestones are completed by the relevant Completion Date specified in **Part A** and **Part C of Schedule 2** (as may be amended in accordance with clause 3.26 or as may be updated from time to time if required under **Item 8 of Part 1** (Key Details)).
- 3.4 The Recipient undertakes to:
  - (a) apply the Known Co-Funding and Other Funding (if any) towards Costs and pay any and all Cost overruns of each IAF Funded Enabling Infrastructure Project and any funding shortfall by way of the Funding Balance, and acknowledges that neither Kāinga Ora nor any Crown Office has any obligations or responsibility whatsoever in respect of:
    - i. such Known Co-Funding, the Other Funding (if any), the Developer(s)/Landowner(s) Funding and any Cost overruns or funding shortfalls; or
    - ii. the Costs of the Enabling Infrastructure Project(s) (except for the IAF Funded Enabling Infrastructure Project(s)); and

- (b) recover the Developer(s)/Landowner(s) Funding from Developer(s) and/or Landowner(s) as required under **Item 13 of Part 1** (Key Details).

**3.5 The Recipient must ensure that each Enabling Infrastructure Project is carried out:**

- (a) in compliance with all applicable laws, regulations, consents, authorisations, rules and professional codes of conduct or practice, including all health and safety and employment and labour laws (including to ensure no migrant exploitation occurs), and ensure the Recipient's contractors and subcontractors are required to do the same;
- (b) promptly with due diligence, care and skill, and in a manner that meets Best Industry Practice;
- (c) in a manner consistent with the information set out or referred to in the Updated Proposal;
- (d) by appropriately trained, qualified, experienced and supervised persons;
- (e) by running an open arm's length procurement process pursuant to which contracts for material components of the Enabling Infrastructure Project will be awarded to suppliers in accordance with good industry practice for procurement practices and guidelines that apply to the public sector, and the Recipient must provide evidence that it has complied with this obligation if requested by Kāinga Ora;
- (f) in a manner that takes into account the Construction Sector Accord's principles and guidelines; and
- (g) using reasonable endeavours to obtain any necessary resource consents for the Enabling Infrastructure Project in accordance with the COVID-19 Recovery (Fast-track Consenting) Act 2020, where such process is reasonably expected by the Recipient to accelerate the obtaining of such resource consents for the Enabling Infrastructure Project.

**Construction Contracts**

**3.6 The Recipient must, in respect of each Construction Contract with a Head Contractor:**

- (a) not, except with the prior written consent of Kāinga Ora:
  - i. accept any early termination of, or exercise any right to rescind, cancel or terminate, the Construction Contract;
  - ii. do or omit to do any act or thing which would entitle the counterparty to either terminate or regard the Construction Contract as terminated;
  - iii. waive or agree to waive any provisions of the Construction Contract;
  - iv. subject to clause 3.1, make or agree to make any material variation to the Construction Contract, where **material variation** means any variation which on its own or together with any other variation or variations results in, or is likely to result in the Budget (taking into account all variations) being exceeded or an Enabling Infrastructure Project being materially delayed, or any variation that amends the scope, specifications or function of an Enabling Infrastructure Project; or
  - v. dismiss or change a party to the Construction Contract; and

Item 2: Infrastructure Acceleration Fund and Housing Outcomes Agreements for  
 - Bridge Street Linear Active Transport Corridor and  
 - Rutherford/Achilles Social and Affordable Housing Development: Attachment 2

IAF Funding Agreement – Kāinga Ora – Homes and Communities

- (b) take such action and institute and maintain all such proceedings as may be necessary or expedient to preserve or protect the interests of the Recipient in or under the Construction Contract.

3.7 The Recipient must:

- (a) inform Kāinga Ora as soon as it becomes aware of:
  - i. any delays to any Enabling Infrastructure Project or the Housing Development; or
  - ii. any proposal to vary the nature, scope, quality, design or sequence of any Enabling Infrastructure Project or the cost of or time for performance under any Construction Contract or any related contract (including any proposal to accelerate, terminate or make any claim thereunder); and
- (b) not undertake any development of the relevant land in relation to the Enabling Infrastructure Project(s) other than the Enabling Infrastructure Project(s) (as contemplated by any Construction Contract, plans and Budget relevant to that Enabling Infrastructure Project and as approved by Kāinga Ora), the Housing Development, any Developer(s)/Landowner(s) Local Infrastructure and any Recipient ineligible infrastructure referred to in **Item 11 of Part 1** (Key Details).

Review meetings

3.8 If reasonably requested by Kāinga Ora, the Recipient must meet with Kāinga Ora to review and discuss:

- (a) progress on delivery of each Enabling Infrastructure Project and Enabling Infrastructure Project(s) Milestone, including all matters contained in the most recent monthly and quarterly reports, and progress on the Housing Development;
- (b) any material risks and/or issues arising or expected to arise in relation to each Enabling Infrastructure Project or any of the Enabling Infrastructure Project(s) Milestones and/or the Housing Development, the Costs or the performance of this Agreement, including detail of any issues notified to Kāinga Ora in accordance with clause 2.1(b), clause 2.1(c) or clause 3.16(b) of **Part 2** (General Terms);
- (c) the Recipient's compliance with its obligations under this Agreement (including compliance with any Remediation Plan (as defined in clause 3.9)) and/or the Housing Outcomes Agreement;
- (d) any other matter reasonably requested by Kāinga Ora; and
- (e) how the Recipient and Kāinga Ora can work together to ensure that any risks or issues are appropriately managed.

Remediation Plan

3.9 If, at any time, Kāinga Ora considers (acting reasonably) that:

- (a) there is any material risk and/or issue arising or expected to arise in relation to any Enabling Infrastructure Project or any Enabling Infrastructure Project(s) Milestones and/or the Housing Development, the Costs or the performance of this Agreement, including any issues notified to Kāinga Ora in accordance with clause 2.1(b), clause 2.1(c) or clause 3.16(b) of **Part 2** (General Terms); or
- (b) the Recipient has not complied with an obligation under this Agreement,

then Kāinga Ora may at its sole discretion require the Recipient to prepare a remediation plan setting out the actions that the Recipient will take to respond to and address the relevant risk, issue or non-compliance, and timeframes for those actions (**Remediation Plan**).

3.10 The Recipient must provide Kāinga Ora with a draft Remediation Plan within such period as notified by Kāinga Ora (which period may not be shorter than 10 Business Days from the date on which the Remediation Plan was requested) and must meet with Kāinga Ora to discuss and agree the Remediation Plan.

3.11 If the Recipient and Kāinga Ora are not able to agree the Remediation Plan within 15 Business Days of receipt by Kāinga Ora of the draft Remediation Plan, then Kāinga Ora may (acting reasonably and having regard to any matters raised by the Recipient) determine the content of the Remediation Plan and provide that Remediation Plan to the Recipient.

3.12 The Recipient must comply with the terms of any Remediation Plan agreed with, or determined by, Kāinga Ora.

Kāinga Ora advisor

3.13 At any time while a Remediation Plan is in effect the Recipient will, if requested by Kāinga Ora (acting reasonably), appoint and maintain the appointment of any consultants or experts notified by Kāinga Ora (**Kāinga Ora Advisor**) for such period as required by Kāinga Ora, on the following terms:

- (a) the Kāinga Ora Advisor will report to Kāinga Ora monthly (or at such other intervals as Kāinga Ora may require) on each Enabling Infrastructure Project, Enabling Infrastructure Project(s) Milestone, the Housing Development, the Costs, any risks or issues, and compliance by the Recipient with the Remediation Plan;
- (b) the Recipient will do everything reasonably within its power to cooperate with the Kāinga Ora Advisor and will (subject to the Recipient being satisfied that the Kāinga Ora Advisor is subject to an appropriate confidentiality agreement in favour of the Recipient but having regard to, and without limiting, the reporting obligations to Kāinga Ora set out above) provide to the Kāinga Ora Advisor its full cooperation, including (but not limited to):
  - i. access to senior management of the Recipient;
  - ii. access to the Recipient's advisors, consultants and contractors in relation to each Enabling Infrastructure Project and/or the Housing Development; and
  - iii. access to copies of all information the Kāinga Ora Advisor requires in order to provide its reporting to Kāinga Ora set out above; and

the Recipient will be liable for the reasonable costs of the Kāinga Ora Advisor.

Reporting and information

3.14 The Recipient will provide Kāinga Ora with the reports specified in **Item 16 of Part 1** (Key Details), in accordance with the timeframes and reporting requirements set out in **Item 16 of Part 1** (Key Details) and **Schedule 4**.

3.15 The Recipient will provide Kāinga Ora with any other information about the Enabling Infrastructure Project(s) or the Housing Development reasonably requested by Kāinga Ora within the timeframe set out in the request.

IAF Funding Agreement – Kāinga Ora – Homes and Communities

- 3.16 The Recipient will promptly notify Kāinga Ora if:
- (a) the Recipient (or any of its personnel or contractors) becomes aware of, or subject to, a Conflict of Interest; or
  - (b) the Recipient becomes aware of any matter that could reasonably be expected to have an adverse effect on an Enabling Infrastructure Project, the Housing Development, the Housing Outcomes or result in a Termination Event or a breach of any term of this Agreement by the Recipient or a breach of any term of a Housing Outcomes Agreement(s) by the Recipient or a Developer(s).
- 3.17 The Recipient will not at any time do anything in connection with the Enabling Infrastructure Project(s) or the Housing Development that could reasonably be expected to have an adverse effect on the reputation, good standing or goodwill of Kāinga Ora or any Crown Office. The Recipient will keep Kāinga Ora informed of any matter known to the Recipient which could reasonably be expected to have such an effect.

**Management of IAF Funding, records and auditors**

- 3.18 The Recipient will receive and manage all IAF Funding in accordance with good financial management and accounting practices and to a high standard that demonstrates appropriate use of public funds.
- 3.19 The Recipient must keep full and accurate records (including invoices and accounting records) of the Enabling Infrastructure Project(s), and retain them for at least 7 years after the last payment of IAF Funding under this Agreement. The Recipient must permit Kāinga Ora (or any auditor nominated by Kāinga Ora) to inspect all records (including financial and project records) relating to the IAF Funded Enabling Infrastructure Project(s), and will allow Kāinga Ora and/or the auditor access to the Recipient's premises, systems and personnel for the purposes of this inspection.

**Insurance**

- 3.20 The Recipient must, in accordance with Best Industry Practice in respect of any construction activities and infrastructure assets, effect and maintain insurance that is adequate to cover loss or damage relating to the construction works and Enabling Infrastructure Project(s) infrastructure assets. The Recipient will, on request, provide Kāinga Ora with evidence of its insurance cover required under this clause.
- 3.21 The Recipient must promptly pay when due all premiums and other amounts and do all other things necessary to maintain the insurances, and not do anything or permit anything to be done, or not done, which would prejudice any of the insurances required by this Agreement or any claims thereunder.
- 3.22 The Recipient must apply all claim proceeds to the extent that the proceeds are in respect of the Enabling Infrastructure Project(s) (including while it is under construction) at all times to reinstate the relevant asset, unless otherwise approved by Kāinga Ora.

**Health and Safety and Conflicts of Interest**

- 3.23 Without limiting its other obligations under this Agreement, the Recipient will:
- (a) perform its, and ensure that the Recipient's contractors and any subcontractors perform their, obligations in carrying out any works in relation to the Enabling Infrastructure Project(s) in compliance with its and their obligations under the Health and Safety at Work Act 2015;

- (b) on request by Kāinga Ora, provide copies of its and its contractors' health and safety management plans applicable to the Enabling Infrastructure Project(s) for review; and
- (c) report any health and safety injury, or any notice issued under the Health and Safety at Work Act 2015, to Kāinga Ora to the extent that it relates to, or affects, this Agreement or the Enabling Infrastructure Project(s).

- 3.24 The Recipient must address any potential or actual Conflict of Interest in relation to itself or its personnel or contractors in accordance with Best Industry Practice or, where required by Kāinga Ora, to Kāinga Ora's satisfaction.

**Project assets**

- 3.25 The Recipient must not assign, transfer, sell or dispose of the Enabling Infrastructure Project(s) assets during the term of this Agreement except other than as required or mandated by law (or as vested or otherwise transferred by operation of law). If and to the extent the Recipient assigns, transfers, sells or disposes of the Enabling Infrastructure Project(s) assets in breach of this clause, Kāinga Ora may recover IAF Funding in accordance with clause 5.4(e).

**Enabling Infrastructure Project(s) Milestone Completion Dates**

- 3.26 The Recipient may request an extension of time to a Completion Date for an Enabling Infrastructure Project(s) Milestone specified in Part A or Part C of Schedule 2 for an Enabling Infrastructure Project, provided (in relation to any Construction Works Funding Milestone(s) or the Practical Completion Funding Milestone for that Enabling Infrastructure Project) such extension of time request is supported by, and is not for a period that extends beyond, the date specified in a valid and approved extension of time claim certified by the Engineer to Contract for the relevant Enabling Infrastructure Project(s) Milestone under the relevant Construction Contract. Kāinga Ora shall not unreasonably withhold such extension of time request that satisfies the requirements of this clause.

**4. PROJECT GOVERNANCE**

- 4.1 The Recipient will:
- (a) provide reasonable notice to Kāinga Ora of all management group meetings and governance group meetings for the Enabling Infrastructure Project(s); and
  - (b) at Kāinga Ora's request, provide copies of all documents and notices to be tabled at the management group meetings and governance group meetings for the Enabling Infrastructure Project(s) to Kāinga Ora no later than 5 Business Days prior to the meetings, and the minutes of those meetings within a reasonable period after each meeting.
- 4.2 Kāinga Ora may at any time appoint observers who will be entitled to attend and speak at all management group meetings and governance group meetings for the Enabling Infrastructure Project(s) (but will not be entitled to vote on any matter at those meetings).

**5. TERM AND TERMINATION**

**Commencement Date**

- 5.1 This Agreement will be effective on and from the Commencement Date and will remain in force until the End Date, unless terminated in accordance with this Agreement.

Item 2: Infrastructure Acceleration Fund and Housing Outcomes Agreements for  
 - Bridge Street Linear Active Transport Corridor and  
 - Rutherford/Achilles Social and Affordable Housing Development: Attachment 2

IAF Funding Agreement – Kāinga Ora – Homes and Communities

Termination

- 5.2 Kāinga Ora can terminate this Agreement in full or part with immediate effect, by giving notice to the Recipient, at any time:
- (a) where a Crown Manager or Commissioner is appointed in respect of the Recipient under Part 10 of the Local Government Act 2002;
  - (b) where the Recipient fails to meet an Enabling Infrastructure Project(s) Milestone by the applicable Completion Date set out in Part A or Part C of Schedule 2, and such failure has not been remedied within a period which Kāinga Ora believes is reasonable;
  - (c) while any one or more of the following events or circumstances remains unremedied:
    - i. the Recipient is materially in breach of any obligation or commitment, or a condition or warranty, under this Agreement;
    - ii. the Recipient is in breach of any material obligation or commitment, or a material condition or warranty, under this Agreement;
    - iii. the Recipient abandons an Enabling Infrastructure Project(s) or fails to pay its contractors or other suppliers to the Enabling Infrastructure Project(s) as and when due;
    - iv. the Recipient fails to contribute or procure (as applicable) the Known Co-Funding, the Other Funding (or, in the case of Developer(s)/Landowner(s) Funding, fails to ensure the Developer(s)/Landowner(s) Funding is directly expended on the Costs of the IAF Funded Enabling Infrastructure Project(s)) or meet any Enabling Infrastructure Project(s) Cost overruns or funding shortfalls for such Enabling Infrastructure Project(s);
    - v. the Recipient fails to contribute or procure funding or meet the Costs of any Enabling Infrastructure Project(s) (except for the IAF Funded Enabling Infrastructure Project(s));
    - vi. the Recipient has provided Kāinga Ora with information in connection with or under this Agreement that (whether intentionally or not) is materially incorrect or misleading, and/or omits material information;
    - vii. Kāinga Ora reasonably considers that this Agreement and/or any Enabling Infrastructure Project has caused, or may cause, Kāinga Ora and/or any Crown Office to breach any legal obligations (including its international trade obligations); and/or
    - viii. the Recipient is involved in any intentional or reckless conduct which, in the opinion of Kāinga Ora, has damaged or could damage the reputation, good standing or goodwill of Kāinga Ora and/or any Crown Office, or is involved in any material misrepresentation or any fraud.
- 5.4 However, where Kāinga Ora considers that a Termination Event set out in clause 5.2(c) can be remedied, Kāinga Ora will give notice to the Recipient requesting a remedy, and will not exercise its right of termination unless the relevant event remains unremedied for at least 14 days (or any longer period agreed with the Recipient) after that notice has been provided by Kāinga Ora.

5.4 Kāinga Ora may recover IAF Funding from the Recipient as follows:

- (a) **Misspent Funding:** At any time Kāinga Ora may recover the amount of any IAF Funding that has not been applied to Eligible Costs, together with interest on all such amounts calculated at 10% per annum from the date of the misspending to the date the money is repaid.
- (b) **Known Co-Funding not applied to Costs:** If at any time the Known Co-Funding has not been applied to the Costs of the relevant IAF Funded Enabling Infrastructure Project(s), Kāinga Ora may recover an amount that represents the amount of Known Co-Funding that has not been so applied, and may set off such amounts against any IAF Funding payable to the Recipient.
- (c) **Other Funding (if any) not applied to Costs:** If at any time any Other Funding received by the Recipient has not been applied to the Costs of the relevant IAF Funded Enabling Infrastructure Project(s), Kāinga Ora may recover an amount that represents the amount of Other Funding that has not been so received and applied, and may set off such amounts against any IAF Funding payable to the Recipient.
- (d) **Excess Funding:** If at any time the total IAF Funding paid under this Agreement and any other funding received by or provided by (as applicable) the Recipient to achieve Practical Completion in respect of an IAF Funded Enabling Infrastructure Project(s) exceeds the funding required to perform and deliver that IAF Funded Enabling Infrastructure Project(s), the Recipient must upon request refund to Kāinga Ora the excess amount.
- (e) **Asset transfer:** If at any time the Recipient assigns, transfers, sells or disposes of the Enabling Infrastructure Project(s) assets in breach of clause 3.25 then Kāinga Ora may recover the amount of IAF Funding paid under this Agreement to the extent it relates to such Enabling Infrastructure Project(s) assets.

Survival

- 5.5 Clauses 1.4, 3.4, 3.5, 3.9, 3.14, 3.16, 3.17 and 5 to 12 survive expiry or termination of this Agreement, along with any other parts of this Agreement necessary to give effect to those provisions. Without limiting the foregoing, expiry or termination of this Agreement does not affect any accrued rights, including any rights in respect of a breach of this Agreement or Termination Event that occurred before expiry or termination.

6. WARRANTIES

- 6.1 The Recipient warrants that, as at the date of this Agreement:
- (a) it has full power and authority to enter into and perform its obligations under this Agreement which, when executed, will constitute binding obligations on it in accordance with its terms; and
  - (b) all information and representations disclosed or made to Kāinga Ora by the Recipient in connection with this Agreement are true and correct, do not omit any material matter, and are not likely to mislead or deceive Kāinga Ora as to any material matter.
- 6.2 The Recipient acknowledges that Kāinga Ora has entered into this Agreement in reliance on these warranties.
- 6.3 Kāinga Ora warrants that, as at the date of this Agreement, it has full power and authority to enter into and perform its obligations under this Agreement which, when executed, will constitute binding obligations on it in accordance with its terms.

IAF Funding Agreement – Kāinga Ora – Homes and Communities

6.4 The Recipient acknowledges that Kāinga Ora has made no warranty or representation that any funding or financial support is or will be available to the Recipient in respect of the Enabling Infrastructure Project(s), other than the IAF Funding in accordance with this Agreement for the IAF Funded Enabling Infrastructure Project(s).

**7. LIABILITY**

7.1 Kāinga Ora has no liability under or in connection with this Agreement and the Housing Outcomes Agreement(s), whether arising in contract, tort (including negligence) or otherwise, other than the obligation to pay the IAF Funding due and payable to the Funding Recipient under this Agreement, capped at the Maximum Amount Payable.

**8. CONFIDENTIALITY**

8.1 Subject to clauses 8.2 and 8.3, each party will keep the other party's Confidential Information in confidence, and will use or disclose that Confidential Information only to the extent necessary to perform its obligations, and/or take the intended benefit of its rights, under this Agreement. However, this will not prohibit:

- (a) either party from using or disclosing any information with the written prior consent of the other party;
- (b) use or disclosure of information that has become generally known to the public other than through a breach of this Agreement;
- (c) disclosure required by any law, or any compulsory order or requirement issued pursuant to any law; or
- (d) Kāinga Ora from using or disclosing to any third party any information, document, report or other material, provided that prior to any such disclosure Kāinga Ora removes all information that is commercially sensitive to the Recipient from the relevant work.

8.2 The Recipient acknowledges and agrees that nothing in this Agreement restricts Kāinga Ora's ability to:

- (a) discuss with, and provide all information in respect of, any matters concerning the Recipient, the Enabling Infrastructure Project(s), the Housing Development, the Housing Outcomes, the Housing Outcomes Agreement or this Agreement to, any Crown Office or any of their respective advisors;
- (b) meet its obligations under any constitutional or parliamentary convention (or other obligation at law) of or in relation to the New Zealand Parliament, the New Zealand House of Representatives or any of its Committees, any Minister of the Crown, or the New Zealand Auditor-General, including any obligations under the Cabinet Manual including the "no surprises" principle; and
- (c) publicise and report on the awarding of the IAF Funding, including the Recipient's and any of its subcontractor's names, the amount and duration of the IAF Funding and a brief description of the Enabling Infrastructure Project(s), on websites; in media releases; general announcements and annual reports.

8.3 The Recipient acknowledges that:

- (a) the contents of this Agreement; and
- (b) information provided to Kāinga Ora,

may be official information in terms of the Official Information Act 1982 and, in line with the purpose and principles of the Official Information Act 1982, this Agreement and such information may be released to the public unless there is good reason, in terms of the Official Information Act 1982, to withhold it. This may include a copy of the Agreement (redacted to remove confidential and commercially sensitive information) being published on Kāinga Ora's website.

8.4 Kāinga Ora acknowledges that the Recipient is subject to the Local Government Official Information and Meetings Act 1987 and that its confidentiality obligations under this clause are subject to its compliance with that Act. The Recipient must notify Kāinga Ora if it receives any request for Confidential Information pursuant to the Local Government Official Information and Meetings Act 1987 prior to any disclosure of Confidential Information.

**9. MEDIA AND COMMUNICATIONS**

9.1 Before making any media statements or press releases (including social media posts) regarding this Agreement and/or Kāinga Ora's involvement with the Enabling Infrastructure Project(s), the Recipient will consult with Kāinga Ora, and will obtain Kāinga Ora's prior approval to any such statements or releases.

9.2 All correspondence with Kāinga Ora under this clause 9 must be directed to Kāinga Ora's Contact Person. The Recipient will refer any enquiries from the media or any other person about the terms or performance of this Agreement to Kāinga Ora's Contact Person.

9.3 The Recipient will acknowledge the New Zealand Government as a source of funding in all publications (including any digital presence) and publicity regarding the Enabling Infrastructure Project(s) in accordance with funding acknowledgement guidelines agreed with Kāinga Ora. The Recipient must obtain Kāinga Ora's approval of the form and wording of the acknowledgement prior to including the acknowledgement in the publication or publicity (as the case may be).

9.4 If requested by Kāinga Ora, the Recipient will establish or erect temporary and/or permanent signage (which may be in the form of a plaque) at the site of the Enabling Infrastructure Project(s) acknowledging the New Zealand Government as a source of funding for the Enabling Infrastructure Project(s). Kāinga Ora may provide such signage and Kāinga Ora will consult with the Recipient in respect of a suitable location for such signage.

9.5 The Recipient does not have the right to enter into any commitment, contract or agreement on behalf of Kāinga Ora or any associated body, or to make any public statement or comment on behalf of Kāinga Ora or the New Zealand Government.

**10. DISPUTES**

In the event of any dispute, controversy or claim arising out of or in connection with this Agreement, or in relation to any question regarding its existence, breach, termination or invalidity (in each case, a **Dispute**), either party may give written notice to the other. As soon as reasonably practicable thereafter, the parties will meet and endeavour to resolve the Dispute by discussion, negotiation and agreement. A party must not commence any proceedings in connection with a Dispute unless at least 40 days have elapsed since the issue of a notice, and that party has used reasonable endeavours to comply with this clause. However, nothing in this clause prohibits seeking urgent interim relief.



Item 2: Infrastructure Acceleration Fund and Housing Outcomes Agreements for  
 - Bridge Street Linear Active Transport Corridor and  
 - Rutherford/Achilles Social and Affordable Housing Development: Attachment 2

IAF Funding Agreement – Kāinga Ora – Homes and Communities

**11. CONTACT PERSONS**

11.1 All matters or enquiries regarding this Agreement will be directed to each party's Contact Person (set out in **Item 20 of Part 1** (Key Details)).

11.2 Each party may from time to time change the person designated as its Contact Person on 10 Business Days' written notice to the other party.

**12. GENERAL**

12.1 The Recipient acknowledges that Kāinga Ora is acting as the agent of the Crown and is required to consult with the Crown and seek the Crown's consent in relation to the exercise of certain of the rights and obligations of Kāinga Ora under this Agreement.

12.2 The Recipient agrees that the Crown may terminate the appointment of Kāinga Ora in relation to the IAF and/or this Agreement and assume, or appoint another person to undertake, the rights and obligations of Kāinga Ora under this Agreement and/or the IAF, without the consent of the Recipient and the Recipient agrees to co-operate with the Crown or such other person to facilitate any such assumption or appointment.

12.3 Each notice or other communication given under this Agreement (each a **notice**) will be in writing and delivered personally or sent by post or email to the address of the relevant party set out in **Item 21 of Part 1** (Key Details) or to any other address from time to time designated for that purpose by at least 10 Business Days' prior written notice to the other party. A notice under this Agreement is deemed to be received if:

(a) **Delivery:** delivered personally, when delivered;

(b) **Post:** posted, 5 Business Days after posting or, in the case of international post, 7 Business Days after posting; and

(c) **Email:** sent by email:

- i. if sent between the hours of 9am and 5pm (local time) on a Business Day, at the time of transmission; or
- ii. if subclause i does not apply, at 9am (local time) on the Business Day most immediately after the time of sending,

provided that an email is not deemed received unless (if receipt is disputed) the party giving notice produces a printed copy of the email which evidences that the email was sent to the email address of the party given notice.

12.4 This Agreement and the Housing Outcomes Agreement(s) constitute the sole and entire understanding with respect to the subject matter hereof and supersedes all prior discussions, representations and understandings, written or oral.

12.5 This Agreement may be amended by way of a Delivery Plan agreed and signed by the parties in accordance with this Agreement. No other amendment to this Agreement will be effective unless agreed in writing and signed by both parties.

12.6 The Recipient may not assign or transfer any of its contractual rights or obligations under this Agreement, except with Kāinga Ora's prior written approval or in accordance with clause 12.7.

12.7 If and to the extent the Recipient is required or mandated by law to assign, transfer, sell or dispose of any Enabling Infrastructure Project(s) assets (or such assets are vested or otherwise transferred by operation of law) (a **Mandated Transfer**) during the term of this Agreement, then (to the maximum extent permitted by law) the Recipient shall:

(a) consult with Kāinga Ora in advance in relation to such Mandated Transfer and provide all information reasonably requested by Kāinga Ora in relation to such Mandated Transfer; and

(b) use all reasonable endeavours to procure that the relevant assignee, transferee, purchaser or recipient (as applicable) will support the completion of the Enabling Infrastructure Project(s) and the delivery of the Housing Outcomes (as applicable).

12.8 No failure, delay or indulgence by any party in exercising any power or right conferred on that party by this Agreement shall operate as a waiver. A single exercise of any of those powers or rights does not preclude further exercises of those powers or rights or the exercise of any other powers or rights.

12.9 The exercise by a party of any express right set out in this Agreement is without prejudice to any other rights, powers or remedies available to a party in contract, at law or in equity, including any rights, powers or remedies which would be available if the express rights were not set out in this Agreement.

12.10 Any provision of this Agreement that is invalid or unenforceable will be deemed deleted, and will not affect the other provisions of this Agreement, all of which remain in force to the extent permitted by law, subject to any modifications made necessary by the deletion of the invalid or unenforceable provision.

12.11 This Agreement is to be governed by the laws of New Zealand, and the parties submit to the non-exclusive jurisdiction of the courts of New Zealand.

12.12 This Agreement may be executed in any number of counterparts (including scanned and emailed copies). So long as each party has received a counterpart signed by each of the other parties, the counterparts together shall constitute a binding and enforceable agreement.

END OF PART 2

Released under the Official Information Act 2000

### PART 3: DEFINITIONS AND INTERPRETATION

#### A. Definitions

In this Agreement, unless the context requires otherwise, terms defined in Part 1 (Key Details) have the meanings specified therein and:

*Agreement* means this agreement including Parts 1, 2 and 3 and the schedules and appendices (and any other attachments).

*Best Industry Practice* means that degree of skill, care and foresight and operating practice that would reasonably and ordinarily be expected of a skilled and competent supplier of services engaged in the same type of undertaking as that of the Recipient or any contractors (as applicable) under the same or similar circumstances as those contemplated by this Agreement.

*Budget* means a breakdown of budgeted cashflows and costs relating to the Enabling Infrastructure Project(s) including details of any Known Co-Funding and any Other Funding, and a provision of an acceptable level of contingency sums, broken down on a monthly basis, and approved by Kāinga Ora.

*Business Day* means any day other than a Saturday, Sunday or public holiday within the meaning of section 44 of the Holidays Act 2003.

*Commencement Date* means the date this Agreement has been signed by both parties.

*Completed* means in respect of a dwelling or dwellings, the date on which all necessary code compliance certificates for that dwelling(s) have been obtained.

*Completion Date* means, in respect of an Enabling Infrastructure Project(s) Milestone, the applicable "Completion Date" specified in Part A or Part C of Schedule 2 (as applicable).

*Confidential Information* of a party (**Owner**), means any information in the possession or control of another party (**Holder**) that:

- (a) was originally acquired by the Holder through disclosures made by the Owner or on the Owner's behalf or at the request of the Holder; and/or
- (b) was originally acquired by the Holder in connection with this Agreement through any access to, or viewing, inspection or evaluation of, the premises, facilities, documents, systems or other assets owned or controlled by the Owner; and/or
- (c) is derived from information of a kind described in paragraph (a) or (b) above,

but excludes any information which the Holder can show:

- (d) was lawfully acquired by the Holder, entirely independently of its activities in connection with this Agreement, and is free of any other obligation of confidence owed to the Owner; and/or
- (e) has been independently developed by the Holder without reference to the Owner's Confidential Information, and without breaching any other obligation of confidence owed to the Owner.

Notwithstanding the foregoing, the terms of this Agreement are Confidential Information of which each party is both an Owner and a Holder.

*Co-Funding Principles* means the "Co-Funding Principles" defined in Item 12 of Part 1 (Key Details).

*Conflict of Interest* means any matter, circumstance, interest or activity of the Recipient, its personnel or contractors, or any other person with whom the Recipient has a relationship that:

- (a) conflicts with:
  - i. the obligations of the Recipient (or its personnel or contractors) to Kāinga Ora under this Agreement; or
  - ii. the interests of the Recipient in relation to this Agreement and/or the procuring of the Enabling Infrastructure Project(s); or
- (b) otherwise impairs or might appear to impair the ability of the Recipient (or any of its personnel or contractors) to diligently and independently carry out the Enabling Infrastructure Project(s) in accordance with this Agreement.

*Construction Contract* means each construction contract between the Recipient and a construction contractor relating to works to be carried out for the Enabling Infrastructure Project(s) and all the plans, specifications, drawings, details and information forming part of or which are required to be prepared and provided in accordance with, or which are referred to or contemplated by the relevant contract or otherwise required to complete the Enabling Infrastructure Project(s).

*Construction Works Funding Milestone* means, in respect of an Enabling Infrastructure Project, each of the Construction Works Funding Milestone(s) (i.e., the Construction Works First Funding Milestone and the Construction Works Second Funding Milestone etc., as applicable) for the relevant Enabling Infrastructure Project described in Part A of Schedule 2.

*Contact Person* means, in respect of each party, the applicable "Contact Person" specified in Item 20 of Part 1 (Key Details).

*Cost to Complete* means, in relation to an Enabling Infrastructure Project and as at any time, the aggregate amount of IAF Funded Enabling Infrastructure Project Costs not yet paid but payable or reasonably likely to be payable in order to achieve Practical Completion for that Enabling Infrastructure Project.

*Cost to Complete Test* is met if, in relation to an IAF Funded Enabling Infrastructure Project and as at any date, the relevant EIP Maximum Amount Payable that has not been advanced to the Recipient to meet Eligible Costs, plus the Known Co-Funding, plus any additional funding secured and available to, and committed by, the Recipient (where such additional funding is supported by evidence reasonably satisfactory to Kāinga Ora), in each case, in relation to that Enabling Infrastructure Project is not less than the Cost to Complete as at that date.

*Costs* means, in respect of an Enabling Infrastructure Project, all costs of that Enabling Infrastructure Project, including Eligible Costs and all other costs in relation to the Enabling Infrastructure Project.

*Crown* means The Sovereign in Right of New Zealand.

*Crown Office* means the Crown, any Minister of the Crown, any Government department or agency and the New Zealand Government generally.

*Delivery Plan* means a delivery plan agreed in writing and signed by the parties (based on the standard form provided by Kāinga Ora) which sets out:

## Item 2: Infrastructure Acceleration Fund and Housing Outcomes Agreements for - Bridge Street Linear Active Transport Corridor and - Rutherford/Achilles Social and Affordable Housing Development: Attachment 2

### IAF Funding Agreement – Kāinga Ora – Homes and Communities

- (a) any updates or amendments to **Schedule 1** following the Commencement Date;
- (b) any updates or amendments to **Schedule 2** following the Commencement Date;
- (c) any updates or amendments to **Item 7 of Part 1** (Key Details) and other relevant items following the Commencement Date;
- (d) any updates or amendments to this Agreement as a result of amendments to the Housing Outcomes and/or Housing Outcomes Agreement(s) pursuant to a HOA Variation Agreement following the Commencement Date; and/or
- (e) sets out any required additions or updates to the Enabling Infrastructure Project(s) Milestones, and any other updates to the information in **Schedule 2**, as referred to in **Item 8 of Part 1** (Key Details).

*Developer(s)* means the Developer(s) identified in **Item 3 of Part 1** (Key Details) (if known as at the date of this Agreement) and/or the Developer(s) who will become a party to the Housing Outcomes Agreement(s) following the date of this Agreement.

*Developer(s)/Landowner(s) Funding* means the funding for the Fair Share to be provided by Developer(s) and Landowner(s) as set out in **Item 13 of Part 1** (Key Details).

*Developer(s)/Landowner(s) Local Infrastructure* means all ineligible "local" infrastructure that is required to enable the construction of housing in respect of the Housing Development and which is undertaken by or on behalf of the Developer(s) and/or Landowner(s) in order for the Developer(s) and/or Landowner(s) to obtain a certificate under section 224(c) of the Resource Management Act 1991 in respect of the relevant housing.

*Development Confirmations* means the confirmations, warranties and representations given by the Recipient in **Item 11 of Part 1** (Key Details).

*EIP Maximum Amount Payable* means the "EIP Maximum Amount Payable" defined in **Item 10 of Part 1** (Key Details).

*Eligible Costs* means, in respect of an IAF Funded Enabling Infrastructure Project, the actual costs of:

- (a) feasibility studies, business cases and other early-stage planning work;
- (b) designing, consenting, tendering and acquiring land (to the extent it is required for that Enabling Infrastructure Project);
- (c) constructing that Enabling Infrastructure Project;
- (d) subject to Kāinga Ora's prior written consent, non-capital administrative matters, to the extent they are necessary to establish complementary financing for that Enabling Infrastructure Project; and
- (e) third party professional advisers in respect of any of paragraphs (a) – (d) above (if necessary, as allocated to that Enabling Infrastructure Project by the Recipient on a reasonable basis),

in each case, reasonably incurred by the Recipient in delivering that Enabling Infrastructure Project:

- (a) on or after the Commencement Date (unless expressly agreed to the contrary, in writing, by Kāinga Ora) and no later than the End Date; and

- (b) in good faith for the purpose of carrying out that Enabling Infrastructure Project and at "arm's length", at reasonable market value (and generally incurred on a one-off basis),

but excludes:

- (a) the Recipient's internal costs, including overhead and management time;
- (b) interest and fees payable in respect of any debt funding; and
- (c) any payments to a related person of the Recipient.

*Enabling Infrastructure Project(s)* means the "Enabling Infrastructure Project(s)" defined in **Item 6 of Part 1** (Key Details).

*Enabling Infrastructure Project(s) Milestones* means the "Project Milestones" defined in **Item 7 of Part 1** (Key Details).

*End Date* means the date on which the Recipient has satisfied its obligations under this Agreement, as determined by Kāinga Ora acting reasonably.

*Engineer to Contract* means the professional engineer to contract appointed under a Construction Contract.

*EOI* means the "EOI" defined in **Item 2 of Part 1** (Key Details).

*Fair Share* means the "Fair Share" defined in **Item 12 of Part 1** (Key Details).

*Funding Balance* means the "Funding Balance" payable by the Recipient defined in **Item 14 of Part 1** (Key Details).

*Head Contractors* means the "Head Contractors" defined in **Item 17 of Part 1** (Key Details).

*HOA Variation Agreement* has the meaning given to it in the Housing Outcomes Agreement(s).

*Housing Development* means the "Housing Development" defined in **Item 3 of Part 1** (Key Details).

*Housing Outcomes* means the "Housing Outcomes" defined in **Item 4 of Part 1** (Key Details) and **Schedule 3**.

*Housing Outcomes Agreement(s)* means the "Housing Outcomes Agreement(s)" defined in **Item 4 of Part 1** (Key Details).

*IAF* means the "IAF" defined in **Item 2 of Part 1** (Key Details).

*IAF Funded Enabling Infrastructure Project(s)* means the "IAF Funded Enabling Infrastructure Project(s)" defined in **Item 6 of Part 1** (Key Details).

*IAF Funded Enabling Infrastructure Project(s) Milestones* means the "IAF Funded Enabling Infrastructure Project(s) Milestones" defined in **Item 7 of Part 1** (Key Details).

*IAF Funding* means the IAF funding or any part of the funding (as the context requires) payable by Kāinga Ora to the Recipient in accordance with the terms of this Agreement, as described in **Item 9 and Item 10 of Part 1** (Key Details).

*Known Co-Funding* means the "Known Co-Funding" defined in **Item 14 of Part 1** (Key Details).

*Landowner(s)* means the Landowner(s) identified in **Item 3 of Part 1** (Key

## IAF Funding Agreement – Kāinga Ora – Homes and Communities

Details) (if known as at the date of this Agreement) and/or any relevant landowner(s) in relation to the Housing Development identified following the date of this Agreement.

*Maximum Amount Payable* means the “Maximum Amount Payable” defined in **Item 10 of Part 1** (Key Details).

*Non-IAF Funded Enabling Infrastructure Project(s) Milestones* means the “Non-IAF Funded Enabling Infrastructure Project(s) Milestones” defined in **Item 7 of Part 1** (Key Details).

*Other Funding* means the “Other Funding” described in **Item 9 of Part 1** (Key Details).

*Payment Request* means a request submitted to Kāinga Ora (or its nominated nominee(s)) by the Recipient seeking payment of IAF Funding in a form agreed between Kāinga Ora and the Recipient and in accordance with the requirements of **Schedule 3**.

*Practical Completion* means, in respect of an Enabling Infrastructure Project, the date on which the Engineer to Contract provides to Kāinga Ora a certificate, which is satisfactory to Kāinga Ora (in its sole discretion), certifying that the relevant Enabling Infrastructure Project is practically complete in accordance with the terms of the Construction Contract(s) and that the Enabling Infrastructure Project is ready for use or operations.

*Proposal* means the “Proposal” defined in **Item 2 of Part 1** (Key Details).

*Recipient* means the Recipient specified in **Item 1 of Part 1** (Key Details).

*related person of the Recipient* means any council-organisation or council-controlled organisation (as those terms are defined in section 6 of the Local Government Act 2002) of the Recipient;

*RFP* means the “RFP” defined in **Item 2 of Part 1** (Key Details).

*Termination Event* means any one or more of the events or circumstances set out in clause 5.2 of **Part 2** (General Terms).

*Territorial Authority Funding* means the “Territorial Authority Funding” defined in **Item 9 of Part 1** (Key Details).

*Time to Complete Test* is met if, as at any date, the Chief Executive of the Recipient or the Engineer to Contract (as applicable) certifies that that Practical Completion is expected to be achieved by the Completion Date for Practical Completion specified in **Part A of Schedule 2**.

*Updated Proposal* means the “Updated Proposal” defined in **Item 2 of Part 1** (Key Details).

### B. Interpretation

In the construction of this Agreement, unless the context requires otherwise:

*Conflicts*: if and to the extent there is any inconsistency or conflict between this Agreement and a Housing Outcomes Agreement(s), the terms of this Agreement will prevail.

*Documents*: a reference to any document, including this Agreement, includes a reference to that document as amended or replaced from time to time (including by way of a Delivery Plan in accordance with this Agreement).

*Including*: mentioning anything after include, includes or including does not limit what else might be included.

*Order of priority*: the following order of precedence will apply to the extent of any inconsistency or conflict between the parts of and schedules to this Agreement:

- (a) first, any Delivery Plan;
- (b) second, the Schedules to this Agreement;
- (c) third, **Part 1** (Key Details) of this Agreement; and
- (d) fourth, **Part 2** (General Terms) of this Agreement.

*Parties*: a reference to a party to this Agreement or any other document includes that party's personal representatives/successors and permitted assigns.

*Related Terms*: where a word or expression is defined in this Agreement, other parts of speech and grammatical forms of that word or expression have corresponding meanings.

*Singular and plural*: the singular includes the plural and vice versa.

*Summaries*: any clause in **Part 2** (General Terms) and any provision of any Schedule applies irrespective of whether or not it is also summarised in **Part 1** (Key Details) (in addition to being set out in **Part 2** (General Terms) and/or any Schedule).

*Writing*: a reference to “written” or “in writing” includes email and any commonly used electronic document format such as .DOC or .PDF.

END OF PART 3

Item 2: Infrastructure Acceleration Fund and Housing Outcomes Agreements for  
 - Bridge Street Linear Active Transport Corridor and  
 - Rutherford/Achilles Social and Affordable Housing Development: Attachment 2

IAF Funding Agreement – Kāinga Ora – Homes and Communities

**Schedule 1: Housing Development and Enabling Infrastructure Project(s)**

**Key Details of the Housing Development and Enabling Infrastructure Project(s)**

The Housing Development key details are as follows:

<b>Name of Housing Development</b>	Nelson City intensification, including Achilles Avenue and Rutherford Street Affordable Housing Development
<b>Name of Developer(s) (if known)</b>	Kāinga Ora - Homes and Communities and/or Housing New Zealand Build Limited
<b>Name of landowner(s) (if known)</b>	Kāinga Ora - Homes and Communities and/or Housing New Zealand Build Limited
<b>Location (suburb and city)</b>	Central City, Nelson
<b>Territorial Authority region</b>	Nelson City Council
<b>Total number of dwellings to be Completed</b>	1,025 dwellings
<b>Delivery period for dwellings to be Completed</b>	<ul style="list-style-type: none"> <li>By December 2028 for the portion of the dwellings (175) to be Completed by the Developer</li> <li>From 2028 for the balance (850) of the aggregate dwellings to be Completed</li> </ul>
<b>Brownfield / Greenfield?</b>	Brownfield

The Enabling Infrastructure Project(s) key details are as follows:

<b>Enabling Infrastructure Project(s)</b>	<b>Description</b>
<b>Transport Enabling Infrastructure Project(s)</b>	Linear Active Transport Corridor – Bridge Street and Haven Road
<b>Three Waters Enabling Infrastructure Project(s)</b>	<ul style="list-style-type: none"> <li>Watermain upgrades (Bridge, Rutherford, Halifax, and Collingwood)</li> <li>Wastewater pipeline upgrades (Bridge, Rutherford, Paru Paru and Achilles)</li> <li>Wastewater pump station upgrade</li> <li>Stormwater pipeline upgrades (Bridge and Haven)</li> </ul>
<b>Flood Management Enabling Infrastructure Project(s)</b>	Stormwater Flood Gate

**General description**

The Housing Development includes development located within central Nelson at 69 – 101 Achilles Avenue, and 42 Rutherford Street (**Land**). The Recipient will sell the Land to the Developer for the purpose of building the Housing Development, which is part of the Recipient’s commitment to use its property portfolio to support housing affordability and intensification.

Currently, there is unmet demand for housing in Nelson’s city centre (of some 217 households), particularly in the lower-price brackets. This has been caused by high population growth coupled with a shortage of housing supply. Median house prices in the Nelson region have increased 88% over five years.

The Housing Development is zoned as inner city and will deliver approximately 1,025 dwellings, with the Developer delivering the first 175 dwellings. The Housing Development for which the Developer identified in **Item 3** of Part A will be responsible will be high density and all dwellings will be either social or affordable housing, and include affordable rental accommodation. The Housing Development, together with the Enabling Infrastructure Project(s), will support the intensification objectives of the National Policy on Urban Development and Te Ara o Whakatū's (the Nelson City Centre Spatial Plan) goal of invigorating public spaces through a range of city centre investments.

Nelson city has a compact urban form that facilitates living near employment opportunities, educational facilities and general services. Employment opportunities include Nelson Port, Nelson hospital, businesses such as Sealords, Sanfords and Talley's fisheries, the Nelson Marlborough Institute of Technology and the Cawthorn Institute. The Housing Development is located within walking or cycling from education facilities, including Nelson College for Girls and Nelson College. Being in the city centres, the Housing Development site is also located in the commercial, social recreational, and transportation hub of the region.

IAF Funding is essential to accelerating the up-take of people living in the Nelson city centre. It will enable a greater scale, and efficiency, of infrastructure that would not otherwise be achieved, particularly due to the Recipient's financial constraints. The Bridge Street transport corridor will not only serve the Housing Development residents, but will provide a safe transport route through the city centre, unlocking the east-to-west connection to the wider community.

The Recipient and the Developer are aligned in their commitments to bring affordable housing to Nelson. The Recipient and the Developer have entered into a "relationship agreement" that commits them to work together to achieve this aim. In relation to the Housing Development, the Recipient has resolved to sell the Land to the Developer (subject to conditions) for a development of less than 50% social housing with the remainder being affordable housing types.

Released 20 JULY 2023

Item 2: Infrastructure Acceleration Fund and Housing Outcomes Agreements for  
 - Bridge Street Linear Active Transport Corridor and  
 - Rutherford/Achilles Social and Affordable Housing Development: Attachment 2

IAF Funding Agreement – Kāinga Ora – Homes and Communities

**Schedule 2: Enabling Infrastructure Project(s) Milestones**

This Schedule 2 sets out:

- in **Part A**, the IAF Funded Enabling Infrastructure Project(s) Milestones for the IAF Funded Enabling Infrastructure Project(s);
- in **Part B**, the specific additional requirements for each IAF Funded Enabling Infrastructure Project(s) Milestone for the IAF Funded Enabling Infrastructure Project(s), as at the date of this Agreement; and
- in **Part C**, the Non-IAF Funded Enabling Infrastructure Project(s) Milestones for the Enabling Infrastructure Project(s) (not including the IAF Funded Enabling Infrastructure Project(s)).

**Part A: IAF Funded Enabling Infrastructure Project(s) Milestones**

IAF Funded Enabling Infrastructure Project(s) Milestones Heading	Completion Date	IAF Funded Infrastructure Project(s) Milestones	Funding Amounts			Specific Additional Requirements for Payment of IAF Funding		
			Maximum IAF Funding Payment Milestone amount plus GST (if any)	Known Co-Funding	Other Funding amount NZD\$ plus GST (if any)	Update of future IAF Funded Enabling Infrastructure Project(s) Milestone(s) via an agreed Delivery Plan also required?	Updates to Housing Outcomes Agreement(s) or additional Housing Outcome(s) Agreement(s) also required?	Other specific conditions to be satisfied
<b>Transport Infrastructure Project – Linear Active Transport Corridor (Bridge Street and Haven Road)</b>								
1. <b>Stage 1 (Early)</b>	27 June 2024	The following feasibility activities in relation to the Transport Infrastructure Project are completed: • consultant engagement completed;	\$1,530,302	\$632,698	N/A	Yes – IAF Funded Enabling Infrastructure Project(s) Milestone(s) for the Bridge Street Linear Active Transport Corridor/IAF	Yes – update to be provided on the status of the number of dwellings to be completed by the Developer	This Initial Funding Milestone will not be satisfied until Kāinga Ora receives written confirmation from the Recipient that the

IAF Funded Infrastructure Project(s) Milestones Heading	Completion Date	IAF Funded Enabling Infrastructure Project(s) Milestones	Funding Amounts			Specific Additional Requirements for Payment of IAF Funding			
			Maximum IAF Funding Payment Milestone amount NZD\$ plus GST (if any)	Known Co-Funding	Other Funding amount NZD\$ plus GST (if any)	Update of future IAF Funded Enabling Infrastructure Project(s) Milestone(s) via an agreed Delivery Plan also required?	Updates to Housing Outcomes Agreement(s) or additional Housing Outcome(s) Agreement(s) also required?	Other specific conditions to be satisfied	
			Territorial Authority Funding amount NZD\$ plus GST (if any)	Developer(s)/Lan downer(s) Funding amount NZD\$ plus GST (if any)					
		<ul style="list-style-type: none"> <li>concept and developed designs completed and approved by the Recipient; and</li> <li>consenting strategy completed.</li> </ul> <p><b>(Initial Funding Milestone)</b></p>							Enabling Infrastructure Project(s) that require funding from the Recipient (including Territorial Authority Funding and the Funding Balance) are included in the Recipient's Long Term Plan (via amendment/update).
2. <b>Stage 2 (Pre-Implementation)</b>	30 June 2025	The following design, consenting and tendering activities in relation to the Transport Infrastructure	\$618,236	N/A	N/A	N/A	N/A	N/A	N/A



Item 2: Infrastructure Acceleration Fund and Housing Outcomes Agreements for  
 - Bridge Street Linear Active Transport Corridor and  
 - Rutherford/Achilles Social and Affordable Housing Development: Attachment 2

IAF Funding Agreement – Kāinga Ora – Homes and Communities

IAF Funded Enabling Infrastructure Project(s) Milestones Heading	Completion Date	IAF Funded Enabling Infrastructure Project(s) Milestones	Funding Amounts				Specific Additional Requirements for Payment of IAF Funding			
			Maximum IAF Funding Payment Milestone amount NZD\$ plus GST (if any)	Known Co-Funding	Other Funding amount NZD\$ plus GST (if any)	Update of future IAF Funded Enabling Infrastructure Project(s) Milestone(s) via an agreed Delivery Plan also required?	Updates to Housing Outcomes Agreement(s) or additional Housing Outcome(s) Agreement(s) also required?	Other specific conditions to be satisfied		
			Territorial Authority Funding amount NZD\$ plus GST (if any)	Developer(s)/Lan downer(s) Funding amount NZD\$ plus GST (if any)						
		Project are completed: <ul style="list-style-type: none"> <li>detailed design completed and approved by the Recipient; and</li> <li>all required consents approved and issued by the relevant authorities.</li> </ul> <b>(Pre-Implementation Funding Milestone)</b>								
3. <b>Stage 3 (Implementation)</b>	30 June 2026	The following construction activities in relation to the Transport Infrastructure Project are completed:	\$1,504,323	N/A	N/A	N/A	N/A	N/A	N/A	N/A

IAF Funded Infrastructure Project(s) Milestones Heading	Completion Date	IAF Funded Enabling Infrastructure Project(s) Milestones	Funding Amounts			Specific Additional Requirements for Payment of IAF Funding		
			Maximum IAF Funding Payment Milestone amount plus GST (if any)	Known Co-Funding	Other Funding amount NZD\$ plus GST (if any)	Update of future IAF Funded Enabling Infrastructure Project(s) Milestone(s) via an agreed Delivery Plan also required?	Updates to Housing Outcomes Agreement(s) or additional Housing Outcome(s) also required?	Other specific conditions to be satisfied
		<ul style="list-style-type: none"> <li>tender awarded and Construction Contract(s) entered into by the Recipient and the Head Contractor;</li> <li>physical works have commenced; and</li> <li>the Engineer has certified that construction works equal to at least 20% of the contract price have been completed.</li> </ul> <p><b>(Construction Works First Funding)</b></p>						

Item 2: Infrastructure Acceleration Fund and Housing Outcomes Agreements for  
 - Bridge Street Linear Active Transport Corridor and  
 - Rutherford/Achilles Social and Affordable Housing Development: Attachment 2

IAF Funding Agreement – Kāinga Ora – Homes and Communities

IAF Funded Enabling Infrastructure Project(s) Milestones Heading	Completion Date	IAF Funded Enabling Infrastructure Project(s) Milestones	Funding Amounts				Specific Additional Requirements for Payment of IAF Funding		
			Maximum IAF Funding Payment Milestone amount NZD\$ plus GST (if any)	Known Co-Funding	Other Funding amount NZD\$ plus GST (if any)	Update of future IAF Funded Enabling Infrastructure Project(s) Milestone(s) via an agreed Delivery Plan also required?	Updates to Housing Outcomes Agreement(s) or additional Housing Outcome(s) Agreement(s) also required?	Other specific conditions to be satisfied	
			Territorial Authority Funding amount NZD\$ plus GST (if any)	Developer(s)/Lan downer(s) Funding amount NZD\$ plus GST (if any)					
		<b>Milestone)</b>							
	30 September 2026	The following construction activities in relation to the Transport Infrastructure Project are completed: •the Engineer has certified that construction works equal to at least 40% of the contract price have been completed. <b>(Construction Works Second Funding Milestone)</b>	\$1,504,323	N/A	N/A	N/A	N/A	N/A	N/A
	29 January 2027	The following construction activities in	\$1,504,323	N/A	N/A	N/A	N/A	N/A	N/A
			\$3,638,499						
			\$3,638,499						

IAF Funding Agreement – Kāinga Ora – Homes and Communities

IAF Funded Enabling Infrastructure Project(s) Milestones Heading	Completion Date	IAF Funded Enabling Infrastructure Project(s) Milestones	Funding Amounts			Specific Additional Requirements for Payment of IAF Funding		
			Maximum IAF Funding Payment Milestone amount plus GST (if any)	Known Co-Funding	Other Funding amount NZD\$ plus GST (if any)	Update of future IAF Funded Enabling Infrastructure Project(s) Milestone(s) via an agreed Delivery Plan also required?	Updates to Housing Outcomes Agreement(s) or additional Housing Outcome(s) Agreement(s) also required?	Other specific conditions to be satisfied
			Territorial Authority Funding amount NZD\$ plus GST (if any)	Developer(s)/Lan downer(s) Funding amount NZD\$ plus GST (if any)				
		relation to the Transport Infrastructure Project are completed: <ul style="list-style-type: none"> <li>the Engineer has certified that construction works equal to at least 60% of the contract price have been completed</li> </ul> <b>(Construction Works Third Funding Milestone)</b>	\$1,504,323	N/A	N/A	N/A	N/A	N/A
	31 May 2027	The following construction activities in relation to the Transport Infrastructure Project are	\$3,638,499					

Item 2: Infrastructure Acceleration Fund and Housing Outcomes Agreements for  
 - Bridge Street Linear Active Transport Corridor and  
 - Rutherford/Achilles Social and Affordable Housing Development: Attachment 2

IAF Funding Agreement – Kāinga Ora – Homes and Communities

IAF Funded Enabling Infrastructure Project(s) Milestones Heading	Completion Date	IAF Funded Enabling Infrastructure Project(s) Milestones	Funding Amounts				Specific Additional Requirements for Payment of IAF Funding				
			Maximum IAF Funding Payment Milestone amount plus GST (if any)	Known Co-Funding	Other Funding amount NZD\$ plus GST (if any)	Update of future IAF Funded Enabling Infrastructure Project(s) Milestone(s) via an agreed Delivery Plan also required?	Updates to Housing Outcomes Agreement(s) or additional Housing Outcome(s) Agreement(s) also required?	Other specific conditions to be satisfied			
		completed: <ul style="list-style-type: none"> <li>the Engineer has certified that construction works equal to at least 80% of the contract price have been completed</li> </ul> <b>(Construction Works Fourth Funding Milestone)</b>									
4. <b>Practical Completion</b>	31 August 2027	Practical Completion has been achieved in relation to the Transport Infrastructure Project. <b>(Practical Completion Funding Milestone)</b>	\$3,638,499	\$1,504,323	N/A	N/A	N/A	N/A	N/A	N/A	N/A

IAF Funded Infrastructure Project(s) Milestones Heading	Completion Date	IAF Funded Enabling Infrastructure Project(s) Milestones	Funding Amounts			Specific Additional Requirements for Payment of IAF Funding			
			Maximum IAF Funding Payment Milestone amount NZD\$ plus GST (if any)	Known Co-Funding	Other Funding amount NZD\$ plus GST (if any)	Update of future IAF Funded Enabling Infrastructure Project(s) Milestone(s) via an agreed Delivery Plan also required?	Updates to Housing Outcomes Agreement(s) or additional Housing Outcome(s) also required?	Other specific conditions to be satisfied	
Three Waters Infrastructure Project – Watermain Upgrades (Bridge, Rutherford, Halifax, Collingwood)									
1. <b>Stage 1 (Early)</b>	27 June 2024	The following feasibility activities in relation to the Three Waters Infrastructure Project are completed: <ul style="list-style-type: none"> <li>• consultant engagement completed;</li> <li>• Rutherford, Halifax and Collingwood-preliminary and detailed designs completed and approved by the Recipient;</li> <li>• Bridge Street concept and developed designs completed and</li> </ul>	\$89,397	\$355,316	N/A	N/A	Yes – IAF Funded Enabling Infrastructure Project(s) Milestone(s) for the Watermain Upgrades (Bridge, Rutherford, Halifax, Collingwood) Three Waters IAF Funded Enabling Infrastructure Project to be agreed by way of a Delivery Plan also required to satisfy this milestone.	Yes – update to the status of the number of dwellings to be completed by the Developer	This Initial Funding Milestone will not be satisfied until Kāinga Ora receives written confirmation from the Recipient that the Enabling Infrastructure Project(s) that require funding from the Recipient (including Territorial Authority Funding and the Funding Balance) are included in the

Item 2: Infrastructure Acceleration Fund and Housing Outcomes Agreements for  
 - Bridge Street Linear Active Transport Corridor and  
 - Rutherford/Achilles Social and Affordable Housing Development: Attachment 2

IAF Funding Agreement – Kāinga Ora – Homes and Communities

IAF Funded Enabling Infrastructure Project(s) Milestones Heading	Completion Date	IAF Funded Enabling Infrastructure Project(s) Milestones	Funding Amounts				Specific Additional Requirements for Payment of IAF Funding				
			Maximum IAF Funding Payment Milestone amount plus GST (if any)	Known Co-Funding Territorial Authority Funding amount NZD\$ plus GST (if any)	Developer(s)/Lan downer(s) Funding amount NZD\$ plus GST (if any)	Other Funding amount NZD\$ (if any) plus GST (if any)	Update of future IAF Funded Enabling Infrastructure Project(s) Milestone(s) via an agreed Delivery Plan also required?	Updates to Housing Outcomes Agreement(s) or additional Housing Outcome(s) Agreement(s) also required?	Other specific conditions to be satisfied		
2. Stage 2 (Pre-Implementation)	30 June 2025		\$29,496	\$107,885	N/A	N/A	N/A	N/A	N/A		Recipient's Long Term Plan (via amendment/update).
		consenting strategy completed; and <ul style="list-style-type: none"> <li>Rutherford, Halifax and Collingwood - all required consents approved and issued by the relevant authorities.</li> </ul> (Initial Funding Milestone)									
		The following design, consenting and tendering activities in relation to the Three Waters Infrastructure Project are completed:									

IAF Funding Agreement – Kāinga Ora – Homes and Communities

IAF Funded Infrastructure Project(s) Milestones Heading	Completion Date	IAF Funded Enabling Infrastructure Project(s) Milestones	Funding Amounts			Specific Additional Requirements for Payment of IAF Funding		
			Maximum IAF Funding Payment Milestone amount NZD\$ plus GST (if any)	Known Co-Funding	Other Funding amount NZD\$ plus GST (if any)	Update of future IAF Funded Enabling Infrastructure Project(s) Milestone(s) via an agreed Delivery Plan also required?	Updates to Housing Outcomes Agreement(s) or additional Housing Outcome(s) also required?	Other specific conditions to be satisfied
			Territorial Authority Funding amount NZD\$ plus GST (if any)	Developer(s)/Landowner(s) Funding amount NZD\$ plus GST (if any)				
		<ul style="list-style-type: none"> <li>• Bridge Street – detailed design completed and approved by the Recipient; and</li> <li>• Bridge Street – all required consents approved and issued by the relevant authorities.</li> </ul>						
		<b>(Pre-Implementation Funding Milestone)</b>						
3. <b>Stage 3 (Implementation)</b>	30 June 2026	The following construction activities in relation to the Three Waters Infrastructure Project are completed:	\$619,602	N/A	N/A	N/A	N/A	N/A



Item 2: Infrastructure Acceleration Fund and Housing Outcomes Agreements for  
 - Bridge Street Linear Active Transport Corridor and  
 - Rutherford/Achilles Social and Affordable Housing Development: Attachment 2

IAF Funding Agreement – Kāinga Ora – Homes and Communities

IAF Funded Enabling Infrastructure Project(s) Milestones Heading	Completion Date	IAF Funded Enabling Infrastructure Project(s) Milestones	Funding Amounts				Specific Additional Requirements for Payment of IAF Funding					
			Maximum IAF Funding Payment Milestone amount plus GST (if any)	Known Co-Funding	Other Funding amount NZD\$ plus GST (if any)	Update of future IAF Funded Enabling Infrastructure Project(s) Milestone(s) via an agreed Delivery Plan also required?	Updates to Housing Outcomes Agreement(s) or additional Housing Outcome(s) Agreement(s) also required?	Other specific conditions to be satisfied				
		<ul style="list-style-type: none"> <li>Bridge Street - the Engineer has certified that construction works equal to at least 20% of contract price have been completed.</li> </ul>										
		<p><b>(Construction Works First Funding Milestone)</b></p> <p>The following construction activities in relation to the Three Waters Infrastructure Project are completed: N/A</p>										
		<p><b>(Construction Works Second)</b></p>										

IAF Funding Agreement – Kāinga Ora – Homes and Communities

IAF Funded Enabling Infrastructure Project(s) Milestones Heading	Completion Date	IAF Funded Enabling Infrastructure Project(s) Milestones	Funding Amounts				Specific Additional Requirements for Payment of IAF Funding		
			Maximum IAF Funding Payment Milestone amount plus GST (if any)	Known Co-Funding	Other Funding amount NZD\$ plus GST (if any)	Update of future IAF Funded Enabling Infrastructure Project(s) Milestone(s) via an agreed Delivery Plan also required?	Updates to Housing Outcomes Agreement(s) or additional Housing Outcome(s) also required?	Other specific conditions to be satisfied	
			Territorial Authority Funding amount NZD\$ plus GST (if any)	Developer(s)/Lan downer(s) Funding amount NZD\$ plus GST (if any)					
		<b>Funding Milestone)</b>							
	N/A	The following construction activities in relation to the Three Waters Infrastructure Project are completed: N/A <b>(Construction Works Third Funding Milestone)</b>	N/A	N/A	N/A	N/A	N/A	N/A	
4. <b>Practical Completion</b>	30 June 2025	Practical Completion has been achieved in relation to the Three Waters Infrastructure Project – Rutherford, Halifax and Collingwood.	\$3,040,255	N/A	N/A	N/A	N/A	N/A	
			\$760,064						

Item 2: Infrastructure Acceleration Fund and Housing Outcomes Agreements for  
 - Bridge Street Linear Active Transport Corridor and  
 - Rutherford/Achilles Social and Affordable Housing Development: Attachment 2

IAF Funding Agreement – Kāinga Ora – Homes and Communities

IAF Funded Enabling Infrastructure Project(s) Milestones Heading	Completion Date	IAF Funded Enabling Infrastructure Project(s) Milestones	Funding Amounts				Specific Additional Requirements for Payment of IAF Funding			
			Maximum IAF Funding Payment Milestone amount plus GST (if any)	Known Co-Funding	Other Funding amount NZD\$ plus GST (if any)	Update of future IAF Funded Enabling Infrastructure Project(s) Milestone(s) via an agreed Delivery Plan also required?	Updates to Housing Outcomes Agreement(s) or additional Housing Outcome(s) Agreement(s) also required?	Other specific conditions to be satisfied		
		(Practical Completion Funding Milestone)								
Practical Completion	31 August 2027	Practical Completion has been achieved in relation to the Three Waters Infrastructure Project – Bridge Street. (Practical Completion Funding Milestone)	\$677,613	\$2,478,410	N/A	N/A	N/A	N/A	N/A	N/A
<b>Three Waters Infrastructure Project – Wastewater Pump Station Upgrade</b>										
1. Stage 1 (Early)	27 June 2024	The following feasibility activities in relation to the Three Waters Infrastructure Project are	\$159,677	\$149,323	N/A	N/A	Yes – IAF Funded Enabling Infrastructure Project(s) Milestone(s) for the Wastewater Pump Station	Yes – update to be provided on the status of the number of dwellings to be completed by the Developer	This Initial Funding Milestone will not be satisfied until Kāinga Ora receives written	

IAF Funding Agreement – Kāinga Ora – Homes and Communities

IAF Funded Enabling Infrastructure Project(s) Milestones Heading	Completion Date	IAF Funded Enabling Infrastructure Project(s) Milestones	Funding Amounts			Specific Additional Requirements for Payment of IAF Funding		
			Maximum IAF Funding Payment Milestone amount plus GST (if any)	Known Co-Funding	Other Funding amount NZD\$ plus GST (if any)	Update of future IAF Funded Enabling Infrastructure Project(s) Milestone(s) via an agreed Delivery Plan also required?	Updates to Housing Outcomes Agreement(s) or additional Housing Outcome(s) also required?	Other specific conditions to be satisfied
			Territorial Authority Funding amount NZD\$ plus GST (if any)	Developer(s)/Lan downer(s) Funding amount NZD\$ plus GST (if any)				
		<ul style="list-style-type: none"> <li>completed:</li> <li>•satisfying all statutory or regulatory requirements to the delivery of this IAF Funded Enabling Infrastructure Project (and providing evidence satisfactory to Kāinga Ora);</li> <li>•consultant engagement completed;</li> <li>•concept design completed and approved by the Recipient; and</li> <li>•consenting strategy completed</li> </ul>				Upgrade Three Waters IAF Funded Enabling Infrastructure Project to be agreed by way of a Delivery Plan also required to satisfy this milestone.		confirmation from the Recipient that the Enabling Infrastructure Project(s) that require funding from the Recipient (including Territorial Authority Funding and the Funding Balance) are included in the Recipient's Long Term Plan (via amendment/update).

Item 2: Infrastructure Acceleration Fund and Housing Outcomes Agreements for  
 - Bridge Street Linear Active Transport Corridor and  
 - Rutherford/Achilles Social and Affordable Housing Development: Attachment 2

IAF Funding Agreement – Kāinga Ora – Homes and Communities

IAF Funded Enabling Infrastructure Project(s) Milestones Heading	Completion Date	IAF Funded Enabling Infrastructure Project(s) Milestones	Funding Amounts				Specific Additional Requirements for Payment of IAF Funding		
			Maximu m IAF Funding Payment Mileston e amount plus GST (if any)	Known Co-Funding	Other Funding amount NZD\$ plus GST (if any)	Update of future IAF Funded Enabling Infrastructure Project(s) Milestone(s) via an agreed Delivery Plan also required?	Updates to Housing Outcomes Agreement(s) or additional Housing Outcome(s) Agreement(s) also required?	Other specific conditions to be satisfied	
2. <b>Stage 2 (Pre-Implementation)</b>	30 June 2025	<b>(Initial Funding Milestone)</b> The following design, consenting and tendering activities in relation to the Three Waters Infrastructure Project are completed: <ul style="list-style-type: none"> <li>• developed design completed and approved by the Recipient.</li> </ul> <b>(Pre-Implementation Funding Milestone)</b>	\$218,438	Territorial Authority Funding amount NZD\$ plus GST (if any)	Developer(s)/Lan downer(s) Funding amount NZD\$ plus GST (if any)	N/A	N/A	N/A	N/A
	30 June 2026	The following design, consenting and tendering activities in	\$224,117	\$209,585	N/A	N/A	N/A	N/A	N/A

IAF Funding Agreement – Kāinga Ora – Homes and Communities

IAF Funded Infrastructure Project(s) Milestones Heading	Completion Date	IAF Funded Enabling Infrastructure Project(s) Milestones	Funding Amounts			Specific Additional Requirements for Payment of IAF Funding		
			Maximum IAF Funding Payment Milestone amount plus GST (if any)	Known Co-Funding	Other Funding amount NZD\$ plus GST (if any)	Update of future IAF Funded Enabling Infrastructure Project(s) Milestone(s) via an agreed Delivery Plan also required?	Updates to Housing Outcomes Agreement(s) or additional Housing Outcome(s) also required?	Other specific conditions to be satisfied
			Territorial Authority Funding amount NZD\$ plus GST (if any)	Developer(s)/Landowner(s) Funding amount NZD\$ plus GST (if any)				
		relation to the Three Waters Enabling Infrastructure Project – Wastewater Pump Station Upgrade are completed:						
		<ul style="list-style-type: none"> <li>detailed design completed and approved by the Recipient; and</li> <li>all required consents approved and issued by the relevant authorities.</li> </ul>						
		<b>(Pre-Implementation Funding Milestone)</b>						
3. <b>Stage 3 (Implementat</b>	30 October 2026	The following construction	\$1,657,120	N/A	N/A	N/A	N/A	N/A
		2	\$1,772,02					

Item 2: Infrastructure Acceleration Fund and Housing Outcomes Agreements for  
 - Bridge Street Linear Active Transport Corridor and  
 - Rutherford/Achilles Social and Affordable Housing Development: Attachment 2

IAF Funding Agreement – Kāinga Ora – Homes and Communities

IAF Funded Infrastructure Project(s) Milestones Heading	Completion Date	IAF Funded Enabling Infrastructure Project(s) Milestones	Funding Amounts			Specific Additional Requirements for Payment of IAF Funding		
			Maximum IAF Funding Payment Milestone amount NZD\$ plus GST (if any)	Known Co-Funding	Other Funding amount NZD\$ plus GST (if any)	Update of future IAF Funded Enabling Infrastructure Project(s) Milestone(s) via an agreed Delivery Plan also required?	Updates to Housing Outcomes Agreement(s) or additional Housing Outcome(s) Agreement(s) also required?	Other specific conditions to be satisfied
ion)								
		activities in relation to the Three Waters Infrastructure Project are completed:						
		<ul style="list-style-type: none"> <li>tender awarded and Construction Contract(s) entered into by the Recipient and the Head Contractor;</li> <li>physical works have commenced; and</li> <li>the Engineer has certified that construction works equal to at least 20% of contract price have been</li> </ul>						

IAF Funding Agreement – Kāinga Ora – Homes and Communities

IAF Funded Enabling Infrastructure Project(s) Milestones Heading	Completion Date	IAF Funded Enabling Infrastructure Project(s) Milestones	Funding Amounts			Specific Additional Requirements for Payment of IAF Funding				
			Maximum IAF Funding Payment Milestone amount NZD\$ plus GST (if any)	Territorial Authority Funding amount NZD\$ plus GST (if any)	Developer(s)/Landowner(s) Funding amount NZD\$ plus GST (if any)	Other Funding amount NZD\$ plus GST (if any)	Update of future IAF Funded Enabling Infrastructure Project(s) Milestone(s) via an agreed Delivery Plan also required?	Updates to Housing Outcomes Agreement(s) or additional Housing Outcome(s) also required?	Other specific conditions to be satisfied	
		completed.								
	26 February 2027	(Construction Works First Funding Milestone) The following construction activities in relation to the Three Waters Infrastructure Project are completed: • the Engineer has certified that construction works equal to at least 40% of the contract price have been completed	\$1,772,022	\$1,657,120	N/A	N/A	N/A	N/A	N/A	N/A
		(Construction Works Second Funding								



Item 2: Infrastructure Acceleration Fund and Housing Outcomes Agreements for  
 - Bridge Street Linear Active Transport Corridor and  
 - Rutherford/Achilles Social and Affordable Housing Development: Attachment 2

IAF Funding Agreement – Kāinga Ora – Homes and Communities

IAF Funded Enabling Infrastructure Project(s) Milestones Heading	Completion Date	IAF Funded Enabling Infrastructure Project(s) Milestones	Funding Amounts				Specific Additional Requirements for Payment of IAF Funding		
			Maximum IAF Funding Payment Milestone amount NZD\$ plus GST (if any)	Known Co-Funding	Other Funding amount NZD\$ plus GST (if any)	Update of future IAF Funded Enabling Infrastructure Project(s) Milestone(s) via an agreed Delivery Plan also required?	Updates to Housing Outcomes Agreement(s) or additional Housing Outcome(s) Agreement(s) also required?	Other specific conditions to be satisfied	
			Territorial Authority Funding amount NZD\$ plus GST (if any)	Developer(s)/Lan downer(s) Funding amount NZD\$ plus GST (if any)					
		<b>Milestone)</b>							
	30 July 2027	The following construction activities in relation to the Three Waters Infrastructure Project are completed: •the Engineer has certified that construction works equal to at least 60% of the contract price have been completed. <b>(Construction Works Third Funding Milestone)</b>	\$1,657,120	N/A	N/A	N/A	N/A	N/A	N/A
	30 September 2027	The following construction activities in	\$1,772,022						
			\$1,657,120						

IAF Funding Agreement – Kāinga Ora – Homes and Communities

IAF Funded Infrastructure Project(s) Milestones Heading	Completion Date	IAF Funded Enabling Infrastructure Project(s) Milestones	Funding Amounts			Specific Additional Requirements for Payment of IAF Funding		
			Maximum IAF Funding Payment Milestone amount NZD\$ plus GST (if any)	Known Co-Funding	Other Funding amount NZD\$ plus GST (if any)	Update of future IAF Funded Enabling Infrastructure Project(s) Milestone(s) via an agreed Delivery Plan also required?	Updates to Housing Outcomes Agreement(s) or additional Housing Outcome(s) Agreement(s) also required?	Other specific conditions to be satisfied
			Territorial Authority Funding amount NZD\$ plus GST (if any)	Developer(s)/Landowner(s) Funding amount NZD\$ plus GST (if any)				
		relation to the Three Waters Enabling Infrastructure Project – Wastewater Pump Station Upgrade are completed: <ul style="list-style-type: none"> <li>the Engineer has certified that construction works equal to at least 80% of the contract price have been completed.</li> </ul> <b>(Construction Works Fourth Funding Milestone)</b>						
4. <b>Practical Completion</b>	31 May 2028	Practical Completion has been achieved	\$1,657,120	N/A	N/A	N/A	N/A	N/A

Item 2: Infrastructure Acceleration Fund and Housing Outcomes Agreements for  
 - Bridge Street Linear Active Transport Corridor and  
 - Rutherford/Achilles Social and Affordable Housing Development: Attachment 2

IAF Funding Agreement – Kāinga Ora – Homes and Communities

IAF Funded Infrastructure Project(s) Milestones Heading	Completion Date	IAF Funded Enabling Infrastructure Project(s) Milestones	Funding Amounts			Specific Additional Requirements for Payment of IAF Funding			
			Maximu m IAF Funding Payment Mileston e amount plus GST (if any)	Known Co-Funding	Other Funding amount NZD\$ plus GST (if any)	Update of future IAF Funded Enabling Infrastructure Project(s) Milestone(s) via an agreed Delivery Plan also required?	Updates to Housing Outcomes Agreement(s) or additional Housing Outcome(s) Agreement(s) also required?	Other specific conditions to be satisfied	
			Territorial Authority Funding amount NZD\$ plus GST (if any)	Developer(s)/Lan downer(s) Funding amount NZD\$ plus GST (if any)					
<b>Three Waters Infrastructure Project – Stormwater Upgrades (Bridge Street and Haven Road)</b>									
1. <b>Stage 1 (Early)</b>	27 June 2024	The following feasibility activities in relation to the Three Waters Infrastructure Project are completed: <ul style="list-style-type: none"> <li>consultant engagement completed;</li> <li>concept and developed designs completed and approved by</li> </ul>	\$71,660	\$10,740	N/A	N/A	Yes – IAF Funded Enabling Infrastructure Project(s) Milestone(s) for the Stormwater Upgrades (Bridge Street and Three Waters IAF Funded Enabling Infrastructure Project to be agreed by way of a Delivery	Yes – update to be provided on the status of the number of dwellings to be completed by the Developer	This Initial Funding Milestone will not be satisfied until Kāinga Ora receives written confirmation from the Recipient that the Enabling Infrastructure Project(s) that require

IAF Funding Agreement – Kāinga Ora – Homes and Communities

IAF Funded Infrastructure Project(s) Milestones Heading	Completion Date	IAF Funded Enabling Infrastructure Project(s) Milestones	Funding Amounts			Specific Additional Requirements for Payment of IAF Funding		
			Maximum IAF Funding Payment Milestone amount NZD\$ plus GST (if any)	Known Co-Funding	Other Funding amount NZD\$ plus GST (if any)	Update of future IAF Funded Enabling Infrastructure Project(s) Milestone(s) via an agreed Delivery Plan also required?	Updates to Housing Outcomes Agreement(s) or additional Housing Outcome(s) Agreement(s) also required?	Other specific conditions to be satisfied
		the Recipient; and <ul style="list-style-type: none"> <li>consenting strategy completed.</li> </ul> <b>(Initial Funding Milestone)</b>						
2. <b>Stage 2 (Pre-Implementation)</b>	30 June 2025	The following design, consenting and tendering activities in relation to the Three Waters Infrastructure Project are completed: <ul style="list-style-type: none"> <li>detailed design completed and</li> </ul>	\$229,761	\$34,434	N/A	N/A	N/A	N/A

Item 2: Infrastructure Acceleration Fund and Housing Outcomes Agreements for  
 - Bridge Street Linear Active Transport Corridor and  
 - Rutherford/Achilles Social and Affordable Housing Development: Attachment 2

IAF Funding Agreement – Kāinga Ora – Homes and Communities

IAF Funded Enabling Infrastructure Project(s) Milestones Heading	Completion Date	IAF Funded Enabling Infrastructure Project(s) Milestones	Funding Amounts			Specific Additional Requirements for Payment of IAF Funding		
			Maximum IAF Funding Payment Milestone amount NZD\$ plus GST (if any)	Known Co-Funding	Other Funding amount NZD\$ plus GST (if any)	Update of future IAF Funded Enabling Infrastructure Project(s) Milestone(s) via an agreed Delivery Plan also required?	Updates to Housing Outcomes Agreement(s) or additional Housing Outcome(s) Agreement(s) also required?	Other specific conditions to be satisfied
				Territorial Authority Funding amount NZD\$ plus GST (if any) Developer(s)/Lan downer(s) Funding amount NZD\$ plus GST (if any)				
3. <b>Stage 3 (Implementation)</b>	30 June 2026	(Pre-Implementation Milestone) The following construction activities in relation to the Three Waters Infrastructure Project are completed: <ul style="list-style-type: none"> <li>tender awarded and Construction Contract(s)</li> </ul>	\$720,574	\$107,992	N/A	N/A	N/A	N/A

IAF Funding Agreement – Kāinga Ora – Homes and Communities

IAF Funded Infrastructure Project(s) Milestones Heading	Completion Date	IAF Funded Enabling Infrastructure Project(s) Milestones	Funding Amounts			Specific Additional Requirements for Payment of IAF Funding					
			Maximum IAF Funding Payment Milestone amount plus GST (if any)	Territorial Authority Funding amount NZD\$ plus GST (if any)	Developer(s)/Landowner(s) Funding amount NZD\$ plus GST (if any)	Other Funding amount NZD\$ plus GST (if any)	Update of future IAF Funded Enabling Infrastructure Project(s) Milestone(s) via an agreed Delivery Plan also required?	Updates to Housing Outcomes Agreement(s) or additional Housing Outcome(s) also required?	Other specific conditions to be satisfied		
		entered into by the Recipient and the Head Contractor;									
		<ul style="list-style-type: none"> <li>physical works have commenced; and</li> <li>the Engineer has certified that construction works equal to at least 20% of the contract price have been completed.</li> </ul>									
	30 September 2026	(Construction Works First Funding Milestone)	\$720,574	\$107,992	N/A	N/A	N/A	N/A	N/A	N/A	N/A
		The following construction activities in									



IAF Funded Enabling Infrastructure Project(s) Milestones Heading	Completion Date	IAF Funded Enabling Infrastructure Project(s) Milestones	Funding Amounts			Specific Additional Requirements for Payment of IAF Funding					
			Maximum IAF Funding Payment Milestone amount plus GST (if any)	Territorial Authority Funding amount NZD\$ plus GST (if any)	Developer(s)/Landowner(s) Funding amount NZD\$ plus GST (if any)	Other Funding amount NZD\$ plus GST (if any)	Update of future IAF Funded Enabling Infrastructure Project(s) Milestone(s) via an agreed Delivery Plan also required?	Updates to Housing Outcomes Agreement(s) or additional Housing Outcome(s) also required?	Other specific conditions to be satisfied		
		completed: <ul style="list-style-type: none"> <li>the Engineer has certified that construction works equal to at least 60% of the contract price have been completed</li> </ul> <b>(Construction Works Third Funding Milestone)</b>	\$720,574	\$107,992	N/A	N/A	N/A	N/A	N/A		
	31 May 2027	The following construction activities in relation to the Three Waters Infrastructure Project are completed: <ul style="list-style-type: none"> <li>the Engineer has certified that</li> </ul>									



Item 2: Infrastructure Acceleration Fund and Housing Outcomes Agreements for  
 - Bridge Street Linear Active Transport Corridor and  
 - Rutherford/Achilles Social and Affordable Housing Development: Attachment 2

IAF Funding Agreement – Kāinga Ora – Homes and Communities

IAF Funded Enabling Infrastructure Project(s) Milestones Heading	Completion Date	IAF Funded Enabling Infrastructure Project(s) Milestones	Funding Amounts				Specific Additional Requirements for Payment of IAF Funding			
			Maximum IAF Funding Payment Milestone amount NZD\$ plus GST (if any)	Known Co-Funding	Other Funding amount NZD\$ plus GST (if any)	Update of future IAF Funded Enabling Infrastructure Project(s) Milestone(s) via an agreed Delivery Plan also required?	Updates to Housing Outcomes Agreement(s) or additional Housing Outcome(s) Agreement(s) also required?	Other specific conditions to be satisfied		
		construction works equal to at least 80% of the contract price have been completed <b>(Construction Works Fourth Funding Milestone)</b>								
4. <b>Practical Completion</b>	31 August 2027	Practical Completion has been achieved in relation to the Three Waters Infrastructure Project. <b>(Practical Completion Funding Milestone)</b>	\$720,574	\$107,992	N/A	N/A	N/A	N/A	N/A	N/A

The IAF Funded Enabling Infrastructure Project(s) Milestones set out above are subject to updates from time to time if required under **Item 8 of Part 1** (Key Details). Where any IAF Funded Enabling Infrastructure Project Milestones Completion Dates are updated, the Recipient must, in accordance with **Item 11 of Part 1** (Key Details), ensure

IAF Funding Agreement – Kāinga Ora – Homes and Communities

that the updated Completion Dates are consistent with the milestone completion dates applicable to the Housing Development (as set out in the Housing Outcomes Agreement(s)) so as to enable the Developer to deliver the total number of dwellings to be Completed (and in the years contemplated) as set out in the Housing Outcomes Agreement.

The Completion Dates set out above are subject to any amendments agreed pursuant to clause 3.26 of **Part 2** (General Terms) or as may be updated from time to time if required under **Item 8 of Part 1** (Key Details) and as set out above.

Item 2: Infrastructure Acceleration Fund and Housing Outcomes Agreements for  
 - Bridge Street Linear Active Transport Corridor and  
 - Rutherford/Achilles Social and Affordable Housing Development: Attachment 2

IAF Funding Agreement – Kāinga Ora – Homes and Communities

**Part B. Additional Deliverables for IAF Funded Enabling Infrastructure Project(s) Milestones**

The additional deliverables for each IAF Funded Enabling Infrastructure Project(s) Milestone in respect of each IAF Funded Enabling Infrastructure Project are set out below. Evidence of each event or matter or document (as applicable) set out below must be in form and substance, satisfactory to Kāinga Ora (in its sole discretion).

	IAF Funded Enabling Infrastructure Project(s) Milestone	Additional Deliverables for each IAF Funded Enabling Infrastructure Project
1.	Initial Funding Milestone	<p>The additional deliverables for the Initial Funding Milestone (and which are required to be satisfied as part of any Payment Request) for each IAF Funded Enabling Infrastructure Project are:</p> <ul style="list-style-type: none"> <li>• <b>Specific additional requirements:</b> satisfaction by the Recipient of any specific additional requirements set out in <b>Part A</b> above (including as added to or updated pursuant to a Delivery Plan) for the IAF Funded Enabling Infrastructure Project on a basis acceptable to Kāinga Ora, acting reasonably;</li> <li>• <b>Territorial Authority Funding:</b> confirmation that the Territorial Authority Funding required for Stage 2 (Pre-Implementation), Stage 3 (Implementation) and Practical Completion (in each case, as applicable) for the IAF Funded Enabling Infrastructure Project is available to the Recipient;</li> <li>• <b>Developer(s)/Landowner(s) Funding:</b> confirmation that the Developer(s)/Landowner(s) Funding for Stage 2 (Pre-Implementation), Stage 3 (Implementation) and Practical Completion (in each case, as applicable) for the IAF Funded Enabling Infrastructure Project is available to the Recipient, and evidence of how these costs will be paid, such as by a commitment letter (or similar) confirming that such funds are/will be available to the Recipient;</li> <li>• <b>Other Funding:</b> confirmation the Other Funding (if any) for the IAF Funded Enabling Infrastructure Project is available to the Recipient and evidence of how this will be paid to the Recipient;</li> <li>• <b>Budget:</b> a Budget for the IAF Funded Enabling Infrastructure Project, including details of how any Cost overruns or funding shortfalls are to be met;</li> <li>• <b>Programme:</b> a deliverables programme for the IAF Funded Enabling Infrastructure Project;</li> <li>• <b>Land Acquisition:</b> evidence of any required land acquisition or that land will be acquired with the proceeds of the relevant payment of IAF Funding for Stage 2 (Pre-Implementation) for the IAF Funded Enabling Infrastructure Project;</li> <li>• <b>Delivery confirmation:</b> confirmation from the Chief Executive that Stage 1 (Early), Stage 2 (Pre-Implementation), Stage 3 (Implementation) and Practical Completion (in each case, as applicable) of the IAF Funded Enabling Infrastructure Project can</li> </ul>

	IAF Funded Enabling Infrastructure Project(s) Milestone	Additional Deliverables for each IAF Funded Enabling Infrastructure Project
		<p>be delivered within the current Budget or evidence that all cost overruns and funding shortfalls can be funded or financed and the Funding Balances are secured and available to, and committed by, the Recipient; and</p> <ul style="list-style-type: none"> <li>• <b>Other:</b> provision of any other document, assurance or information as is required by Kāinga Ora.</li> </ul>
2.	<p><b>Pre-Implementation Funding Milestone</b></p>	<p>The additional deliverables for each Pre-Implementation Funding Milestone (and which are required to be satisfied as part of any Payment Request) for each IAF Funded Enabling Infrastructure Project are:</p> <ul style="list-style-type: none"> <li>• <b>Initial Funding Milestone:</b> satisfaction by the Recipient of the Initial Funding Milestone for the IAF Funded Enabling Infrastructure Project;</li> <li>• <b>Prior Pre-Implementation Funding Milestone:</b> satisfaction by the Recipient of any prior Pre-Implementation Funding Milestone for the IAF Funded Enabling Infrastructure Project;</li> <li>• <b>Specific additional requirements:</b> satisfaction by the Recipient of any specific additional requirements set out in <b>Part A</b> above (including as added to or updated pursuant to a Delivery Plan) for the IAF Funded Enabling Infrastructure Project (e.g. an update to a Housing Outcomes Agreement(s)) on a basis acceptable to Kāinga Ora, acting reasonably;</li> <li>• <b>Territorial Authority Funding:</b> confirmation that the Territorial Authority Funding required for Stage 3 (Implementation) and Practical Completion (in each case, as applicable) is available to the Recipient for the IAF Funded Enabling Infrastructure Project;</li> <li>• <b>Developer(s)/Landowner(s) Funding:</b> confirmation that the Developer(s)/Landowner(s) Funding for Stage 2 (Pre-Implementation), Stage 3 (Implementation) and Practical Completion (in each case, as applicable) for the IAF Funded Enabling Infrastructure Project is available to the Recipient for the IAF Funded Enabling Infrastructure Project;</li> <li>• <b>Other Funding:</b> confirmation the Other Funding (if any) for the IAF Funded Enabling Infrastructure Project is available to the Recipient for Stage 2 (Pre-Implementation), Stage 3 (Implementation) and Practical Completion (in each case, as applicable), and evidence of how this will be paid to the Recipient;</li> </ul>

Item 2: Infrastructure Acceleration Fund and Housing Outcomes Agreements for  
 - Bridge Street Linear Active Transport Corridor and  
 - Rutherford/Achilles Social and Affordable Housing Development: Attachment 2

	IAF Funded Enabling Infrastructure Project(s) Milestone	Additional Deliverables for each IAF Funded Enabling Infrastructure Project
		<ul style="list-style-type: none"> <li>• <b>Updated Budget:</b> an updated Budget for the IAF Funded Enabling Infrastructure Project, including details of how any Cost overruns or funding shortfalls are to be met;</li> <li>• <b>Updated Programme:</b> an updated deliverables programme for the IAF Funded Enabling Infrastructure Project;</li> <li>• <b>Delivery confirmation:</b> confirmation from the Chief Executive that Stage 2 (Pre-Implementation), Stage 3 (Implementation) and Practical Completion of the IAF Funded Enabling Infrastructure Project can be delivered within the current Budget or evidence that any Costs exceeding the current Budget can be funded or financed;</li> <li>• <b>Procurement:</b> confirmation by the Recipient that the procurement of the IAF Funded Enabling Infrastructure Project has been completed in accordance with clause 3.5(e) of <b>Part 2</b> (General Terms);</li> <li>• <b>Insurance:</b> evidence of applicable insurance for the IAF Funded Enabling Infrastructure Project; and</li> <li>• <b>Other:</b> provision of any other document, assurance or information as is required by Kāinga Ora.</li> </ul>
3.	<b>Construction Works First Funding Milestone</b>	<p>The additional deliverables for the Construction Works First Funding Milestone (and which are required to be satisfied as part of any Payment Request) for the IAF Funded Enabling Infrastructure Project are:</p> <ul style="list-style-type: none"> <li>• <b>Pre-Implementation Funding Milestone:</b> satisfaction by the Recipient of each Pre-Implementation Funding Milestone for the IAF Funded Enabling Infrastructure Project;</li> <li>• <b>Specific additional requirements:</b> satisfaction by the Recipient of any specific additional requirements set out in <b>Part A</b> above (including as added to or updated pursuant to a Delivery Plan) for the IAF Funded Enabling Infrastructure Project (e.g., update to a Housing Outcomes Agreement(s)) on a basis acceptable to Kāinga Ora, acting reasonably;</li> <li>• <b>Funding availability:</b> confirmation that the Known Co-Funding required for Stage 3 (Implementation) and Practical Completion (in each case, as applicable) remains available to the Recipient for the IAF Funded Enabling Infrastructure Project;<sup>1</sup></li> <li>• <b>Construction Contracts:</b> contracts for the construction and delivery of the IAF Funded Enabling Infrastructure Project have been entered into by the relevant contractor(s), with the following to be approved by Kāinga Ora in its reasonable discretion:                         <ul style="list-style-type: none"> <li>○ the identity of the Head Contractor(s); and</li> <li>○ the Construction Contract(s) entered into with such Head Contractor(s);</li> </ul> </li> </ul>

<sup>1</sup> This will need to be amended if the first Payment Milestone is the Construction Works First Funding Milestone – so that some of the additional detail from the Pre-Implementation Funding Milestone is included.

	Additional Deliverables for each IAF Funded Enabling Infrastructure Project
IAF Funded Enabling Infrastructure Project(s) Milestone	<ul style="list-style-type: none"> <li>• <b>Engineer to Contract:</b> evidence of the appointment of a suitable Engineer to Contract for the IAF Funded Enabling Infrastructure Project;</li> <li>• <b>Updated Budget:</b> an updated Budget for the IAF Funded Enabling Infrastructure Project, including details of how any Cost overruns or funding shortfalls are to be met;</li> <li>• <b>Updated Programme:</b> an updated deliverables programme for the for the IAF Funded Enabling Infrastructure Project; and</li> <li>• <b>Other:</b> provision of any other document, assurance or information as is required by Kāinga Ora.</li> </ul>
4. Construction Works Second Funding Milestone	<p>The additional deliverables for the Construction Works Second Funding Milestone (and which are required to be satisfied as part of any Payment Request) for the IAF Funded Enabling Infrastructure Project are:</p> <ul style="list-style-type: none"> <li>• <b>Construction Works First Funding Milestone:</b> satisfaction by the Recipient of the Construction Works First Funding Milestone for the IAF Funded Enabling Infrastructure Project;</li> <li>• <b>Specific additional requirements:</b> satisfaction by the Recipient of any specific additional requirements set out in <b>Part A</b> above (including as added to or updated pursuant to a Delivery Plan) for the IAF Funded Enabling Infrastructure Project (e.g., an update to a Housing Outcomes Agreement(s)) on a basis acceptable to Kāinga Ora, acting reasonably;</li> <li>• <b>Funding availability:</b> confirmation that the Known Co-Funding required for Stage 3 (Implementation) and Practical Completion (in each case, as applicable) remains available to the Recipient for the IAF Funded Enabling Infrastructure Project; and</li> <li>• <b>Other:</b> provision of any other document, assurance or information as is required by Kāinga Ora.</li> </ul>
5. Construction Works Third Funding Milestone	<p>The additional deliverables for the Construction Works Third Funding Milestone (and which are required to be satisfied as part of any Payment Request) for the IAF Funded Enabling Infrastructure Project are:</p> <ul style="list-style-type: none"> <li>• <b>Construction Works Second Funding Milestone:</b> satisfaction by the Recipient of the Construction Works Second Funding Milestone for the IAF Funded Enabling Infrastructure Project;</li> <li>• <b>Specific additional requirements:</b> satisfaction by the Recipient of any specific additional requirements set out in <b>Part A</b> above (including as added to or updated pursuant to a Delivery Plan) for the IAF Funded Enabling Infrastructure Project (e.g., satisfaction of Housing Delivery Milestone or an update to a Housing Outcomes Agreement(s)) on a basis acceptable to Kāinga Ora, acting reasonably;</li> </ul>

Item 2: Infrastructure Acceleration Fund and Housing Outcomes Agreements for  
 - Bridge Street Linear Active Transport Corridor and  
 - Rutherford/Achilles Social and Affordable Housing Development: Attachment 2

IAF Funding Agreement – Kāinga Ora – Homes and Communities

	IAF Funded Enabling Infrastructure Project(s) Milestone	Additional Deliverables for each IAF Funded Enabling Infrastructure Project
6.	<p><b>Construction Works Fourth Funding Milestone</b></p>	<ul style="list-style-type: none"> <li>• <b>Funding availability:</b> confirmation that the Known Co-Funding required for Stage 3 (Implementation) and Practical Completion (in each case, as applicable) remains available to the Recipient for the IAF Funded Enabling Infrastructure Project; and</li> <li>• <b>Other:</b> provision of any other document, assurance or information as is required by Kāinga Ora.</li> </ul> <p>The additional deliverables for the Construction Works Fourth Funding Milestone (and which are required to be satisfied as part of any Payment Request) for the IAF Funded Enabling Infrastructure Project are:</p> <ul style="list-style-type: none"> <li>• <b>Construction Works Third Funding Milestone:</b> satisfaction by the Recipient of the Construction Works Third Funding Milestone for the IAF Funded Enabling Infrastructure Project;</li> <li>• <b>Specific additional requirements:</b> satisfaction by the Recipient of any specific additional requirements set out in <b>Part A</b> above (including as added to or updated pursuant to a Delivery Plan) for the IAF Funded Enabling Infrastructure Project (e.g., satisfaction of Housing Delivery Milestone or an update to a Housing Outcomes Agreement(s)) on a basis acceptable to Kāinga Ora, acting reasonably;</li> <li>• <b>Funding availability:</b> confirmation that the Known Co-Funding required for Stage 3 (Implementation) and Practical Completion (in each case, as applicable) remains available to the Recipient for the IAF Funded Enabling Infrastructure Project; and</li> <li>• <b>Other:</b> provision of any other document, assurance or information as is required by Kāinga Ora.</li> </ul>

	IAF Funded Enabling Infrastructure Project(s) Milestone	Additional Deliverables for each IAF Funded Enabling Infrastructure Project
7.	<p><b>Practical Completion Funding Milestone</b></p>	<p>The additional deliverables for the Practical Completion milestone (and which are required to be satisfied as part of any Payment Request) for the IAF Funded Enabling Infrastructure Project are:</p> <ul style="list-style-type: none"> <li>• <b>Preceding IAF Funded Enabling Infrastructure Project(s) Milestones:</b> satisfaction by the Recipient of the IAF Funded Enabling Infrastructure Project(s) Milestones immediately preceding the Practical Completion Funding Milestone for the IAF Funded Enabling Infrastructure Project;</li> <li>• <b>Specific additional requirements:</b> satisfaction by the Recipient of any specific additional requirements set out in <b>Part A</b> above (including as added to or updated pursuant to a Delivery Plan) for the IAF Funded Enabling Infrastructure Project (e.g., satisfaction of Housing Delivery Milestone or an update to a Housing Outcomes Agreement(s)) on a basis acceptable to Kāinga Ora, acting reasonably;</li> <li>• <b>Certification:</b> certification by the Engineer to Contract that Practical Completion has been achieved in respect of the IAF Funded Enabling Infrastructure Project; and</li> <li>• <b>Other:</b> provision of any other document, assurance or information as is required by Kāinga Ora.</li> </ul>



Item 2: Infrastructure Acceleration Fund and Housing Outcomes Agreements for  
 - Bridge Street Linear Active Transport Corridor and  
 - Rutherford/Achilles Social and Affordable Housing Development: Attachment 2

IAF Funding Agreement – Kāinga Ora – Homes and Communities

**Part C: Non-IAF Funded Enabling Infrastructure Project(s) Milestones**

The Non-IAF Funded Enabling Infrastructure Project(s) Milestones in respect of each Enabling Infrastructure Project(s) described in in Table 6.1 (Item 6 of Part 1 (Key Details)) (but not including the IAF Funded Enabling Infrastructure Project(s)) are set out below. Evidence of each event or matter or document (as applicable) set out below must be in form and substance satisfactory to Kāinga Ora (in its sole discretion).

Non-IAF Funded Enabling Infrastructure Project(s) Milestones Heading	Completion Date	Non-IAF Funded Enabling Infrastructure Project(s) Milestones	Specific Additional Milestones	
			Update of future Non-IAF Funded Enabling Infrastructure Project(s) Milestone(s) via an agreed Delivery Plan also required?	Other specific conditions to be satisfied
<b>Three Waters Enabling Infrastructure Project – Wastewater Pipeline Upgrades (Bridge, Rutherford, Paru Paru and Achilles) and Stormwater Flood Gate</b>				
1. <b>Stage 1 (Early)</b>	27 June 2024	The following feasibility activities in relation to the Three Waters Enabling Infrastructure Project – Wastewater Pipeline Upgrades (Bridge, Rutherford, Paru Paru and Achilles) and Stormwater Flood Gate are completed: <ul style="list-style-type: none"> <li>consultant engagement completed; and</li> <li>investigations complete (as required).</li> </ul>	N/A	N/A
2. <b>Stage 2 (Pre-Implementation)</b>	30 June 2025	The following design, consenting and tendering activities in relation to the Three Waters Enabling Infrastructure Project – Wastewater Pipeline Upgrades (Bridge, Rutherford, Paru Paru and Achilles) and Stormwater Flood Gate are completed: <ul style="list-style-type: none"> <li>preliminary and detailed designs completed &amp; approved by the Recipient; and</li> <li>required consents approved and issued by the relevant authorities.</li> </ul>	N/A	N/A
	N/A	The following design, consenting and tendering	N/A	N/A

Non-IAF Funded Enabling Infrastructure Project(s) Milestones Heading	Completion Date	Non-IAF Funded Enabling Infrastructure Project(s) Milestones	Specific Additional Milestones	
			Update of future Non-IAF Funded Enabling Infrastructure Project(s) Milestone(s) via an agreed Delivery Plan also required?	Other specific conditions to be satisfied
		<p>activities in relation to the Three Waters Enabling Infrastructure Project – Wastewater Pipeline Upgrades and Stormwater Flood Gate are completed:</p> <ul style="list-style-type: none"> <li>• N/A</li> </ul>		
3. <b>Stage 3 (Implementation)</b>	30 June 2026	<p>The following construction activities in relation to the Three Waters Enabling Infrastructure Project – Wastewater Pipeline Upgrades and Stormwater Flood Gate are completed:</p> <ul style="list-style-type: none"> <li>• The Engineer has certified that construction works equal to at least 20% of contract price have been completed.</li> </ul>	N/A	N/A
		<p>The following construction activities in relation to the Three Waters Enabling Infrastructure Project – Wastewater Pipeline Upgrades (Bridge, Rutherford &amp; Achilles) and Stormwater Flood Gate are completed:</p> <ul style="list-style-type: none"> <li>• N/A</li> </ul>	N/A	N/A
4. <b>Practical Completion</b>	30 June 2026	<p>Practical Completion has been achieved in relation to the Three Waters Enabling Infrastructure Project – Wastewater Pipeline Upgrades (Rutherford, Paru Paru and Achilles) and Stormwater Flood Gate, such that it is completed to the design parameters and is ready for use and/or operations.</p>	N/A	N/A
	31 August 2027	<p>Practical Completion has been achieved in relation to the Three Waters Enabling</p>	N/A	N/A

Item 2: Infrastructure Acceleration Fund and Housing Outcomes Agreements for  
 - Bridge Street Linear Active Transport Corridor and  
 - Rutherford/Achilles Social and Affordable Housing Development: Attachment 2

IAF Funding Agreement – Kāinga Ora – Homes and Communities

Non-IAF Funded Enabling Infrastructure Project(s) Milestones Heading	Completion Date	Non-IAF Funded Enabling Infrastructure Project(s) Milestones	Specific Additional Milestones	
			Update of future Non-IAF Funded Enabling Infrastructure Project(s) Milestone(s) via an agreed Delivery Plan also required?	Other specific conditions to be satisfied
		Infrastructure Project – Wastewater Pipeline Upgrades (Bridge), such that it is completed to the design parameters and is ready for use and/or operations.		

The Non-IAF Funded Enabling Infrastructure Project(s) Milestones set out above are subject to updates from time to time if required under **Item 8 of Part 1** (Key Details). Where any Completion Dates for the Non-IAF Funded Enabling Infrastructure Project Milestones are updated, the Recipient must, in accordance with **Item 11 of Part 1** (Key Details), ensure that the updated Completion Dates are consistent with the milestone completion dates applicable to the Housing Development (as set out in the Housing Outcomes Agreement(s)) so as to enable the Developer to deliver the total number of dwellings to be Completed (and in the years contemplated) as set out in the Housing Outcomes Agreement.

The Completion Dates set out above are subject to any amendments agreed pursuant to clause 3.26 of **Part 2** (General Terms) or as may be updated from time to time if required under **Item 8 of Part 1** (Key Details) and as set out above.

**Schedule 3: Payment Request**

Each Payment Request for each IAF Funded Enabling Infrastructure Project must include the following information (each Payment Request and the evidence of each event or matter or documents (as applicable) being, in form and substance, satisfactory to Kāinga Ora in its sole discretion):

- a. the amount of IAF Funding requested, which must not exceed the applicable Maximum IAF Funding Payment Milestone set out in **Part A of Schedule 2**;
- b. confirmation that the Recipient can pay all IAF Funded Enabling Infrastructure Project Costs as and when they fall due;
- c. all cost overruns and funding shortfalls in respect of the relevant IAF Funded Enabling Infrastructure Project can be funded or financed and the required Funding Balances are secured and available to, and committed by, the Recipient;
- d. confirmation that the Recipient has applied the instalment of Known Co-Funding and Other Funding (if any) by the Completion Date for the relevant IAF Funded Enabling Infrastructure Project Milestone set out in **Part A of Schedule 2**, in accordance with clause 2.1(a)ii of **Part 2** (General Terms);
- e. certification (in a format to be agreed between Kāinga Ora and the Recipient) during Stage 3 (Implementation) of the relevant IAF Funded Enabling Infrastructure Project, signed by the Engineer to Contract (and prior to Stage 3 (Implementation), signed by the Chief Executive, or their authorised delegate):
  - i. of progress against the IAF Funded Enabling Infrastructure Project Milestones for the relevant IAF Funded Enabling Infrastructure Project and the deliverables programme, including details of any material projected delay;
  - ii. of the amount of Costs incurred by the Recipient in respect of the relevant IAF Funded Enabling Infrastructure Project, including in respect of the IAF Funded Enabling Infrastructure Project Milestone to which the Payment Request relates (and confirmation that the applicable IAF Funded Enabling Infrastructure Project Milestone has been satisfied by the applicable Completion Date and that the Eligible Costs relating to the applicable IAF Funded Enabling Infrastructure Project Milestones have been paid or are due and payable to the Recipient's contractors to the relevant IAF Funded Enabling Infrastructure Project);
  - iii. of any material variations to the Construction Contract(s) in respect of the relevant IAF Funded Enabling Infrastructure Project;
  - iv. that the Cost to Complete Test is met as at the date of the certification, that the Cost to Complete Test was met as at the last date of the previous quarter and that the Cost to Complete Test is expected to be met at all times until Practical Completion (including confirmation that the Territorial Authority Funding, Developer(s)/Landowner(s) Funding and Other Funding required for the relevant IAF Funded Enabling Infrastructure Project is available to the Recipient);
  - v. of the forecasted Cost to Complete the IAF Funded Enabling Infrastructure Project; and
  - vi. that, as at the date of the certification, the Time to Complete Test is met;
- f. evidence of satisfaction of the deliverables and additional deliverables applicable to the IAF Funded Enabling Infrastructure Project(s) Milestones set out in **Part A and Part B of Schedule 2**;
- g. if the Payment Request includes a GST component, a valid GST invoice complying with the Goods and Services Tax Act 1985;
- h. confirmation that no Termination Event is subsisting, that it is not in breach of its obligations under clause 2 of **Part 2** (General Terms) and that each of the warranties under clause 6 of **Part 2** (General Terms) of this Agreement are correct as at the date of the Payment Request; and
- i. any other information required by Kāinga Ora.

<sup>2</sup> Note that a Payment Request may be for Eligible Costs that are due and payable, as well as being for reimbursements for Eligible Costs already paid by the Recipient.

Item 2: Infrastructure Acceleration Fund and Housing Outcomes Agreements for  
- Bridge Street Linear Active Transport Corridor and  
- Rutherford/Achilles Social and Affordable Housing Development: Attachment 2

IAF Funding Agreement – Kāinga Ora – Homes and Communities

**Schedule 4: Reporting**

**Monthly Reports**

Each **monthly report** must include the following information in respect of each Enabling Infrastructure Project, in the reporting format specified by Kāinga Ora:

- (a) description and analysis of actual progress of delivery of the Enabling Infrastructure Project against planned progress, including progress against the Enabling Infrastructure Project Milestones, the relevant Completion Date for the Practical Completion Funding Milestone specified in **Part A of Schedule 2** and the relevant Completion Dates specified in **Part C of Schedule 2**;
- (b) Eligible Costs incurred in the prior month, against the Budget for the month;
- (c) a summary of total Enabling Infrastructure Project Costs incurred to date, actual against budgeted;
- (d) a summary of forecast Enabling Infrastructure Project Costs to the next Enabling Infrastructure Project Milestone;
- (e) estimated Cost to Complete, and in respect of the final monthly report, all Costs at Practical Completion for the Enabling Infrastructure Project;
- (f) progress on obtaining any necessary consents for the Enabling Infrastructure Project;
- (g) any material risks and/or issues arising or expected to arise in relation to the Enabling Infrastructure Project and/or the Housing Development, the Enabling Infrastructure Project Costs or performance of this Agreement, including detail of any issues notified to Kāinga Ora in accordance with clause 3.16 of **Part 2** (General Terms);
- (h) actual or proposed mitigations to remedy any risks/issues identified under (g) above; and
- (i) any other information that is requested by Kāinga Ora in writing to the Recipient.

**Quarterly Reports**

Each **quarterly report** must be signed by the Chief Executive of the Recipient and must include the following information, in the reporting format specified by Kāinga Ora:

- (a) in respect of each Enabling Infrastructure Project:
  - confirmation that there has been no material change in the scope of the Enabling Infrastructure Project or the Housing Development as described in **Schedule 1** other than where this Agreement specifically requires that the parties agree updates to the Enabling Infrastructure Project Milestones or where the requirements of clause 3.1 of **Part 2** (General Terms) have been satisfied, and the Enabling Infrastructure Project and the Housing Development are still expected to deliver the Housing Outcomes and all of the deliverables as set out in **Schedule 2**;
  - reporting in relation to the progress and status of the Housing Development and the delivery of the Housing Outcomes; and
  - an update on media, marketing and communication activities for the Enabling Infrastructure Project(s);
- (b) to the extent the Recipient is required to actively promote the Housing Development opportunity to prospective Developers under Item 4 of **Part 1** (if applicable), a summary of such promotional activities undertaken by the Recipient in the previous quarter; and
- (c) any other information that is requested by Kāinga Ora in writing to the Recipient.

**Total Dwellings Enabled Report**

The **total dwellings enabled report** must be signed by the Chief Executive of the Recipient and must include the following information in the reporting format specified by Kāinga Ora:

- (a) the total number of dwellings enabled following the completion of all Enabling Infrastructure Project(s); and
- (b) any other information that is requested by Kāinga Ora in writing to the Recipient.

**Schedule 5: Dwellings Completed in each year**

This Schedule 5 sets out the type and total number of dwellings (to be completed in aggregate in respect of the Housing Development) in each year.

	2022	2023	2024	2025	2026	2027	2028	2028 onwards	Total
1. Public housing dwellings	0	0	0	0	0	0	60	0	60
2. Papakāinga dwellings	0	0	0	0	0	0	0	0	0
3. Lower-cost dwellings	0	0	0	0	0	0	115	0	115
4. Other dwellings	0	0	0	0	0	0	0	850	850
5. Total	0	0	0	0	0	0	175	850	1,025