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# Housing Acceleration Fund:

## The Infrastructure Acceleration Fund

The Infrastructure Acceleration Fund (IAF) is part of the Government's \$3.8 billion Housing Acceleration Fund announced in March 2021.

The IAF is a contestable fund of at least \$1 billion for infrastructure investment to support new housing supply where infrastructure providers face funding and finance barriers. The IAF is designed to allocate funding to infrastructure projects that unlock housing development in the short to medium-term and enable a meaningful contribution to housing outcomes in areas of need.

The IAF is a contestable process designed to identify and select projects for infrastructure funding. In order to secure the greatest impact from the IAF, locations that have infrastructure constraints and are facing the biggest housing supply and affordability issues will be prioritised, while also ensuring that there is an ability for quality projects from anywhere in Aotearoa to receive funding.

By increasing the supply of build ready land, the IAF will help to increase the numbers of homes that can be built, particularly in locations of high housing demand and with good access to public transport, jobs, education and amenities.

By focussing on funding infrastructure in priority locations where the greatest housing supply and affordability challenges are, government funding will have a significant impact in bringing forward new housing supply.

The process will include consideration of contributions from the councils, developers and others, both financial or non-financial, to ensure that government investment will have maximum impact.

The IAF will be administered by Kāinga Ora – Homes and Communities.

### To be eligible, infrastructure projects must be for:

- **new or upgraded infrastructure for:**
  - **transport** (including local roading, state highways, public transport infrastructure, footpaths and cycleways),
  - **three waters** (water supply, wastewater and stormwater)
  - **flood-management infrastructure;**

And mainly for the purpose of building new or additional houses in the short to medium term. The actual numbers of housing supply unlocked by the IAF will be determined by Local Authorities and developers. The IAF is providing the critical infrastructure to unlock this potential. That potential will only become clearer as proposals are received and approved.

### Councils, iwi, and developers can apply to the Fund through the:

- **Programme path** – for main urban areas where infrastructure investment is more complex. Councils covered by Urban Growth Partnerships who are required to apply through this path, include:
  - **Auckland Council** (including council-controlled organisations).
  - **Smart Growth:** Tauranga City Council and Western Bay of Plenty District Council.

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- **Future Proof:** Waikato Regional Council, Waipa District Council, Waikato District Council, and Hamilton City Council.
  - **Wellington Regional Growth Framework:** Wellington City Council, Hutt City Council, Upper Hutt City Council, Porirua City Council, Kāpiti Coast District Council, Horowhenua District Council, South Wairarapa District Council, Carterton District Council, and Masterton District Council.
  - **Greater Christchurch Partnership:** Christchurch City Council, Selwyn District Council and Waimakariri District Council
  - **Queenstown Lakes District Council.**
  - **Project path** - for councils, developers, and iwi across all other parts of New Zealand.

## A two-stage process will apply across both application paths.

- **In stage one**, all applicants are invited to provide an expression of interest (EOI) with high level information on the housing development and infrastructure projects.
- **In stage two**, following an assessment of the proposal submitted at the EOI stage against the investment criteria a reduced number of applicants will be invited to submit a full proposal.

These paths include a fast-track process where some first-stage proposals can progress quickly to final investment decisions.

## IAF Investment Criteria

All proposals will be evaluated against a set of investment criteria, including housing outcomes, cost and co-funding, the impact the funding will have, the cost effectiveness of the proposal, and the capability and readiness to deliver on the proposal.

## Developers and landowners

To get value for money through the IAF, co-funding, contributions, and non-financial commitments will be sought from developers and landowners who benefit from the infrastructure investment. This includes contributions by developers and landowners towards the 'growth' portion of the infrastructure cost they normally pay.

## Councils

We will be seeking co-investment and contributions from Councils. Councils are also expected to play their part in support of growth and infrastructure, including through the implementation of the [National Policy Statement on Urban Development](#).

This Fund complements private (e.g. via the Infrastructure Funding and Financing (IFF) Act) and local government infrastructure investment. Specific regard will be given to ensuring alternative funding opportunities have been exhausted, and also ensuring that projects being funded by the IAF are genuinely additional to planned activity.

## Administration and Decision Making

The IAF will be administered by Kāinga Ora – Homes and Communities. The Ministers of Finance and Housing are the final decision makers on investments.

The invitation for Expressions of Interest will be released by Kāinga Ora on 30 June with expressions of interest due mid-August.

## For more information

For more detailed information on the Fund's key settings, and the application process, please see: [www.Kaingaora.govt.nz/IAF](http://www.Kaingaora.govt.nz/IAF)