

[In Confidence]

Office of the Minister of Finance

Office of the Minister of Housing

Chair Cabinet Economic Development Committee

Paper 3: Advancing the large-scale projects: Mangere Precinct

Proposal

- 1 This paper seeks:
 - 1.1 agreement to allocate funding for the Mangere precinct from the \$1.996 billion set aside for the Auckland Large Scale Projects (LSPs) from the Housing Acceleration Fund; and
 - 1.2 agreement to the key outcomes to be purchased from the funding allocation.
- 2 This is paper three in a suite of four Cabinet papers and should be read alongside the *Paper 1: Advancing Large Scale Projects: Portfolio Decisions*, which provides context and seeks agreement to the overarching settings for the portfolio of investments in the Kāinga Ora-led Large-Scale Projects.

Relation to government priorities

- 3 Our government has three overarching objectives: to keep New Zealanders safe from COVID-19, to accelerate our recovery, and lay the foundations for a better future through reducing inequality and addressing child poverty, reducing carbon emissions and improving housing affordability [CAB-20-MIN-0525].
- 4 The outcomes sought through HAF investment in the LSPs align with the Government's priority to address wellbeing by ensuring that everyone can access healthy, secure and affordable housing within thriving, sustainable communities. Investment in the LSPs is investment in core infrastructure to enable significant housing development, further accelerating our recovery from the impacts of COVID-19.

Executive Summary

- 5 The Mangere precinct is one of five LSPs currently being delivered by Kāinga Ora – Homes and Communities in Auckland over 20 years. Through investments in infrastructure and land development, this LSP unlocks density and enables more public, affordable, and market homes.
- 6 Mangere is the right place for investment. This is an area of high socioeconomic deprivation constrained by insufficient infrastructure and increasingly unsuitable public housing stock constraining growth. It also possess the key fundamentals for

urban redevelopment, being centrally-located and encompassing large tranches of underutilised Kāinga Ora-owned land otherwise in need of investment.

- 7 The Mangere LSP also has significant interface with the Auckland Light Rail project, which seeks to facilitate significant change and urban development along its corridor, which includes the Mangere West A and Mangere West B neighbourhoods.
- 8 As part of Budget 2021, Cabinet agreed to hold \$1.996 billion of the Housing Acceleration Fund for the Auckland LSPs. This paper seeks to confirm the allocation from that amount of \$814.3 million in HAF funding for the Mangere LSP.
- 9 This funding will significantly increase housing supply in the Mangere precinct by removing 1,215 public homes and replacing them with 4,034 homes (a 3.3x uplift) in areas close to town centres, jobs and schools. The funding will enable much needed affordable homes in an area that is becoming increasingly less affordable for first home buyers. Master-planning will provide for safe, integrated communities that support both active and public transport.
- 10 Investment in network infrastructure also support environmental outcomes and enables development on private (non-Kāinga Ora) land, thereby supporting enablement of further housing supply.
- 11 The funding allocation will enable for five neighbourhoods to progress: Mangere West A, Aorere, Middlemore Crescent, Mangere East, and Mangere West B. Together, these will enable the following housing outcomes. Further detail is provided at Appendix A.

Type	Homes enabled (approximate)
Public	1,835
Affordable	1,100
Market	1,100
Total	4,034

Background to the large-scale projects

- 12 The Mangere precinct is one of five large-scale projects being delivered by Kāinga Ora – Homes and Communities in Auckland over 20 years.
- 13 The large-scale projects leverage large, strategically located Kāinga Ora landholdings to unlock density by replacing ageing, low-density public housing stock which is reaching the end of its useful life with a greater quantity of healthy, secure, and affordable homes in sustainable, master-planned communities.
- 14 The Mangere precinct requires funding to address significant additional land development and infrastructure costs uncovered by two years of detailed technical assessments, which cannot be met by the existing Kāinga Ora funding streams.

- 15 Kāinga Ora has since produced the attached *Mangere Precinct Programme Business Case* (Appendix B), which has been endorsed by the Kāinga Ora Board and will be updated to reflect Cabinet decisions.

Mangere is constrained by inadequate infrastructure and housing stock, but has significant potential for redevelopment

Mangere communities have housing and urban development needs...

- 16 Across Auckland there is a demand for more market, affordable and public housing. In Mangere, housing affordability has become a critical issue with home ownership remaining out of reach for many.
- 17 Demand for public housing in the Mangere precinct has grown significantly over the last 5 years, with the register increasing by about 400 percent since 2016. Mangere meets the highest primary socioeconomic deprivation rating.
- 18 Mangere has aging and insufficient infrastructure to enable growth. For example, geotechnical and land contamination issues result in poor ground conditions, Tararata Creek catchment flooding and overland flow issues constrain development, the stormwater system is at capacity, and the wastewater network is over capacity.

... but also the key fundamentals for urban redevelopment

- 19 There is significant potential for Crown investment to resolve inadequate housing and infrastructure in Mangere to achieve better urban development and wellbeing outcomes.
- 19.1 Mangere is strategically located 15 kilometres from the Auckland CBD and is close to large development areas and employment opportunities such as Auckland Airport, Manukau and Middlemore Hospital.
- 19.2 Kāinga Ora owns large tracts of land in Mangere that can be better utilised and with enabling zoning can provide for additional new housing supply, that is close to shops, services and schools.
- 19.3 More than one in five homes in the Mangere precinct are owned by Kāinga Ora, many of which are no longer fit for purpose, and require significant investment to be brought up to modern standards and be configured to meet tenant needs.
- 19.4 Mangere has high concentrations of public housing, with potential for redevelopment and masterplanning.
- 19.5 Some neighbourhoods within Mangere are along the proposed Auckland Light Rail corridor, providing opportunities to leverage outcomes across the two projects.

Investing in Mangere delivers on government housing and wellbeing priorities

- 20 The Mangere precinct (as one of five large-scale projects in Auckland) is a strategic investment that will increase housing choices and accelerate housing supply in an area of need, supporting the government's response to significant housing challenges.

Seeking allocation of HAF funding to Mangere precinct

- 21 This paper seeks your agreement to allocate \$814.3 million of funding to the Mangere precinct from the \$1.996 billion Auckland LSP HAF allocation.

- 22 Investing in the Mangere precinct will:

22.1 **enable more homes in the right place** – enable delivery of around 4,000 new homes (around 2,800 additional) on Kāinga Ora land (around 1,800 public, 1,100 affordable, and 1,100 market homes) in an area of high market demand with key transport links 15 kilometres from the Auckland CBD, close to the airport and other employment hubs.

22.2 **enable better public housing** – enable replacement of around 1,200 public houses reaching the end of their useful life with around 1,800 warm, dry, fit for purpose public homes (an uplift of around 600 public homes).

22.3 **provide better infrastructure** – unlocking additional capacity, improving wellbeing outcomes, and laying the necessary foundations that other neighbourhoods in the Mangere precinct will build on over the next 20 years.

22.4 **provide integration and efficiency** – meeting costs that would otherwise be required to maintain or renew existing public homes and meet Auckland's infrastructure challenges.

- 23 This proposed allocation is based on the attached Kāinga Ora programme business case – *Mangere Precinct Programme Business Case* (Appendix B). The business case has been endorsed by the Kāinga Ora Board and will be updated to reflect Cabinet decisions.

- 24 We seek Cabinet approval of the programme business case, subject to any updates required following Cabinet decisions. We seek delegated authority to endorse the final programme business case.

- 25 The business case for the Mangere precinct covers a five-year funding period with build-out over ten, enabling Kāinga Ora to plan and negotiate contracts for the long-term delivery of the Mangere precinct.

- 26 In total, five neighbourhoods are within the scope of this precinct business case (Mangere West A, Aorere, Middlemore Crescent, Mangere East (A+B) and Mangere West B) and four are not. Further funding solutions will need to be sought for investment in the remaining neighbourhoods that are not subject to HAF funding.

- 27 The total cost of delivery in the Mangere precinct contained in this business case is \$1.544 billion. This is proposed to be met by \$677 million in Kāinga Ora revenues and \$814.3 million from the HAF.

- 28 This leaves a shortfall of around \$52.7 million within the Kāinga Ora business case, which seek total funding of \$867 million. This means that Kāinga Ora will have reduced operational contingency.
- 29 Of the \$814.3 million allocation sought from the HAF, \$64 million in Tranche One funding (to maintain the Kāinga Ora immediate programme of works) was approved by the Ministers of Housing and Finance in July 2021, following Cabinet delegation.

Implementing the allocation of HAF funding to the Mangere precinct

- 30 The Mangere precinct is a large urban development project including five large neighbourhoods with multiple stages of redevelopment.
- 31 We seek agreement to allocate \$814.3 million of funding to the Mangere precinct from the \$1.996 billion set aside for the LSPs from HAF. The Mangere funding envelope is based on both a build-up of costs for known infrastructure projects, and assumptions for those infrastructure projects that would not be needed until later in the programme. Further technical analysis will ascertain the actual infrastructure and other works required to redevelop each neighbourhood.
- 32 Kāinga Ora will prepare two types of detailed business cases that seek drawdown through the stages of redevelopment: infrastructure business cases and neighbourhood business cases. In *Paper 1: Advancing the Auckland large-scale projects: portfolio decisions*, we seek approval for delegated authority to the joint Ministers of Finance and Housing to approve the infrastructure and neighbourhood business cases.

Kāinga Ora will prepare subsequent neighbourhood and infrastructure business cases to draw down funding

- 33 The neighbourhood business cases seek drawdown of funding to provide build-ready land, which includes local infrastructure, land development and remediation.
- 34 Below is a breakdown of the subsequent neighbourhood business cases that Kāinga Ora will prepare, including the indicative value of each business case. These values are based on the assumptions (including affordability settings) set out in the neighbourhood business case.

Neighbourhood Business Case	HAF allocation (\$m)
Mangere East	\$121
Mangere West A	\$55
Aorere	\$62
Middlemore Crescent	\$45
Mangere West B	\$102
Total	\$385

Kāinga Ora will prepare infrastructure business cases that seek drawdown of funding

- 35 Below is a breakdown of the subsequent infrastructure business cases that Kāinga Ora will prepare, including the indicative value of each business case. Infrastructure business cases will seek drawdown of funding for the network infrastructure that enables housing across a number of neighbourhoods. These are indicative values based on the assumptions set out in the precinct business case.

Infrastructure Business Case	No. of projects	HAF allocation (\$m)	Neighbourhoods enabled
Mangere West transport bundle	4	\$27	Mangere West
Middlemore rail station upgrade	1	\$32	Middlemore
Public transport initiatives	1	\$14	Aorere, Middlemore
Intersection upgrades	13	\$18	Aorere, Mangere West
Tararata Creek	12	\$276	Mangere West, Mangere Central, Favona, Buckland & Wickman
Stormwater bundle	1	\$5	Mangere East
Water supply	5	\$13	Mangere West, Favona, Buckland & Wickman
Wastewater	10	\$13	Mangere West, Mangere Central, Favona, Middlemore Crescent
Parks	6	\$5	Mangere West
Utilities bundle	7	\$26	Mangere East
Totals	60	\$429	

Managing programme decision-making

- 36 Draw down of funding to each neighbourhood will be subject to approval of the neighbourhood and infrastructure business cases in line with decisions made in *Paper 1: Advancing the Auckland large-scale projects: portfolio decisions*.
- 37 The Mangere precinct has five neighbourhood business cases and further infrastructure business cases with varying levels of complexity and risk.
- 38 The Mangere neighbourhoods of Mangere West A and Mangere West B, and the Tararata Creek infrastructure business case are of strategic importance.

- 38.1 In Mangere West A, 45% of development is complete with 38% of homes enabled. The neighbourhood is along the proposed ALR corridor (noting that works are significantly progressed and there may be limited optionality). Completion of works is expected by October 2025.
- 38.2 Mangere West B is along the proposed ALR corridor. Neighbourhood planning has not yet started. Works are expected to be complete by February 2032.
- 38.3 Tararata Creek is of significant scale and is the largest infrastructure investment in the Auckland LSP programme.
- 39 Two further neighbourhoods are at an earlier stage of design and optionality:
 - 39.1 In Middlemore Crescent, neighbourhood planning has begun. Works are expected to be complete by early 2030
 - 39.2 In Mangere East, Kāinga Ora has completed neighbourhood planning and order of magnitude cost estimates and is now preparing the neighbourhood business case. Works are expected to be complete by October 2032.
- 40 The remaining Aorere neighbourhood is 22% complete, with 2% of homes enabled. Completion of works is expected in February 2025.
- 41 Subject to Cabinet approval to the approach for subsequent decision-making in *Paper 1: Advancing the Auckland large-scale projects: portfolio decisions*, the Ministers of Finance and Housing will consider further delegation to the Kāinga Ora Board for these neighbourhood business cases.

Engagement with Auckland Council Group

- 42 Auckland Council is the local regulator and infrastructure operator and will play a significant role in delivery of the LSPs. Auckland Council has committed to fund \$288m of infrastructure across the LSPs. Auckland Council and its Council-controlled organisations (CCOs) have been extensively engaged on LSP infrastructure requirements and the resulting information has informed the Mangere business case. Auckland Council has not been directly consulted on the attached programme business case (Appendix B).
- 43 Auckland Council has a significant interest in the success of the LSPs and needs to be appropriately consulted to support their delivery. Following approval of the precinct business cases, Kāinga Ora, Auckland Council, and its CCOs will need to work together to resolve the projects that will be funded. Kāinga Ora will enter funding agreements setting out roles, responsibilities, and principles for cost share.
- 44 Underlying technical understanding of infrastructure will continue to be developed through collaborative forums for each type of infrastructure. These forums will also coordinate across the infrastructure development programme to integrate delivery of infrastructure and input to infrastructure business cases.
- 45 In the companion *Paper 1: Advancing the Auckland large-scale projects: portfolio decisions*, we propose that a Strategic Partnership be established between Ministers,

the Mayor of Auckland s 9(2)(j) as a way to provide oversight and align interests in the LSP areas.

Alignment with wider Government initiatives

Auckland Light Rail Project

- 46 The Auckland Light Rail project (ALR) is of strategic significance to the broader Mangere precinct. The ALR is intended to be a ‘city shaping’ project and facilitate significant change and urban development along its corridor. Within this LSP business case, Mangere West A and Mangere West B are along the proposed ALR corridor and are of strategic importance (noting that works in Mangere West A are significantly progressed and there may be limited optionality). Redevelopment of further neighbourhoods along the corridor is outside the area covered by this precinct business case.
- 47 The ALR is in an earlier stage of planning and station locations have not been decided. This may have a material impact on the opportunities presented across both projects.
- 48 Consideration of the development programme for LSPs alongside the ALR should provide further opportunities, including the leveraging of Kāinga Ora landholdings for integrated master-planning (commercial and residential) and delivery efficiencies.
- 49 The ALR will also bring further accessibility and mode-shift benefits to the community. This increased access is likely to result in a higher demand for housing, and may create potential for further increases in density, beyond the density provided for in this budget proposal and attached programme business case (Appendix B).
- 50 Neighbourhood business cases within the walkable catchment of the ALR are of strategic importance and will require Ministerial approval for drawdown of funding. To enable strategic alignment across the project, these neighbourhood business cases must include scenarios and option analysis that provide choices in how the LSP investment aligns with ALR assumptions. In the attached programme business case, Kāinga Ora proposes to stage the Mangere precinct to balance the need to deliver new housing at pace while preserving flexibility to accommodate any ALR opportunities (including those in future neighbourhoods not covered by this precinct business case) by:
- 50.1 delivering first in the stages that will not be impacted by ALR (further from station sites).
 - 50.2 assuming some surplus capacity in the precinct-level infrastructure in this business case.
- 51 In *Paper 1: Advancing the Auckland large-scale projects: portfolio decisions*, we seek your agreement to officials engaged on the ALR and LSPs working together, in liaison with Kāinga Ora staff as appropriate, to align and create efficiencies between the two Ministerial fora s 9(2)(j), wherever practicable.

Address the critical demand for public housing

- 52 While the Housing Register waitlist in Mangere has increased in line with the Auckland region, the Transfer Register waitlist has increased at a much greater rate in Mangere (311% change in Auckland since June 2016 versus 655% change in Mangere).
- 53 This signals a critical need to increase both the number of houses (to meet demand for the Housing Register) and the quality and mix of houses (to meet the demand on the Transfer Register).
- 54 In direct response to this need, the Mangere programme business case proposes that approximately 50% of the new homes enabled support the waitlist in Mangere. This five-year business case enables around 1,835 public homes (45% of the total, with the four out-of-scope neighbourhoods bringing the total proportion of public homes to approximately 50%).
- 55 This will set the tenure mix in the Mangere precinct at 50% public, 25% affordable, and 25% market homes.

The opportunity for a Specified Development Project in Middlemore

- 56 There are also a range of potential development options for the Middlemore area that will be considered through the neighbourhood business case process.
- 57 This includes two options that could be considered as a Specified Development Project under the Urban Development Act 2020, which involves partnering with key landowners to collaboratively plan and develop land in the area.

Financial Implications

- 58 As part of Budget 2021, Cabinet agreed to hold \$1.996 billion¹ of the Housing Acceleration Fund for Auckland LSPs. This paper seeks to confirm the allocation of \$814.3 million in HAF funding (inclusive of Tranche One) for the Mangere LSP from the funding held for the Auckland LSPs.
- 59 The Kāinga Ora business cases have identified a \$867 million deficit for the Mangere precinct, this funding includes an operational contingency to bring the programme business case to a standard P50 (a fifty percent chance of going over or under budget). Costs will be finalised through the neighbourhood and infrastructure business cases that seek drawdown of funding.
- 60 This paper seeks agreement to allocate \$814.3 million of funding to the Mangere precinct from the \$1.996 billion set aside for the LSPs from HAF. This is a shortfall of \$52.7 million against the Kāinga Ora business case deficit of \$867 million.
- 61 *Paper 1: Advancing the Auckland large-scale projects: portfolio decisions* seeks agreement:

¹ CAB-21-MIN-0116.15 confirmed \$2.3 billion would be held for Auckland and Porirua Large Scale Projects (rounded from \$2,303 million). CAB-21-MIN-0190 confirmed \$307 million of this funding would be held of Porirua, leaving \$1,996 million for Auckland Large Scale Projects.

- 61.1 That \$280 million be held by the joint Ministers of Finance and Housing, who will decide how this funding will be allocated on a case-by-case basis, should neighbourhood and infrastructure business cases exceed expected costings.
- 61.2 To delegate authority to the joint Ministers of Finance and Housing to approve subsequent business cases.
- 62 This paper does not seek any changes to appropriated funding and is therefore not subject to budget moratorium restrictions.
- 63 Cabinet agreed that funding would not be spent on LSPs (excluding tranche one), until Cabinet is satisfied that there are appropriate business case processes in place, there is agreement on governance arrangements and how this will be put in place, and there is agreement on monitoring arrangements and progress reporting [CAB-21-MIN-0116.15 refers]. The overarching Cabinet *Paper 1: Advancing the Large Scale Projects: portfolio decisions*, provides an overview, and seeks decisions on these matters.

Risks and mitigation

There is a significant risk of cost and revenue variability in large-scale brownfields urban development projects of this nature

- 64 The business cases approved by Kāinga Ora are unescalated (i.e., do not include inflationary allowances) as in normal circumstances costs and revenue are likely to move in parallel offsetting the need for significant changes. However, in the current environment where cost escalations are likely to be significant with decreased land values, the risk of requiring additional funding or significant trade-offs are heightened.

Operational contingency

- 65 The \$814.3 million allocation to the Māngere precinct from the HAF contains a \$96 million operational contingency. This is smaller than the operational contingency of \$149 million sought through the attached Kāinga Ora business case (Appendix B). . contingency to undertake the redevelopment of Mangere.

Delivery risks

- 66 Kāinga Ora have also identified the following risks to be managed by the Kāinga Ora Board.
- 66.1 Existing power, waste and stormwater systems are in poorer condition, leading to additional costs incurred to upgrade to the current specification
- 66.2 Delays due to CCO-provided infrastructure projects
- 66.3 Flooding reduces density/housing type leading to reduced yield
- 66.4 Damage to existing roads from construction traffic and activities requiring remediation by Kāinga Ora

- 66.5 Auckland Council and CCO resource constraints cause consent processing delays.

Portfolio-level risk management

- 67 The portfolio-level approach to cost escalation, additional contingency and the monitoring framework sit within *Paper 1: Advancing the Auckland large-scale projects: portfolio decisions*.

Legislative Implications

- 68 This paper does not have any direct legislative implications.

Regulatory Impact Statement

- 69 The regulatory impact analysis requirements do not apply.

Climate Implications of Policy Assessment

- 70 The Climate Implications Policy Assessment falls within the overall assessment for the wider Housing Acceleration Fund and supports higher density housing and greater public and active transport use. Proposed investment in LSPs through the HAF will directly support transition to a net carbon neutral economy by:
- 70.1 creating higher density housing and improved amenity in and around town centres and public transport nodes
 - 70.2 encouraging mode shift (away from cars) and ensuring connections between renewed housing areas and town centres and public transport nodes are safe, connected and attractive for walking, cycling and micro-mobility
 - 70.3 increasing social connection and improving access to employment and recreation opportunities.

Population Implications

- 71 The LSPs are 20-year programmes intended to renew neglected suburbs and accelerate the pace and scale of housing delivery – with more public housing, more homes for first home buyers, and a greater supply of homes on the market to house a growing and changing population.
- 72 By increasing housing supply in areas of greatest need, these proposals are likely to positively impact groups that are currently renting and/or unable to buy a home, in particular it should benefit:
- 72.1 Māori and Pacific peoples who are less likely to own their own home. In 2018, the proportion of Māori and Pacific people living in owner-occupied homes were 47.2 per cent and 35.1 per cent respectively, compared to the total population figure of 64.3 per cent. Government is also taking other measures to improve housing for Māori and Pacific peoples, including through

Progressive Home Ownership, MAIHI partnerships and our public housing build programme.

- 72.2 Younger people where declining home ownership rates have been sharper.
- 72.3 Disabled people, particularly those with accessibility needs, who often experience more difficulty finding a home. The actions should positively impact on disabled people through increasing the supply of affordable housing for ownership and rent.

Human Rights

- 73 This paper is consistent with the New Zealand Bill of Rights Act 1990 and the Human Rights Act 1993.

Consultation

- 74 Te Tūāpapa Kura Kāinga – the Ministry of Housing and Urban Development has worked closely with the Te Tai Ōhanga – the Treasury and Kāinga Ora – Homes and Communities on the development of this paper.
- 75 Te Manatū Waka – the Ministry of Transport and Te Tari Taiwhenua – the Department of Internal Affairs, and Waka Kotahi – New Zealand Transport Agency were consulted on this paper.
- 76 The Department of the Prime Minister and Cabinet were informed.

Communications

- 77 Following Cabinet decisions on the precinct business cases, the Minister of Housing intends to make further announcements of investment into the LSPs from the Housing Acceleration Fund.
- 78 The Auckland LSPs are a strategic spatial growth priority for Auckland, and the LSP investment is of significant interest to Auckland Council. The Minister of Housing intends to liaise with the Mayor of Auckland on a potential joint announcement.

Proactive Release

- 79 It is our intention to proactively release this Cabinet paper, alongside announcements on the project.
- 80 Some content of the Mangere programme business case is commercially sensitive and will be redacted.

Recommendations

The Minister of Finance and the Minister of Housing recommend that the Committee:

- 1 **Note** that in May 2021, Cabinet agreed to hold up to \$2.3 billion from the Housing Acceleration Fund (HAF) for LSPs, with \$307 million for Eastern Porirua, and remaining \$1.996 billion for the Auckland LSPs [CAB-21-MIN-0190 refers].

- 2 **Note** that the portfolio Cabinet paper (*Paper 1: Advancing the Auckland large-scale projects: portfolio decisions*) provides an overview of the LSP programme and seeks decisions to help manage the risk and delivery of the overall portfolio of LSPs.
- 3 **Note** that the attached programme business case for the Mangere precinct (Appendix B) seeks to enable around 4,034 homes across five neighbourhoods, with buildout of homes over ten years.
- 4 **Note** that this paper seeks to allocate funding to the Mangere precinct from the \$1.996 billion Auckland HAF allocation.
- 5 **Note** the attached programme business case for Mangere (Appendix B) forecasts total revenue (excluding Auckland Council contribution) of \$677 million, and total costs of \$1.544 billion, resulting in a programme deficit of \$867 million based on a contingency calculation using a P50 methodology.
- 6 **Agree** that the total funding allocated to the Mangere Large Scale project from the Housing Acceleration Fund is \$814 million (inclusive of tranche one), which includes a project contingency of \$96.3 million.
- 7 **Note** that the companion Cabinet paper *Paper 1: Advancing the Auckland large-scale projects: portfolio decisions* seeks agreement for the Ministers of Finance and Housing to retain \$280 million and consider allocating business cases on a case-by-case basis.
- 8 **Agree** that the funding seeks the following outcomes: to enable up to 4,034 homes with an approximate 50 percent public, 25 percent market, and 25 percent affordable tenure mix across the precincts.
- 9 **Approve** the Mangere programme business case subject to changes as a result of Cabinet decisions.
- 10 **Delegate** authority to the joint Ministers of Finance and Housing endorsement of the final programme business cases, once satisfied that changes reflect Cabinet decisions
- 11 **Note** that, subject to decisions in *Paper 1: Advancing the Auckland large-scale projects: portfolio decisions*, the joint Ministers of Finance and Housing will be delegated the authority to approve drawdown subject to their satisfaction with neighbourhood and infrastructure business cases.
- 12 **Note** the indicative breakdown of neighbourhood business cases below:
 - 12.1 \$55 million in Mangere West A to enable around 951 homes, with completion expected by October 2025.
 - 12.2 \$62 million in Aorere to enable around 488 homes, with completion expected by February 2025.
 - 12.3 \$45 million in Middlemore Crescent to enable around 375 homes, with completion expected by early 2030.

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- 12.4 \$121 million in Mangere East to enable around 1,164 homes, with completion expected by October 2032.
- 12.5 \$102 million in Mangere West B to enable around 1,056 homes, with completion expected by February 2032.
- 13 **Note** the indicative breakdown of infrastructure business cases below:
 - 13.1 Tararata Creek (twelve projects to enable Mangere Central, Mangere West, Favona, Buckland & Wickman): \$276 million
 - 13.2 Middlemore rail station upgrade (one project to enable Middlemore): \$32 million
 - 13.3 Mangere West transport (four projects to enable Mangere West): \$27 million
 - 13.4 Utilities (seven projects to enable Mangere East): \$26 million
 - 13.5 Intersection upgrades (thirteen projects to enable Aorere, Mangere West): \$18 million
 - 13.6 Public transport initiatives (one project to enable Aorere, Middlemore): \$14 million
 - 13.7 Water supply (five projects to enable Favona, Buckland & Wickman, Mangere West): \$13 million
 - 13.8 Wastewater (ten projects to enable Mangere West, Favona, Mangere Central, Middlemore Crescent): \$13 million
 - 13.9 Stormwater (one project to enable Mangere East): \$5 million
 - 13.10 Parks (six projects to enable Mangere West): \$5 million
- 14 **Agree** that Cabinet expects Kāinga Ora will work with the Auckland Light Rail project to consider options to ensure alignment in Mangere.

Authorised for lodgement

Hon Grant Robertson

Minister of Finance

Hon Dr Megan Woods

Minister of Housing

Appendices

Appendix A: Key outputs enabled for Mangere

Homes enabled by neighbourhood business case				
	Public	Market	Affordable	Total
Mangere West A	379	286	286	951
Aorere	158	165	165	488
Middlemore Crescent	188	94	94	375
Mangere East	582	291	291	1,164
Mangere West B	528	264	264	1,056
Total	1,835	1,100	1,100	4,035
Land remediation				
Dwellings removed			1,215	
Area of land enabled for housing			742,655m ²	
Area decontaminated and remediated			814,060m ²	

Appendix B: Mangere Precinct Programme Business Case