

Annexure 8: 131 Lake Road (Lake Rotorua Hotel) – RC17647



Figure 1: 131 Lake Road (as viewed from Lake Road)

1 Introduction

1.1 Resource consent to use 131 Lake Road for Contracted Emergency Housing (CEH) was lodged with Rotorua Lakes Council (RLC) on 6 August 2021. CEH is described in detail in the Application and in my Primary Evidence. To summarise, the Proposal is to:

- (a) Use all 38 existing motel units for CEH, primarily for whānau with children and vulnerable individuals (such as elderly);
- (b) Provide on-site support services for CEH occupants by a dedicated Service Provider. The Service Provider is currently Visions of a Helping Hand Charitable Trust, but the Applicant would like to retain flexibility so that an alternative Service Provider could provide the necessary Support Services if required.
- (c) 24/7 security on-site and an on-call Senior Security Officer;
- (d) Operate CEH from the site for a maximum of five years (from the date of the decision of the consent);
- (e) Revert back to a motel activity once the site is no longer being used for CEH.

2 Changes to the Application since lodgement

Maximum Occupancy

- 2.1 Since the notification of the Application, the Applicant has revised the total maximum occupancy onsite, reducing this from 140 occupants to **105 occupants**.
- 2.2 CEH has been operating from the 131 Lake Road since 1 July 2021. On 11 May 2022, Ministry of Housing and Urban Development (MHUD) provided to RLC (in response to a s92 request) updated information about the actual number of occupants on the site. This information demonstrated that the number of occupants is far lower than the theoretical capacity (of 140 people) if every bed in every unit was occupied. Updated actual occupancy is provided in Table 1 below.

Table 1: 131 Lake Road – Actual Occupancy Units (U) and People (P) December 2021 – August 2022

Date	15/12/21		7/02/22		30/03/22		27/04/22		23/05/22		30/06/22		1/08/22		30/08/22	
	U	P	U	P	U	P	U	P	U	P	U	P	U	P	U	P
No.	36	63	33	74	32	73	31	74	26	61	26	51	33	68	29	56

NB: All 38 units are contracted for CEH and 131 Lake Road has a maximum theoretical capacity of 140 CEH occupants.

- 2.3 The reality of CEH is that units are allocated to whānau based on their specific needs, and this does not necessarily mean every bed in every unit is occupied. As demonstrated in Table 1 above, the actual number of people onsite has varied between 51 and 74 people. While these levels are notably lower than the maximum occupancy of 105 persons that is now being sought by the Applicant, it is my understanding that reasons for low levels of occupation can vary – for example, on occasion, rooms are decommissioned for maintenance and repairs between whānau stays, and some rooms are set aside for emergency placements.
- 2.4 It is accepted that those staying in CEH are generally onsite longer than typical motel guests. As such, in terms of the potential intensity of use I consider that a reduced maximum occupancy is appropriate and helps to mitigate the potential effects that could result from overcrowding.

3 Activity Status

Operative Rotorua District Plan

- 3.1 The subject site is located primarily within the Commercial 4 Zone, with the northern portion of the site in the Residential 1 Zone. Adjoining properties to the north are zoned Residential 1, with those to the east and west zoned Commercial 4. The land to the south is zoned Industrial 1E.
- 3.2 As discussed in my Primary Evidence, the activity has been assessed as a Non-Complying Activity pursuant to Rule COMZ-R1 and RESZ-R2.

4 Site Specific Matters raised in Submissions

- 4.1 The site specific s42A report by Ms Bennie provides an overview of the notification process and submissions raised. I note that many submitters made 'blanket' submissions which related to all Applications. As such, where the issues raised in submissions are relevant to all Applications, I have considered these issues in my Primary Evidence.
- 4.2 There were 309 submissions in relation to the resource consent at 131 Lake Road for CEH (including 16 submissions that were provided to the Independent Hearing Panel prior to notification of the application). Five submissions are not considered blanket submissions and were more specific to 131 Lake Road. One submission is in support, and the remaining four are in opposition of the Proposal. Two submitters are owners of adjacent commercial landholdings, one is a local property owner¹ and two are local residents.
- 4.3 The issues raised by submissions are reasonably generic, and can be broadly categorised as follows:
- (a) Social Effects
 - (b) Tourism Effects
 - (c) Cumulative Effects
 - (d) External Amenity Effects

¹ The s42A report identifies this submitter as an operator of adjacent commercial property. It is unclear which property this may be, however they do own a residential property in the immediate surrounding area. Their address for service is not in the immediate surrounding area of the application site.

(e) Internal Amenity Effects

(f) RMA matters

4.4 Submissions relating to social effects and tourism effects have been addressed in my Primary Evidence and that of MHUD's experts. No further discussion will be undertaken regarding these issues here. Further, changes to the application since lodgement (discussed in Section 2 above) together with conditions of consent will effectively mitigate submitter's concerns at the site-based level.

4.5 Cumulative effects have also been discussed in my Primary Evidence; however, I provide additional comments specific to the site at 131 Lake Road in my effects assessment below.

4.6 External and internal effects specific to the site are not addressed in my Primary Evidence. These are discussed in my effects assessment below.

4.7 Matters raised regarding the RMA including site zoning, and inconsistencies with the District Plan and higher level planning documents. These have been addressed in my Primary Evidence and the discussion in section 6 below.

4.8 Overall, I agree with the analysis and conclusions within Ms Bennie's s42A report with regard to submissions received on this property.

5 Assessment of Effects

5.1 My Primary Evidence discusses effects as they relate to all Applications. The following discusses effects specifically relevant to this site:

(a) Positive effects

(b) Character and amenity effects

(i) External amenity

(ii) Internal amenity

(c) Transportation Effects

(i) Parking and access

- (ii) Traffic generation
- (d) Noise Effects
 - (i) Reverse sensitivity effects
 - (ii) Noise from emergency housing
- (e) Infrastructure effects
- (f) Financial contributions

Positive effects

- 5.2 The positive effects of the Proposal are outlined in the Application and in my Primary Evidence. From a site-specific focus, the site is very well located in relation to Rotorua CBD, and community amenities including broader recreation opportunities.

Character and amenity effects

External Amenity - Streetscape / neighbourhood character

- 5.3 No changes are proposed in relation to the buildings and the AEE relevant to the site remains valid in this regard.
- 5.4 As noted in Ms Bennie's 42A report, the buildings and onsite features within the site generally appear tidy. In this regard, Ms Bennie has recommended conditions of consent to enhance the site's interface with the public realm, including installation of gate in front of the waste management area, removal of motel related signage and measures to ensure that existing landscaping will be maintained and replaced where necessary. I agree that such measures are appropriate to maintain a positive interface with, and appearance from, the street.
- 5.5 Overall, I agree with Ms Bennie's conclusion that subject to existing external boundary treatments and landscaping features being properly maintained, the resulting landscape and visual effects are acceptable, and generally consistent with the character and amenity outcomes anticipated by the zone.
- 5.6 Ms Bennie has recommended a condition of consent requiring the Site Management Plan (SMP) be updated to require site maintenance be undertaken to address concerns with adverse external amenity effects. I

consider this will aid in mitigating external amenity effects and that it is appropriate to be imposed as a condition of consent.

- 5.7 In addition to the above, a number of experts of the Council and MHUD have recommended that all online advertising and websites that promote tourist accommodation and other services should be removed. I agree that such measures are generally appropriate.

External Amenity – Cumulative effects

- 5.8 Cumulative effects of 13 resource consents being considered concurrently is discussed in my Primary Evidence. This was also addressed in the s92 response, the Social Impact Assessment, and in the Evidence of Ms Healy and Mr Eaquab.
- 5.9 Specific to the site at 131 Lake Road, I note that there are no other CEH facilities adjoining the site. It is understood that a site approximately 175m to the east (109 Lake Road) provides EHSNG accommodation. As identified in Figure 2 of the site specific s42A report, there is a tourist accommodation site in immediate proximity to the site. This site is not known to provide emergency housing of any description. The onsite activities will be confined within the site and onsite management will minimise any external effects; at an individual site based level, the proposed use of the motel for CEH purposes will not significantly contribute to cumulative effects.
- 5.10 The proposed removal of motel signage will assist in reducing any ambiguity around the nature of onsite activities and will help the site integrate more into the residential environment in which it is located.
- 5.11 My conclusion in relation to cumulative effects in my Primary Evidence are equally applicable here. Cumulative effects of the Proposal are considered to be acceptable and with the implementation of proposed management and mitigation measures, are considered to be no more than minor.

Internal Amenity

- 5.12 Internal amenity relates to the quality of the onsite living environment for those staying in CEH, including access to onsite amenities typically associated with domestic living, open space and onsite services.

- 5.13 My Primary Evidence discusses how individuals are allocated to particular units, which among other matters, includes consideration of a unit's size, location, and onsite amenities to suit the requirements of the whānau or individual being homed.
- 5.14 Residents within CEH are accommodated on a relatively short-term basis (when compared with more permanent housing), with the length of stay varying between whānau groups. It is acknowledged, however, that the duration of stay is for a longer period than individuals who previously utilised the accommodation as motel guests. The provision of a quality and safe living environment is an important objective of CEH.
- 5.15 In undertaking this effects assessment, I also draw on the guiding principles within the relevant planning provisions applicable to the Commercial 4 Zone. The Commercial 4 zone (COMZ4) requires a minimum of 10m² (with a minimum depth of 2m) of outdoor open space to be provided per household unit². This provides a helpful starting point in which to consider adequacy of open space; however, this must also be considered in the context that this standard is particularly applicable to site development resulting in permanent places of residence, as opposed to repurposed accommodation that instead serves as a temporary place of residence to the occupants.

Internal Amenity – Outdoor living space

- 5.16 Access to onsite amenity is one element that can contribute to a high-quality living environment. In my opinion, the extent and quality of the onsite amenity (including provision of open space) must be considered within the context of CEH providing a short-term place of residence for members of the community who otherwise have no tenable or better alternative accommodation.
- 5.17 I agree with the site specific s42A report which identifies that access to private outdoor living space is limited however there is sufficient shared outdoor living space. The vacant strip of land together with open space contained within the complex provide multiple area for residents to utilise. I agree with the recommended condition within the s42A report to maintain the outdoor living space for suitable recreational use.

² COMZ-S5.

5.18 Ultimately Ms Bennie concludes that the temporary nature of the accommodation is a mitigating factor. I agree with Ms Bennie conclusion in this regard.

Internal Amenity – Suitability for children

5.19 I agree that demarcating a walkway between units 1-12 and the northern carpark would improve the functionality and safety for younger children. I further note that the site is well located within an easy walking distance to local recreation grounds (including Karenga Park Reserve), which provides considerable amenity and space for children to play, albeit off the site. In my opinion this nearby public space can readily mitigate any onsite deficiencies.

5.20 The s42A report, informed by Ms Collins's assessment, recommends puts no restrictions on the use of units to accommodate whānau with children or certain age-groups from particular units.

5.21 Overall, it is my opinion that the site is adequately suited to accommodating children.

Occupancy rate

5.22 Ms Bennie recommends that the proposed maximum occupancy rate for the site be restricted to 124 occupants. Maximum occupancy rates per unit type (excluding children under the age of six months) are also recommended. These recommendations are carried through to conditions 7-10 of the s42A report. The proposed limits on occupancy rates attempts to mitigate concerns of overcrowding and is based on the Canadian National Occupancy Standard (CNOS) used by Statistics New Zealand.

5.23 My Primary Evidence discusses why the CNOS is not appropriate as applied to CEH. In my opinion, the service provider is best placed to determine which rooms are most suitable for occupants, and they consider a multitude of factors including family dynamics.

5.24 Considering first the occupancy levels of the wider site, as noted in the s42A report, the Applicant has offered a reduction in the maximum occupancy numbers to a maximum of 105 occupants, which is 19 people less than that recommended by the Council's s42A report. I support a **maximum of 124 occupants** as recommended by Council. This is appropriate as it enables additional flexibility over and above what was proposed by the Applicant, in

recognition that on occasion, the placement of whānau groups may require some occasional exceedance to the more restrictive revised operating limit as proposed.

5.25 As noted above, I do not agree that it is necessary to limit the individual occupancy levels of specific units, or apply restrictions to accommodate young children. In my opinion, while such restrictions are well-intended, I do not consider that these are necessary to achieve the worthy objective of avoiding overcrowding. The Service Providers are skilled at ensuring the wellbeing of whānau and tamariki are at the forefront of determining appropriate allocation of accommodation.

5.26 Ms Bennie identifies that should the Panel be of the mind to grant consent and impose the occupancy conditions stated in the s42A report, some families may currently be accommodated in units that would no longer meet the recommended occupancy rates. If this is the case, it is requested that the options presented in paragraph 55 of the s42A report also be imposed. This will ensure that those currently occupying the site are able to retain their place of accommodation until a suitable long-term option is found.

CPTED principles

5.27 The overview s42A report briefly notes that it would be helpful to better understand the application of the National Guidelines for Crime Prevention through Environmental Design (CPTED) in the context of each site. Such an assessment has not yet been undertaken; however, a condition of consent requiring a CPTED audit be undertaken based on the principles of CPTED could be imposed in the decision of this consent if the Panel considered this was necessary. In my opinion, any recommendations of a subsequent CPTED audit could then inform a site-specific action and implementation plan that can be incorporated into the SMP.

Transportation Effects

5.28 I agree with and accept the s42A analysis with regard to transportation effects and the inclusion of suitable conditions.

Noise Effects

5.29 I agree with and accept the s42A analysis with regard to noise effects, including reverse sensitivity and noise from emergency housing. As outlined in my Primary Evidence, I do not agree with including permitted

activity standards as conditions (i.e. s42A report site specific Condition 27 to 29).

Effects on Infrastructure

5.30 I agree with and accept the s42A analysis with regard to effects on infrastructure.

Financial contributions

5.31 I agree with and accept the s42A analysis with regard to financial contributions.

6 Relevant Planning Framework

6.1 The higher order planning framework is discussed in my Primary Evidence. Below I will discuss the ODP in the context of 131 Lake Road where there are particular matters that are distinct from my assessment in my Primary Evidence.

Operative District Plan (ODP) Zone and CEH

6.2 The site is located primarily within the Commercial 4 Zone (3,892m²), with a small area in the Residential 1 Zone (2,099m²).

6.3 The Commercial 4 zone is described in the ODP as:

“Tourism accommodation concentrated along city entranceways and arterial routes such as Fenton Street and Lake Road. Activities within the Commercial 4 zone consist of motels or large apartment style buildings commonly two storeys in height, with signage that maintains surrounding amenity. The buildings are designed to cover the majority of the land area and have minimal yards that are landscaped where they adjoin the road.”

6.4 The Proposal aligns with this zone description. CEH is very similar to the operation of a motel or to medium density residential household units. There are no modifications proposed to the buildings or structures themselves, except removal of motel signage. Without motel signage, the existing buildings present as attached terrace style residential units. The site is fully fenced on all boundaries.

6.5 As discussed elsewhere, the Proposal includes the reversion back to traditional ‘tourist accommodation’³ in the future (which will likely include reinstatement of motel signage).

6.6 The Residential 1 zone is described in the ODP as:

“Low density residential areas, such as Ngongotahā, Kāwaha Point, Western Heights, Hillcrest, Springfield and Lynmore. There is a mix of single storey and two-storey houses of various styles and materials. There is a balance between the built and natural elements of the environment in this zone. There is a sense of space around buildings, which is enhanced by the landscaping on site and trees within the road reserve. Other characteristics include generally low levels of noise and low traffic levels.”

6.7 The area of the site that is zoned Residential 1 contains the waste management area and a service entrance. It is otherwise vacant of built form and is proposed to be used for open space. As such, the Residential 1 zoned land is not a determinative component in the application, and I agree the objectives and policies conclusions made by Ms Bennie in this regard.

6.8 I note that the ODP provides for ‘community housing’⁴ as a permitted activity in both the Commercial 4 and all residential zones of the ODP⁵. The only reference to emergency housing in the ODP is in the definition of ‘community housing’ and emergency housing is not otherwise mentioned anywhere in the ODP. I note the evidence of Mr Batchelar is that if the Proposal did not include wrap around support services, it could be considered as a conversion of motel units to residential units⁶.

Commercial Zone Objectives and Policies

6.9 **COMZ-O1** aims to keep commercial centres compact and have commercial and tourism centres that effectively service and support the needs of the surrounding community. While the CEH activity does not provide a

³ ODP definition of ‘Tourist accommodation’ (page 35 Part 1 of ODP).

⁴ Community housing is defined as (page 8 ODP): “a place of residence for a maximum of eight persons (i.e. all residents including resident staff) where some element of care or support is provided for residents. The definition includes emergency housing (including temporary overnight accommodation) and rehabilitation centres, but excludes facilities where the movement of residents is legally restricted”.

⁵ Community housing is permitted activity in the Commercial 4 zone, all residential zones, all Rural zones and the City Centre 1 zone (above the first floor).

⁶ Noting that this is in the context of the District Plan definition of ‘household units’.

commercial service to the community, the Proposal provides an alternative form of service to the community – by providing temporary supported accommodation for members of the community during a period in which there is an acute need for housing. The tourism and housing context has clearly changed in the last 5-10 years and as a result “housing is one of the biggest issues facing the Rotorua community⁷”. Coupled with an acute housing need, Rotorua’s tourism sector is recovering from the impact of COVID-19.

- 6.10 Experts, including Ms Healy, advise that the mixing of tourism accommodation and emergency accommodation has the potential to adversely affect Rotorua’s reputation as a desirable place to visit. In my opinion, the exclusive contracting nature of the CEH model for emergency housing (rather than mixing tourist accommodation guests with emergency housing occupants) minimises situations where those utilising accommodation for living purposes erode a visitors experience of a tourist accommodation facility. In my opinion, CEH strikes an appropriate balance between providing for tourism needs and the needs of the surrounding community.
- 6.11 Furthermore, the motel operator advises that in order to survive in the current tourism market, the business would have had to otherwise accept both traditional motel guests and Ministry of Social Development clients. CEH has enabled a tourism business to survive in the unique and challenge context of operating under the impact of COVID-19.
- 6.12 Relevant to this site is supporting Policy **COMZ-P4**, which provides direction to sites located in the Entranceway Accommodation and Tourism area. I note that the Proposal does not prevent the development of other tourism enterprises or Māori cultural experience in this area, or the amenity and vibrancy that they bring. In addition, the SMP is adaptive to situations and allows Service Providers to respond to any issues that could affect amenity or vibrancy accordingly.
- 6.13 In my opinion, while the Proposal cannot be said to clearly support the ‘nationally significant tourism sector’, it does nevertheless support the needs of the community by providing a supported living environment to

⁷ See RLC Submission on the Resource Management (Enabling Housing Supply and Other Matters) Amendment Bill, page 2.

vulnerable individuals and whānau. In my opinion, any conflict with **COMZ-O1** and **COMZ-P4** can be reconciled with the positive impacts the Proposal has in terms of meeting the needs of the surrounding community by providing a short-term housing solution to those without suitable alternative accommodation, in a manner whereby effects of the activity are largely contained.

- 6.14 **Objectives COMZ-O2** and **COMZ-O3** address design and appearance of buildings. Relevant supporting policies are **COMZ-P6** and **COMZ-P7**. I generally agree with the assessment undertaken by Ms Bennie in regard to these objectives and policies.
- 6.15 In particular, I agree with Ms Bennie that maintaining the existing landscaping and fencing together with the removal of motel signage and site upkeep will contribute to an attractive streetscape.
- 6.16 Objective **COMZ-O5** and supporting policy **COMZ-P10** address reverse sensitivity. I generally agree with the assessment undertaken by Ms Bennie in regard to this objective and policy.

District Wide Objectives and Policies

- 6.17 Ms Bennie addresses NOISE-O1, NOISE-P4 and NOISE-P9 in her site specific s42A report. I agree with the assessment undertaken by Ms Bennie in regard to the district wide matters and have not identified any areas of conflict.

Objectives and policies conclusion

- 6.18 Overall, I consider the Proposal is broadly consistent with the relevant objectives and policies of the District Plan.

7 Response to s42A Report's Recommended Conditions of Consent

- 7.1 Appendix 1 of the site specific s42A Report for 131 Lake Road contains draft conditions of consent recommended by Ms Bennie. There is broad agreement around the majority of proposed conditions. The discussion below focuses more specifically upon conditions where I suggest changes or explicitly disagree with those recommended in the s42A report. The Strategic Conditions in the overview s42A report have been discussed in my Primary Evidence.

- 7.2 An updated set of proposed consent conditions will be provided at the commencement of the hearing, and it is anticipated that these will develop over the course of the hearing. In the meantime, I provide the following overall comments on the recommended consent conditions attached to the Council's s42A site specific report.
- 7.3 **Conditions 2 and 3** identify the consent holder as the Operator and MHUD and restrict the consent from being transferred to and held by any other person. I do not agree with this restriction and have addressed this in my Primary Evidence.
- 7.4 **Condition 7** restricts site occupancy to a maximum of 124 persons (excluding children under six months of age). For the reasons outlined in Section 5 above outlines my view that the Service Provider is best placed to determine which rooms are most suitable for occupants, and they consider a variety of factors including family dynamics.
- 7.5 **Conditions 8-9** specify maximum occupancy levels (excluding children under six months of age). I do not support the placement of these conditions and recommend their deletion.
- 7.6 **Condition 10** provides clarification that the occupancy levels do not limit the length of stay for residents accommodated in the units, and also does not limit the number of people residing in Manager's Accommodation. I recommend that this is instead reframed as an Advice Note under the condition controlling the maximum site occupancy (condition 7). Further to this, if the panel is of the mind to grant consent and impose the maximum number of occupants as stated in the s42A report, it is requested that the options presented in paragraph 55 of the s42A report also be imposed. This will ensure that those currently occupying the site are able to retain their place of accommodation until a suitable long-term option is found.
- 7.7 **Conditions 13 to 16** relate to retention/enhancement of landscaping, and improvements to open space areas throughout the site. I agree with the placement of these conditions.
- 7.8 **Condition 17** requires that physical motel signage be removed for the duration of the consent. I agree that this is reasonable.
- 7.9 **Condition 18** requires that all online advertising and websites that promote tourist accommodation and other services be removed. The implementation

of this condition is difficult due to the nature of online advertising. Notwithstanding this, it is reasonable to require the Motel Operator to amend their website and booking websites to show no room availability and on this basis I agree that a condition to this effect is reasonable.

7.10 **Conditions 27 to 30** require compliance with the permitted activity performance standards for noise and light emissions from the site. I do not consider placement of conditions, that simply replicate permitted activity standards, to be in accordance with good practice, and nor do I consider their placement necessary. I recommend deletion of these conditions.

7.11 **Conditions 33 to 37** relate to the taking of a bond. This matter has been discussed within my Primary Evidence, where I dispute the need for a bond, and also the value of the individual bond. I recommend deletion of these conditions.

8 Section 104D Gateway Test and Part 2 Analysis

8.1 As discussed in my Primary Evidence, it is my opinion that the effects of the Proposal are no more than minor and the Proposal is not contrary to the objectives and policies of the Rotorua District Plan or Plan Change 9.

8.2 As detailed in my Primary Evidence, the Proposal aligns with Part 2 of the Act.

Date: 5 October 2022

AJ Blackwell

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Alice Blackwell