

**BEFORE THE INDEPENDENT HEARINGS PANEL - DAVID HILL (CHAIR), GREG HILL  
AND SHEENA TEPANIA**

**UNDER** the Resource Management Act 1991

**IN THE MATTER** of Various applications by Te Tūāpapa Kura Kāinga - the  
Ministry of Housing and Urban Development (MHUD) to  
the Rotorua Lakes Council

**BETWEEN** **MINISTRY OF HOUSING AND URBAN DEVELOPMENT**  
Applicant

**AND** **ROTORUA DISTRICT COUNCIL** Consent Authority

**AND** **SUBMITTERS**

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**STATEMENT OF EVIDENCE OF REBECCA FOY**  
**Dated 21/09/2022**

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**TOMPKINS | WAKE**

Solicitor: Theresa Le Bas  
Theresa.LeBas@tompkinswake.co.nz

Counsel: Kahlia Goss  
kahlia.goss@tompkinswake.co.nz

1105 Arawa Street  
PO Box 248  
Rotorua 3040  
New Zealand  
Ph: (07) 347 9466  
Fax: (07) 347 9500  
tompkinswake.com

## **INTRODUCTION**

1. My full name is Rebecca Anne Foy.
2. I hold the qualification of Master of Arts (in Geography) from the University of Auckland. I am a member of the New Zealand Association for Impact Assessment and the Resource Management Law Association.
3. I am a Director of Formative, an independent consultancy, specialising in social, economic, and urban form issues. Prior to this, I was an Associate Director of Market Economics Limited for three years, and was employed by Market Economics for 20 years.
4. I have 21 years' consulting and project experience, working for commercial and public sector clients. I specialise in social impact assessment, understanding the form and function of urban economies, and the evaluation of outcomes and effects.
5. I have applied these specialties in studies throughout New Zealand ("NZ"), across most sectors, including natural hazards, freshwater, urban transformation, housing, retail, transport, urban and rural form, land demand, commercial and service demand, and local government.

## **PURPOSE OF THIS EVIDENCE**

6. This evidence focuses on the likely social effects of the proposed resource consents for 13 motels to be used for Contracted Emergency Housing ("CEH") in Rotorua for a period of up to five years.
7. Rotorua Lakes Council ("RLC") has asked me to consider the social effects and review the social impact assessment ("SIA") prepared by Beca on behalf of the applicant Te Tūāpapa Kura Kāinga – Ministry of Housing and Urban Development ("MHUD") and provide this evidence. Specifically, this has involved:
  - (a) Reviewing the 13 applications prepared by The Property Group on behalf of MHUD.
  - (b) Reviewing the Beca SIA included in MHUD's responses to RLC's requests for further information ("RFIs") under s92 of the Resource Management Act 1991 ("RMA").

- (c) Examining central government policies for providing housing for homeless people.
  - (d) Assessing the likely social effects arising from the cumulative emergency housing present in Rotorua, by integrating data from the Beca SIA, submissions, various central and local government reports, and media reports.
8. My evidence has been peer reviewed by Dr Nick Taylor, PhD. Dr Taylor is a well-respected social impact expert and has approximately 40 years' project experience. He is a leading contributor to the NZ Association for Impact Assessment, providing mentoring to a range of practitioners. In his consulting roles, he has applied social impact assessments to many policies and projects throughout Aotearoa. He has had many teaching roles in NZ and overseas and has been on the Advisory Board of the Social Science Research Centre at the University of Canterbury and the Social Science Committee of the Royal Society of New Zealand.

#### **CODE OF CONDUCT**

9. Although not necessary in respect of council hearings, I can confirm I have read the Expert Witness Code of Conduct set out in the Environment Court's Practice Note 2014. I have complied with the Code of Conduct in preparing this evidence and I agree to comply with it while giving oral evidence before the Independent Hearing Panel appointed by RLC. Except where I state that I am relying on the evidence of another person, this written evidence is within my area of expertise. I have not omitted to consider material facts known to me that might alter or detract from the opinions expressed in this evidence.

#### **SCOPE AND STRUCTURE OF EVIDENCE**

10. My evidence is structured into the following key sections:
- (a) Firstly, I discuss the key social effects arising from provision of multiple CEH properties in Rotorua.
  - (b) I then describe the key findings of the social effects assessment I have undertaken.
  - (c) I summarise the proposed applications.

- (d) I describe the key steps in preparing a SIA.
- (e) In my summary of social effects section, I describe some key baseline data for Rotorua housing issues, examine how central government is addressing homelessness at a national level, and then explore how this looks in Rotorua.
- (f) My evidence concentrates on what is covered, and what is not assessed in the Beca SIA. I have assessed the likely social effects for a range of social wellbeing indicators, including health and safety, livelihoods, social equity, urban form, connectivity, cohesiveness, and environment. This assessment relies on secondary data from the Beca SIA surveys and interviews, submissions, and media reports. I have provided a range of possible mitigation measures to address any social effects that could arise for occupants of CEH and for neighbours and members of the wider community.
- (g) Finally, I provide a brief conclusion summarising my recommendations.

#### **KEY ISSUES**

- 11. MHUD has lodged 13 applications to use 13 motels for CEH. This is in addition to other uncontracted emergency housing (“UEH”) which is distributed throughout the wider community, much of it in properties that were, or continue to be, used to accommodate tourists.
- 12. There has been heightened interest and mixed concern in the community about the likely effects of the motels being used for CEH activities. This is evidenced by submissions received by RLC from 350 submitters in relation to these applications. The submissions cover a wide range of effects that individuals, businesses, and communities perceive to be directly attributable to social housing and/or CEH.
- 13. One critical issue is how to untangle the differences in the likely effects of CEH, which have management plans and protocols that govern their operation, and other UEH operating within Rotorua. Many submitters have not made the distinction between the two models and their

consequent effects clear, and the high number of motels that are providing UEH, CEH and TH (57 or 39% of all Rotorua motels)<sup>1</sup> means that the effects are not limited to only the 13 motels applying to be run as CEH.

14. There are a range of broader social and economic issues that have led to the need for such extensive EH in Rotorua, including population growth, a historic housing shortage, lack of affordable housing, and increasing demand, as acknowledged in the Property Group and Beca SIA reports.
15. There is high demand for social housing in Rotorua, and supply is failing to keep up with demand. That is why some motels have been contracted since April 2021 in a pilot programme to provide shelter for people with high needs for emergency accommodation.
16. Central government policies, including the Aotearoa Homelessness Action Plan (“AHAP”), recognise that CEH should only be used for short periods of time, of up to one to two weeks. In the Rotorua case, most occupants (81%) are staying in EH for more than 6 months, and only 18.6% are staying in EH for less than 3 months (discussed in points 117-119). A range of negative social wellbeing outcomes can arise from staying in temporary accommodation for such long periods, in clear contravention of government policies, including effects on mental health and safety.
17. The submissions also identify that property owners and community members have also experienced social effects arising from UEH and CEH that they deem to be unacceptable. The concentration of EH activities in certain parts of Rotorua, and especially in the suburbs of Glenholme and Victoria surrounding Fenton Street, is causing an aggregation and magnification of these social effects.
18. There is a fine balance between providing positive social outcomes for vulnerable homeless people who are in urgent need of housing, and disrupting the ability for neighbours and Rotorua residents to enjoy the peaceful and safe environments that they are used to and value.

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<sup>1</sup> Evidence of Ms Hampson, Table 3.

19. In my opinion, adequate consideration has not been given by the applicant to the effects of all the CEH and UEH motels operating collectively. For example, the social effects of one motel may not give rise to significant adverse social effects, but as more motels are used the social effects of that aggregation of activity may become untenable from a social perspective.
20. It would appear due to the heightened awareness of EH issues raised in submissions and media reports, that this hearing is the point at which residents are expressing that the line has been crossed. My analysis of effects on social wellbeing confirms this outcome.

#### **KEY FINDINGS**

21. A wide range of social wellbeing effects have arisen from the provision of UEH and CEH in Rotorua, and it is difficult to establish which effects have been caused by which type of EH model.
22. The cumulative effect of adding more EH and CEH motels over time has not been considered by the Beca SIA. High levels of community concern, as expressed in submissions, and are also reflected in the findings of the Beca SIA surveys and interviews, showing a level of discontent with the cumulative adverse social effects arising from the operation of both UEH and CEH.
23. The Beca SIA has taken the position that because this activity is already occurring on existing sites the social effects are generally providing better social outcomes due to the level of management provided at CEH motels. The SIA disregards the evidence of neighbours and community members about the adverse social effects by adopting this baseline.
24. In my opinion, the baseline should better reflect the community values which are in Vision 2030, the draft Community Safety Plan, and the objectives and policies in the Operative Rotorua District Plan (“ODP”). Use of the motels as proposed is not an appropriate baseline as explained in the Section 42A Report prepared by Mr Batchelar.
25. It is acknowledged that there have been significant social issues in Rotorua related to COVID-19 lockdowns, increasing rates of social

deprivation, and under provision of affordable housing. To state that CEH is not contributing to those social effects is misleading.

26. Despite growing concerns by immediate neighbours, the Beca SIA noted that most Rotorua residents accept that providing accommodation for homeless people is the morally right thing to do. This statement of the obvious does not absolve the applicant from avoiding or mitigating the negative social effects of the proposal as required by the RMA. Through the submission process, there is evidence of support within the community for providing homes for vulnerable people as a moral responsibility (26 submitters).
27. EH and transitional housing is intended to be a crisis response, and high levels of utilisation of that type of housing is not helping to achieve the objectives of the AHAP or address the negative social wellbeing outcomes that arise from these living arrangements. However, arguably both the UEH and CEH occupants are in a better position than they were prior to moving into motels, and especially if they are in managed CEH as opposed to general UEH.
28. There is a range of both positive and negative social effects that have arisen from the use of motels for CEH activities. The two key groups that will be impacted by these resource consents are homeless people needing EH and the immediate neighbours and surrounding community of the motels providing CEH.
29. The social wellbeing effects for CEH occupants are tipped in the favour of being more positive, especially in comparison to their alternative living arrangements. The improved level of access to social and health support services and onsite security should provide positive effects.
30. However, there are also likely to be negative effects for some people, related to crowding<sup>2</sup>, long lengths of stay, and being surrounded by intimidating behaviour, violence, and substance abuse. It is essential that

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<sup>2</sup> Guidelines around the assessment of crowding is included in Ms Bennie's and Ms McDonald's evidence.

better options are provided to move occupants through CEH faster, which means providing more housing supply<sup>3</sup>.

31. The social wellbeing effects for immediate neighbours and the surrounding community are more likely to be negative but mitigation can be used to reduce the scale of these effects.
32. Careful consideration needs to be given as to what degree the cumulative effects are being triggered by such significant concentrations of UEH and CEH activity along Fenton Street. It may be desirable to grant some consents for CEH and not others, or it may be better to look at solutions for moving UEH occupants to other locations and use all the CEH properties for which applications have been made.
33. This solution would encourage MHUD to look for other Rotorua and non-Rotorua moteliars in more dispersed locations who are willing to have their motels used for CEH for a period of up to five years. This would present benefits of diluting the cumulative effects on central and suburban areas surrounding Fenton Street and disperse the effects, so concentrations of negative activity are less likely to occur.
34. An alternative may be to explore other options for providing UEH in formats other than motels, through the provision of short-term relocatable housing or more permanent housing.

#### **THE PROPOSAL**

35. This assessment considers the likely social wellbeing effects of applications to operate 13 motels for CEH over a period of up to five years as discussed in the section 42A report. The applications, which have been lodged by MHUD on behalf of individual operators, are for full use of the motels for CEH.
36. CEH involves the following key elements:
  - (a) Contracting entire motel sites for the exclusive provision of emergency accommodation.
  - (b) Providing dedicated safe and secure accommodation.

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<sup>3</sup> This is discussed in Ms Hampson's evidence.



- (c) Wrap around social support services that are provided based on individual needs assessments.
37. In total, the maximum capacity for accommodating individuals in MHUD's 13 CEH motels is 1,081 people plus children under 18 months, as explained in Mr Batchelar's Section 42A Report.

#### **SOCIAL IMPACT ASSESSMENT PRINCIPLES**

38. The SIA process provides information to decision makers and affected people when planning for change. It includes analysis of the intended and unintended consequences of resource use on people and communities.
39. Social impacts refer to changes to individuals and communities resulting from proposed changes that will alter the day-to-day way in which they live, work, play, relate to each other, organise to meet their needs, and generally participate as members of society.
40. The key steps for undertaking an SIA are:
- (a) Understanding the key elements of the likely changes.
  - (b) Understanding the social baseline or current situation, including understanding important values in the community such as the ODP's objectives and policies.
  - (c) Estimating the likely social wellbeing effects by comparing the current and future situation allowing for different change options.
  - (d) Making recommendations about social impact management in terms of which aspects can be monitored and managed in the future to avoid, remedy, or mitigate potential social impacts.
41. The social wellbeing indicators I have assessed are health and safety, livelihoods, social equity, urban form, access, cohesiveness, and environment. These are derived from previous SIAs and available frameworks.<sup>4</sup>

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<sup>4</sup> As identified in guidelines provided by the International Association for Impact Assessment, the NZ Association for Impact Assessment and Treasury's Living Standards Framework.

42. Social wellbeing and effects on people and communities' ability to provide for their social, economic, and cultural well-being and health and safety is an important aspect of Part 2 of the RMA.
43. Section 9 of the RMA prevents any person using land in a manner that contravenes a national environmental standard, a regional rule, or a district rule, unless that activity is allowed by a resource consent or existing use right. The ODP is the key consideration for social wellbeing effects in this case.
44. I note that the RMA definition of 'environment' (in section 2) includes ecosystems, including "people and communities", natural and physical resources, amenity values, and social, economic, aesthetic, and cultural conditions.
45. Amenity values are described as natural and physical qualities and characteristics of an area that contribute to people's appreciation of its pleasantness, aesthetic coherence, and cultural and recreational attributes. Amenity is an important component of social wellbeing and is identified in specific objectives and policies of the ODP (as discussed later in my evidence – pts 212-230)

## **SUMMARY OF SOCIAL EFFECTS ASSESSMENT**

### **The baseline situation**

46. The Property Group Assessment of Environmental Effects and the Beca SIA both highlight important social trends and issues that are driving the elevated housing pressure that Rotorua is currently facing, including:
  - (a) COVID-19 restrictions from 2020 onwards on people's movement throughout NZ and from international locations.
  - (b) Rising levels of unemployment.
  - (c) Rising costs of living.
  - (d) Rising costs of renting homes.
  - (e) Ongoing and increased housing shortages, including low-cost affordable housing, public housing, and rental housing. The Rotorua Housing and Business Development Capacity Monitor

(“HBA”) indicates a shortfall of 1,890 dwellings in the short term (to 2023).

- (f) Increased demand for housing, including emergency housing special needs grants (“EH-SNGs”) and other emergency accommodation.
  - (g) Increased deprivation and poverty.
  - (h) Rising homelessness.
  - (i) Motel providers seeking alternative sources of income while waiting for tourism to return after the COVID-19 impacts.
47. The Beca SIA provides some useful demographic information about the communities that surround the proposed CEH.
48. The RLC Pre Election Report<sup>5</sup> identifies and confirms some of the key demographic patterns, including:
- (a) 27% of Rotorua households are considered to be in the top ten percent of vulnerable households in NZ,
  - (b) 78% of households are performing below the national average (in terms of deprivation indicators).
  - (c) Performance varies considerably between communities. The urban suburbs of Ngapuna, Whakarewarewa, Fenton Park, Glenholme West, Kuirau, Koutu and Western Heights are among the most deprived in NZ.
  - (d) Rotorua Māori are on average more deprived than Pakeha and other ethnicities:
    - (i) 34% of working aged Māori are unemployed;
    - (ii) 41% do not own their own home<sup>6</sup>; and
    - (iii) 18% of households do not have access to the internet.
  - (e) The quality of housing ranks 56th out of 67 territorial authorities due to damp and mould, and crowding is ranked 59th.
  - (f) Rotorua has seen a steady increase in deprivation since the onset of COVID-19, largely driven by the increase in benefit rates.

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<sup>5</sup> Rotorua Lakes Pre Election Report 2022

<sup>6</sup> The HBA estimated that the rate was 53% in 2020 – see Ms Hampson’s evidence

49. Vision 2030 has the seven following goals identified by the Rotorua community:
- (a) Papa whakatipu – outstanding places to play;
  - (b) Waahi pūmanawa – vibrant city heart;
  - (c) Whakawhanake pākihi – business and innovation prosperity;
  - (d) Kāinga noho, kāinga haumaruru – homes that match needs;
  - (e) He hāpori pūmanawa – a resilient community;
  - (f) He huarahi hou – employment choices;
  - (g) Tiakina to taioa – enhanced environment.
50. The visions underlying the RLC Draft Community Safety Plan<sup>7</sup>, include:
- (a) Being the safest place to live and raise a family;
  - (b) Having a positive reputation as a safe destination;
  - (c) Having a sense of belonging and connection in our neighbourhoods;
  - (d) Children and young people growing up in nurturing families;
  - (e) Reducing anti-social behaviour, alcohol, and drug abuse;
  - (f) Reducing crime statistics and victimisation;
  - (g) Developing effective collaboration with Police, community groups, business, and neighbourhoods/families.

### **The Aotearoa New Zealand Homelessness Action Plan**

51. At the heart of the AHAP<sup>8</sup> is the recognition that a home is more than the physical aspects of a house. “A home encompasses a sense of belonging and connection to the community within which it sits. Being at home should encompass feelings of safety and security”.<sup>9</sup> Households establish roots by connecting with their surrounding community, which provides a sense of belonging. Homes are an important way of achieving improvements to physical and mental health, educational attainment,

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<sup>7</sup><https://www.rotorualakescouncil.nz/repository/libraries/id:2e3idno3317q9sihrv36/hierarchy/Meetings/Strategy%2C%20Policy%20%26%20Finance%20Committee/2021-03-11/Agenda%20Strategy%2C%20Policy%20and%20Finance%20Committee%20Meeting%2011%20March%202021%20link.pdf>

<sup>8</sup> <https://www.hud.govt.nz/our-work/aotearoa-new-zealand-homelessness-action-plan-2020-2023/>

<sup>9</sup> p 18

employment, social cohesion, and connections, and provide the safety and security to be able to create aspirations and establish healthy living practices. This sentiment is aligned with the Māori and Iwi Housing Innovation (“MAIHI”) framework.

52. Homelessness is experienced by people who are without shelter (for example rough sleeping in cars and outdoors), in emergency and temporary accommodation, and living in severely overcrowded<sup>10</sup> accommodation. Homelessness, therefore, is the condition of being without a permanent home.
53. The AHAP Budget<sup>11</sup> estimates that in 2018 there were more than 102,000 homeless New Zealanders. There is a significant ‘hidden homeless’ population who choose not to access government services, and this leads to the under-recording of the scale of the problem. This may have changed recently due to efforts to get everyone housed during the Level 4 COVID-19 Lockdown, although there is no more recent or comprehensive data available.
54. There are many pathways into homelessness. Changes in personal circumstances, like ill health, mental illness, addiction issues, relationship breakdowns, and loss of a job or income can all lead to homelessness. The AHAP stresses that becoming homeless can be a devastating life experience, and can exacerbate physical and mental health problems, including through the use and abuse of alcohol and drugs as coping mechanisms.
55. Māori are disproportionately represented in all areas of housing need and there are also high needs groups of Pacific peoples. Approximately 28.8% of homeless people identified as Māori (12,835) in the 2018 Census. Many Māori are reported to have experienced disconnection from whānau, hapū, and iwi.

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<sup>10</sup> Ms Bennie’s and Ms McDonald’s reports provide a definition of overcrowding that is adopted for planning purposes

<sup>11</sup> <https://www.hud.govt.nz/assets/Uploads/Documents/Homelessness-Action-Plan-Redacted.pdf> p5

56. It is well recognised that homeless people often face a number of social wellbeing disadvantages and vulnerabilities, including low income, poverty, experience of trauma, and mental and physical health issues. They are likely to have a high level of interaction with other government services, including the justice system, health agencies, and social development.
57. If inadequate support is provided to families, they can cycle in and out of homelessness many times. There are also longer-term social wellbeing impacts for children and young people who are often caught in this cycle.
58. The AHAP strives to prevent homelessness and ensure that when it does occur, that it is brief, and a non-cyclical event. Key to achieving this are AHAP's key supply objectives: every New Zealander should have a home, but if they do not, they should be supported to both move into stable accommodation and prevent them becoming homeless again.
59. Three key support objectives are identified in the AHAP to ensure those supply goals are met: increasing transitional housing supply while reducing the use of motels for EH, supporting Māori Community Housing Providers ("CHP") and additional funding in the 2022 budget.
60. Those three support objectives are intended to be achieved by piloting a rapid rehousing approach to support households into permanent housing, helping tenants on the public housing register or in private rentals to sustain their tenancy, and providing more flexible support (including financial support) for people in EH.
61. Prevention initiatives include ensuring that households get the support they need so that homelessness stops happening.
62. Phase One of the AHAP (2020-2023) pledged to support more than 10,000 NZ households, utilising \$300 million of government funding, building on the Housing First programme to support those most at risk of experiencing homelessness.
63. Increasing the supply of public housing substantially, and improving the affordability of market rents, are seen as being vital to the success of the action plan. Demand for public housing has been increasing at a much

faster rate than new supply, and for some locations, such as Rotorua, new supply is needed urgently, as I discuss below.

64. Another important step is to understand homelessness from those with lived experience and use this information to develop and design housing delivery changes. Improving data quality and monitoring is essential to understand the overall picture.
65. Since the AHAP was developed, the national progress has included delivery of 560 new transitional houses, investment to deliver 8,000 new public and transitional homes, funding for MAIHI and housing for Pacific families, securing housing for homeless people during the COVID-19 Level 4 Lockdown, and supporting households through the Sustaining Tenancies and Rapid Rehousing programmes.
66. In conclusion, inadequate housing supply and homelessness are recognised as significant problems at a national level, and policies and strategies have been implemented to alleviate the problems. The solutions are not a quick fix, and will take time to implement, which has led to the significant housing demand for EH in Rotorua, as discussed below.
67. **Attachment 1** provides background information about central government's mechanisms for providing housing for those population groups which are most in need of public housing.

#### **Rotorua Housing Situation**

68. There is a clear shortage of housing in Rotorua, as documented in the HBA, and a significant homelessness issue. The increase in transitional housing places confirms the growth in demand.
69. In June 2022 there were 147 transitional housing places in Rotorua<sup>12</sup>, which has grown from 88 in Dec 2020 (67%). Nationally the number has increased from 3,956 to 5,520 places over the same period (39%).
70. The Housing Register had 2,690 applicants, that is applicants who are eligible for public housing but waiting to be matched to a property, in Bay of Plenty in June 2022. With Rotorua having approximately 41% of

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<sup>12</sup> MHUD Public Housing in Bay of Plenty Region – June 2022

applicants (1,104). On the supply side, there were 805 occupied public houses and 147 transitional houses in Rotorua.

71. The Minister for Social Development and Employment, Hon Carmel Sepuloni, responded to an Official Information Act (“OIA”) request<sup>13</sup> regarding the key demand variables for Rotorua housing.
72. That OIA data showed that there were approximately 250 households being accommodated in the CEH motels, and in 2021, there were 1,121 clients who entered CEH in Rotorua. Of those, 69% (778) were already living in Rotorua one month prior to entering CEH there or had previously lived in Rotorua, 19% were living in one of the neighbouring districts one month before entering CEH (Whakatāne, Tauranga, South Waikato), and the remaining 12% (135 people) came from elsewhere in NZ (Auckland and the South Island).
73. Approximately 64 of the clients who came from elsewhere in NZ had moved to Rotorua to gain family and whānau support. A further 13 had returned home to nearby regions where EH was unavailable. There were various other reasons for clients being in Rotorua, including leaving prison or rehab, work opportunities, and lockdowns. Only 20 clients had no proven a link to Rotorua.
74. The OIA data confirmed a much higher need for public housing in Rotorua than the national average, based on 3.3% of Public Housing Register applications coming from Rotorua despite it having only 1.5% of NZ’s population.
75. Provision of public housing in Rotorua is struggling to keep up with demand. Since October 2016 applications for the Public Housing Register had increased by nearly 950, while the number of Public Housing tenancies increased by only 161, with 142 of those being provided by CHPs. Approximately 400 households have been supported by EH-SNGs each month since September 2021.
76. The OIA also identifies that there was a 1,152% increase in Public Housing Register applications in Rotorua between October 2016 and February

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<sup>13</sup> 13 April 2022



2022, up from 85 to 1,064 applications, compared with a 421% increase nationally to 31,654<sup>14</sup>.

77. The level of need in Rotorua is also higher than the national average, with 69.4% of applications being rated Priority A, compared to 52.3% nationally. Only 1.6% of applications are rated as Priority B compared with 8.2% nationally (February 2022).
78. A number of responses have been initiated to alleviate Rotorua's housing shortage.
79. In March 2021, the Rotorua Housing Taskforce was established to provide better outcomes for people living in EH or being at risk of homelessness, prior to the contracting of motels for EH. Agencies involved include RLC, Te Arawa Iwi, officials from MHUD, MSD, Kāinga Ora, and Te Puni Kōkiri working together to find housing solutions.
80. The aim of the Taskforce was to develop immediate short-term solutions to improve the environment for occupants of EH and the wider community, while more permanent housing solutions can be delivered.
81. The key Taskforce actions to relieve short term housing issues included:
  - (a) MHUD contracting suitable motels for emergency accommodation appropriate for whānau and children.
  - (b) Wrap-around social support services in CEHs, and improved support for people in other motels with EH-SNGs.
  - (c) A new community-led housing hub, Te Pokapū, with collective social services, iwi, and agencies to provide support and place people in suitable housing.
  - (d) Short to medium term housing supply solutions.
82. Homes were created for 60 families in the lead up to Budget 2022. By the end of October 2021, 368 children had moved into CEH from EH-SNG properties.
83. Kāinga Ora has the following plans to supply new housing in Rotorua:

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<sup>14</sup> MSD OIA Report 13 April 2022

- (a) 37 new homes on the corner of Ranolf Street and Malfroy Road to be delivered in 2022, with RLC confirming that some families have begun moving into the first stage.
  - (b) The Boulevard Motel has been purchased and will provide transitional housing for over 80 people and families.
  - (c) Approximately 190 new homes are expected to be delivered by 2024 under the Public Housing Plan.
  - (d) Sites being investigated by Kāinga Ora could yield up to 506 units (transitional, public, and affordable) within the next three to five years according to Budget 2022<sup>15</sup>. The aim is for these properties to negate the use of CEH in the medium term.
84. Central government has allocated significant levels of investment from Budget 2022 to address the Rotorua housing crisis under the Contracted Emergency Housing Rotorua Response, which includes operational funding of \$146 million. This ranges between \$36m in the 2022/23 financial year to a maximum of \$38m by 2025/26 and later.
85. The Rotorua Pre Election Report claims that between Kāinga Ora, the reserves proposal, MHUD, Te Puni Kōkiri, iwi and philanthropic organisations, more than 750 new homes could be built in Rotorua in the next eight years.

### **Estimating the likely effects for each social wellbeing indicator**

#### *Beca SIA Report*

86. Beca was engaged by MHUD to provide a SIA to support the CEH applications. That assessment rightly recognises the inherent complexities of the current housing situation in Rotorua.
87. The authors acknowledged that there are existing social issues evident within Rotorua but contend that those issues are symptoms of wider social problems rather than directly resulting from the motels being used for CEH. A finding of the SIA is that CEH will not adversely change the existing social conditions.

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<sup>15</sup> <https://www.hud.govt.nz/assets/Uploads/Documents/Contracted-Emergency-Housing-Rotorua-Response-Budget-template-Redacted.pdf>

88. As discussed later in this evidence, the volume of submissions and level of media coverage and interest in the emergency housing situation in Rotorua points to wider significant social wellbeing outcomes that are, in my opinion, downplayed by the Beca assessment. I acknowledge that the Beca SIA did not, of course, have the benefit of considering those submissions and media coverage when it was prepared. However, I would expect the authors to now provide an update of their assessment in the course of the hearing having had the opportunity to consider that additional information.
89. One of the benefits of the CEH model identified by Beca is that the management and support services provided, including building and ground maintenance, rules, and security, have resulted in positive social outcomes for occupants. I generally agree with that position.
90. The Beca SIA also identified that there are significant social issues in the wider community. While I agree with that, the use of motels for CEH is clearly responsible for creating some of the additional social issues and reverse sensitivity effects that were not evident in those communities before UEH and CEH were accommodated in motels, especially for immediate neighbours and the surrounding communities.
91. The Beca SIA highlights that negative impacts are more likely where providers of CEH are clustered together with transitional housing and other UEH in locations such as at Fenton Street. This is due to the likelihood of crime, traffic, and noise incidents which tend to occur where motels are clustered.
92. Beca notes that the two sites (now one) which each have only a single CEH provider (Koutu and Fairy Springs) in the area have been much more readily absorbed into their communities with lower levels of effects. That finding points to a benefit of avoiding the clustering of CEH activities together.
93. There is a fine balance between providing accommodation in emergency and transitional housing for vulnerable people who are without shelter, and generating flow-on impacts onto other neighbouring properties.

Those property owners also have the right to have homes that feel safe and secure.

94. The crime assessment that has been undertaken by Ms Hampson shows that the pattern of crime around CEH is unlikely to be correlated with increased CEH activity, but there does appear to have been an increase in crime and police activity in the Fenton corridor associated with the aggregation of UEH and CEH activity which reinforces community perceptions recorded in submissions and the Beca SIA. This means that there is evidence which supports the sentiments expressed in submissions and it does not appear that opposition is due to 'Not In My Backyard' or NIMBY responses from the community.
95. It appears that currently motels are the only mechanism that MHUD has for dealing with Rotorua's homelessness issues. The Beca SIA does not consider any other alternatives to using motels for CEH, and in fact concludes that using the CEH model is the best option to address housing supply issues.
96. In my opinion, if motels are not contracted for EH, the scale and range of social impacts from homelessness may be far greater than they currently are, and in that respect I agree with Beca's conclusion that using motels has better outcomes for vulnerable clients than homelessness or UEH.
97. Beca's assessment is based on the premise that 11 of the 13 motels were already providing emergency accommodation (since July 2021) via EH-SNGs. Therefore, Beca contends that the number of suppliers has not changed, and this provides the activity's permitted baseline. The evidence of Mr Batchelar has addressed what the permitted baseline of activity is on these motel sites. He concludes that the baseline is very different from the types of activities that are occurring in CEHs, because the existing EH activities in the motels were not lawfully established and are not permitted without a resource consent. The scale of residential activity that is permitted in each motel distinguishes the activity from permitted Community Housing of up to 8 residents.

98. A central premise of the Beca SIA is that it is important to provide accommodation to the vulnerable populations living in the CEH motel environment currently, and that forms the baseline for the anticipated effects and social benefits. Therefore, Beca concludes, the loss of CEH as an accommodation option would exacerbate negative effects rather than improve them. No alternatives to the current operating model are considered, meaning that use of motels for CEH is the only option for avoiding those effects associated with the applications.
99. Beca's default position appears to be that local residents and near neighbours should accept current levels of disruption because that interruption is an inevitable consequence of providing a temporary solution for the shortage of social housing in Rotorua, and arguably further afield for those clients who have travelled into Rotorua to access CEH, and of avoiding the negative effects associated with that shortage.
100. In my opinion, there are several shortcomings in Beca's assessment, and they include:
  - (a) Restricting the assessment of social wellbeing effects to a limited range of wellbeing elements, and concentrating on the positive effects to CEH occupants, as opposed to giving due consideration to the wider effects to neighbours and communities.
  - (b) Assessing the proposed effects of a baseline that includes the current unlawful activity and its associated effects, rather than considering the baseline as the range of land use activities that are permitted or enabled through resource consents granted under the ODP.
  - (c) Significantly downplaying the likely cumulative effects of the aggregated emergency housing operations in Rotorua, including MHUD's CEH applications. Submitters, and media reports, have shown that it is very difficult to isolate and distinguish the effects of CEH from the effects of UEH.
  - (d) With regards to cumulative effects, Beca has concluded that any additional social impacts that have arisen over the last year and

are likely to arise in the future are not due to the contracting of motels for CEH, but rather that they are an outcome of wider social issues.

(e) Because the Beca SIA does not discuss the increased rate and scale of social impacts surrounding the CEH motels that are clustered together in the vicinity of Fenton Street, along with other CEH and wider EH, they take a narrow lens and fail to adequately assess the scale of negative effects.

101. I now turn to assessing the range of likely social wellbeing effects arising from UEH and CEH in Rotorua due to the applications.

#### **Assessment of health and safety wellbeing outcomes**

102. Health and safety outcomes relate to people's ability to live safely and the associated effects on physical and mental health.

103. The contracting of motels for EH will have potential health and safety effects on two key groups of people. First, the occupants, who are likely to experience both positive and negative outcomes. Second, the households, business operators and employees neighbouring the CEH and other EH facilities, and those located within the wider community (suburbs). Effects on those neighbours will mainly be negative, as discussed below.

104. First I discuss the potential health and safety effects for occupants of CEH.

105. By providing housing for homeless people, the CEH and UEH formats are likely to be providing healthier and safer living environments than where occupants were living prior to moving into the motels. Submitters, such as Ms Browne (#243) on behalf of Kāhui Tū Kaha and Mr Knox (#206) on behalf of Te Matapihi support the provision of CEH activities until better solutions for the homelessness problem in Rotorua are provided. Ms Browne stresses that people should be entitled to receive "a warm, dry, decent and accessible home".

106. Certainly, living in a warm and secure dwelling is an important driver of health and safety. However, there are some exceptions to that, related to the length of time spent in EH facilities and the level of crowding. The

AHAP and Beca SIA both recognise that EH is intended to be used for short stays and is not suitable for longer tenancies. That is because motels are typically very small, and crowding in motel units can create adverse conditions for physical and mental health.

107. Despite these challenges, motels often present the only option to provide homeless people and families with shelter. The Beca literature review identified that authors Busch-Geertsema & Sahlin (2007) call for caution with regards to the use of motels for EH and stress that they should only be used for emergency situations. They recommend that the length of stay should not be extended due to a failure in addressing underlying causes of homelessness.
108. The World Health Organisation (“WHO”) identifies that crowding happens when the number of occupants exceeds the capacity of a dwelling.<sup>16</sup> Capacity can be measured based on the number of rooms, bedrooms, or floor area. Whether a dwelling is crowded depends not only on the total number of people sharing the dwelling but also on their age, relationship, and gender. Different social groups and cultures have different tolerance and perceptions of crowding.<sup>17</sup>
109. Several studies have reported a direct association between crowding and adverse health outcomes, such as infectious disease (respiratory and gastrointestinal infections) and mental health problems including sleep deprivation. Crowding can also lead to poor educational attainment and heightened stress for children, and is recognised to increase the chances of exposure to risk factors associated with domestic violence, social tensions, and exposure to second-hand smoke and drugs.
110. Likewise, living in emergency housing conditions can make women and children feel very vulnerable and powerless due to being surrounded by people with mental illness, drug, alcohol, and violence problems. In some cases EH can be poor quality and unsuitable for their needs (e.g. small rooms, unsafe cooking spaces, nowhere for children to play safely). Living

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<sup>16</sup> World Health Organisation, 2018. WHO Housing and Health Guidelines.

<sup>17</sup> The evidence of Ms Bennie and Ms McDonald provide a definition for crowding used for this assessment.

in these surroundings often leads to social isolation and feelings of stress, depression, and anxiety. Children have three times the rate of emotional and behavioural problems such as anxiety, depression, sleep problems, withdrawal, and aggression.<sup>18</sup> All EH occupants can experience feelings of social isolation, being in a state of limbo, and feeling unsafe.

111. The Budget 2022 Contracted Emergency Housing Rotorua Response identified that EH-SNG families can be moved suddenly if motels take conflicting commercial bookings which can create uncertainty and instability.
112. However, there are many positive outcomes of UEH and CEH, and there can be negative outcomes of removing people from UEH and CEH. It is recognised that moving people to other locations as a solution for crowding can remove them from existing social networks, health agencies, child support, work, and education.
113. CEH has the advantage of being managed by contracted service providers such as Emerge Aotearoa, WERA Aotearoa, and Visions of a Helping Hand. These support services are intended to help occupants by providing access to organisations such as health and addiction agencies, which have positive health effects.
114. CEH provides stability for families meaning they do not need to constantly move around at short notice. In addition, occupants do not need to reapply for the EH-SNG every 7 to 21 days. Though this does not change the overall situation that all EH uses of motels should not be exceeding short stays.
115. I agree with the Beca SIA that having access to support services should provide better health and safety outcomes for CEH occupants than for other UEH occupants, who do not have the same levels of access to support services. Homeless people with long-term mental and physical health issues can slip through the cracks and not be able to access necessary treatments. CEH therefore supports better health and safety wellbeing outcomes for vulnerable people.

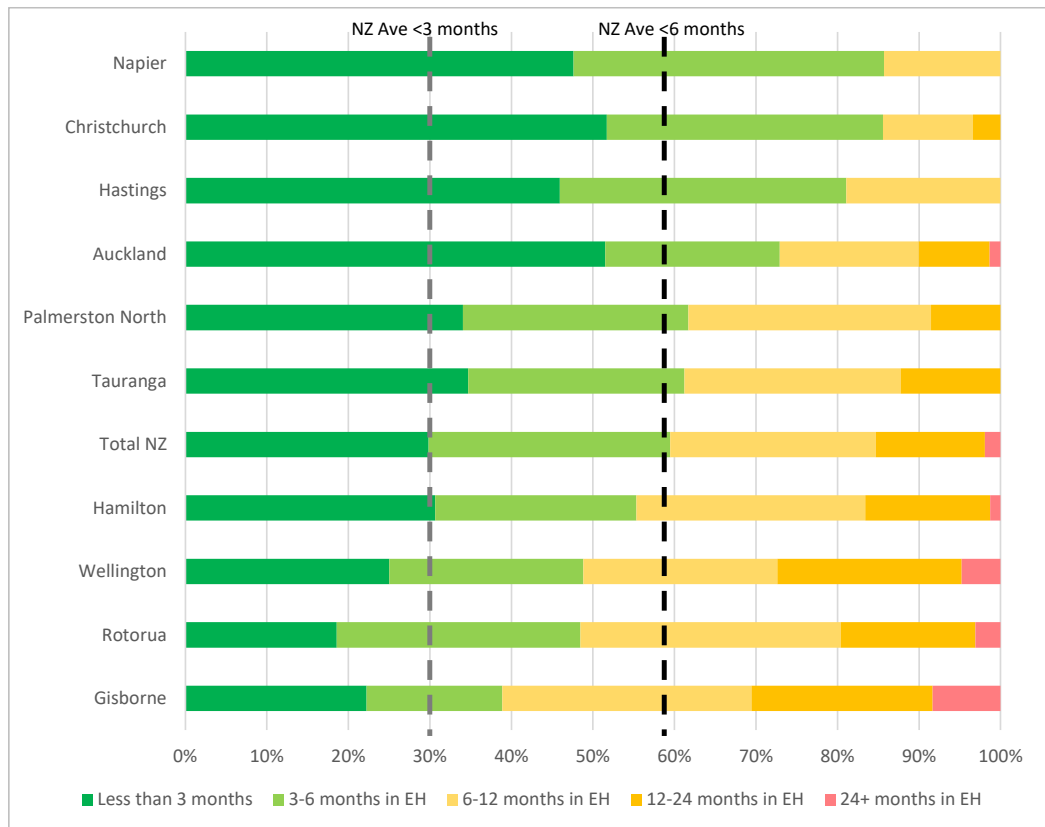
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<sup>18</sup> Budget 2022 Contracted Emergency Housing Rotorua Response



116. Another positive outcome for CEH residents is security. Motels each have one to two security guards present at all times, and access to roaming security that visits every site within a two-hour timeframe and is available for additional support as required. These measures should help to ensure safety of residents. Recent media reports, such as the Sunday program, suggest that these services are failing to protect CEH clients in the way that they were intended to. It is important to understand the scale of these effects, for example whether they are individual cases or an ongoing wider issue. Later in my evidence, I recommend an independent survey of CEH occupants to understand whether the model is performing well and to identify any shortcomings.
117. On balance, I generally agree that providing housing for homeless people will be producing better health and wellbeing outcomes for those people than if that housing were not provided.
118. Figure 1 shows the proportion of EH-SNG recipients by length of stay for the top ten locations and in comparison to the NZ average. I have not been able to find similar data for CEH occupants. The bars are ordered in terms of the proportion of occupants that have spent their stay in EH for less than six months.
119. For the June 2022 quarter, only 18.6% of Rotorua's EH clients were in motels for less than 3 months. Rotorua UEH occupants were much more likely to have spent more than six months in UEH than the national average (Figure 1). Other areas with the longest average stays include Gisborne, Wellington, and Hamilton.
120. Rotorua had 150 EH-SNGs staying in emergency accommodation for more than 6 months, while Hamilton had 315, Wellington had 129, and Gisborne had 66. EH-SNGs can refer to more than one individual, so the numbers will represent larger populations.

Figure 1: Length of stay in emergency housing by location, June 2022 Quarter<sup>19</sup>



121. The second group of people impacted in health and safety terms are the immediate neighbours of, and the communities surrounding, the motels providing CEH and other forms of EH, including UEH and TH. Common themes that have been covered in submissions made by these people include stress and associated mental and physical health impacts resulting from increased noise (18 submitters), violence (197 submitters), and crime (155 submitters)<sup>20</sup>.

122. The Beca SIA notes that increases in acts intended to cause injury were evident in Fairy Springs, Koutu, Victoria and Glenholme East, although it is unclear who the victims of these crimes were, i.e. whether they were occupants of UEH/CEH or members of the public. Family harm incidents in areas taking in EH have increased, although again it is unclear whether these were happening within the CEH or uncontracted EH motels or in surrounding homes.

<sup>19</sup><https://www.msd.govt.nz/documents/about-msd-and-our-work/publicationsresources/statistics/housing/datafiles/2022/eh-tla-data-jun22.xlsx>

<sup>20</sup> Boffa Miskell, 2022. Submission Summary Contracted Emergency Housing.

123. Fear of crime can create significant health impacts due to people suffering from anxiety and changing their daily patterns. The Beca SIA survey suggests that some people have changed their walking routes over the last 18 months to two years due to concerns about anti-social behaviour and safety in specific areas, particularly around Fenton Street (Victoria and Glenholme suburbs), and around Victoria Street and Malfroy Road between Fenton Street and Ranolf Street (Glenholme).
124. The submission of Mr Newbrook (#373) specifically mentions changing his dog walking patterns due to an encounter with EH occupants. There were 155 submitters (45%) that raised issues about the effects of crime and 182 (52%) mentioned neighbourhood safety arising from UEH/CEH activities.<sup>21</sup>
125. People are most likely to avoid walking in their neighbourhoods during the evenings. The groups of people that have changed their behaviour include elderly, women on their own, disabled people, and children.
126. Survey respondents reported threats to their physical safety, property damage, increased stress due to the changing environment, increased crime, and social incidents. The effects were noted by Beca to be experienced by immediate neighbours and those within visual or audible distance from the EH sites or those who pass by regularly. The behaviour of UEH and CEH occupants is causing anxiety within the wider community, as evidenced by 197 submitters (56%) referring to the behaviour of occupants.<sup>22</sup>
127. Survey respondents correlated their feelings of unease with the increased presence of EH in the community. This is a negative outcome, not only in terms of people considering they have to change how they move around Rotorua for recreation and accessing goods, but also in terms of creating stress and anxiety around the likelihood of being subjected to harm.
128. Anecdotal evidence provided through neighbourhood interviews conducted for the Beca SIA describes most neighbours as having reported

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<sup>21</sup> Boffa Miskell, 2022. Submission Summary Contracted Emergency Housing.

<sup>22</sup> Boffa Miskell, 2022. Submission Summary Contracted Emergency Housing.

an increase in crime and antisocial behaviour in neighbourhoods surrounding EH within the last two years.

129. Notwithstanding those observations, the Beca SIA concludes that there are very low negative impacts on way of life for neighbours in Glenholme and Victoria. However, in my opinion, that finding significantly understates the likely negative effects on the health and safety wellbeing outcomes for the wider community, and this is due to the baseline for the SIA being inaccurate, as discussed earlier in my evidence.
130. The Beca assessment provides a narrow definition for way of life, and the complexities of both positive and negative impacts relating to health and safety have not been extensively explored. Neither are the additive effects of CEH in proximate motels fully assessed.
131. The Beca SIA defines the baseline to be one in which EH is operating, and where the associated environment is one in which there is an elevated level of social disturbance, incidents of family harm and dishonesty. In my opinion that is not the appropriate baseline. Because CEH is not a permitted activity for more than 8 persons (Community Housing definition) and no resource consents have been granted to authorise CEH or UEH in any motels in Rotorua, in my opinion the appropriate baseline is one in which there is no EH operating from these motels.
132. Any elevated levels of social disturbance, incidents of family harm and dishonesty offences associated with EH therefore should not form part of the baseline. These are more correctly all effects that are relevant to consider in assessing the merits of these applications.
133. As Beca claim, CEH motels, due to the way that they are being managed, should be able to contain some of the social effects related to noise, safety and crime, thereby creating a less negative effect on neighbours. However, their assessment supports a conclusion that exposure to anti-social behaviour has become more pervasive and repetitive in the subject areas than is, in my opinion, acceptable.
134. Ms Hampson has examined the crime data in her evidence and concluded that while there has been an increase in crime in the communities over

the last two years, there is no conclusive evidence that the CEH activity itself has generated these patterns.

135. Making a distinction between which behaviours relate to CEH as opposed to other UEH in the general vicinity is difficult, as acknowledged also by Ms Hampson, including for neighbours and community members. Also, the positive effects to CEH residents may not be seen by neighbours and community members, so their perceptions can be that negative impacts outweigh positive impacts, particularly due to the high concentrations of EH activities.
136. The ODP and the Community Safety Plan provides clear direction in terms of safety objectives in the community. Those objectives are not currently being achieved, in my opinion, through the use of motels for EH.
137. I do not agree with the Beca findings that CEH will potentially have a negligible impact (no change) on way of life for those outside Victoria and Glenholme and a very low negative impact on way of life for neighbours and those within proximity of the CEH sites within Glenholme and Victoria.
138. On the contrary, the cumulative effects of EH provision appear to be presenting as significant levels of stress and anxiety for neighbours and the wider community, and higher incidences of injuries within the communities where they are situated. In addition, with regard to safety fears, the survey and interviews with neighbours, and submissions on these applications show that the impacts on safety are not negligible to low positive. The impacts are clearly negative, though will be experienced at higher levels for some community members than others.
139. There are also site-specific effects, which submitters have raised. In particular Mr Warbrick (#169) raised concerns about substance abuse around Whakarewarewa Village and stated "as Villagers we feel unsafe". These site-specific effects have not been adequately addressed in the Beca SIA.

140. In terms of mitigation or monitoring measures that could assist with understanding the scale and nature of effects of the applications, I have the following recommendations:

- (a) A survey of occupants of the UEH and CEH facilities should be undertaken. This should be done by an independent research firm, due to EH occupants being wary of the implications of sharing their experiences with the service provider and the need to preserve anonymity and confidentiality. However, it would be an important exercise to determine whether the EH occupants are satisfied with the way that they are living and to identify any areas that need to be addressed from a health and safety point of view. The current thinking appears to be that the environment is safer and better than previous locations, but literature suggests that motels are not fit for purpose for the periods they are being used for in Rotorua, and elsewhere in NZ.
- (b) Ms McDonald's and Ms Bennie's evidence makes recommendations about the occupancy rates and Ms Collins' provides recommendations for improving the safety of play areas for children. I am in agreement with these proposed conditions.
- (c) There should be consultation and engagement with neighbours in the surrounding community, potentially with a view to providing financial assistance to extend security operations and aid with installing fencing and security cameras. A central organisation could be established that co-ordinates feedback on issues, and educates affected parties in a manner that works for CEH providers, CEH occupants, and neighbours in the surrounding community. The current process of reporting issues to the motel provider appears to be failing, with submitters reporting incidents of retribution and retaliation (graffiti and property damage) (25 submitters), and it is likely that neighbours have been dissuaded from reporting issues if they have witnessed the effects first hand or having been reported by neighbours.

### **Assessment of livelihood wellbeing outcomes**

141. Effects on livelihoods relate to people's and households' access to place of work, business opportunities, investments, and incomes, including businesses' ability to establish and operate in markets.
142. The following effects of EH (including CEH) are relevant social effects on livelihoods, and I have relied on analysis and expert opinion provided by Ms Hampson to consider those effects in social wellbeing terms and avoid repetition:
  - (a) Business effects include effects on:
    - (i) Moteliers' profitability in a post-COVID 19 market;
    - (ii) Rotorua's tourism branding;
    - (iii) Tourism operators lost accommodation nights in the city;  
and
    - (iv) Businesses' operative revenue from crime and safety
  - (b) Property effects:
    - (i) Property value impacts; and
    - (ii) Property damage effects on income and insurance.
  - (c) Other effects on households and businesses:
    - (i) Redistribution of spending into unanticipated areas.

### *Business effects*

143. COVID-related impacts on Rotorua's tourism sector have been significant, as discussed by Ms Hampson. The tourism sector is very important for Rotorua, and the decrease in visits to and spending in Rotorua has made it difficult for many businesses to remain viable, including accommodation providers.
144. The ODP provides clear direction about supporting the tourism sector to grow in alignment with Rotorua's identity (SDED-P4), enabling commercial and tourism centres to support the surrounding community and the 'nationally significant tourism sector' (COMZ-O1), and reducing vacancy rates in commercial centres (COMZ-AER2).
145. Rotorua tourism operators have faced financial difficulties due to the impacts of Covid Lockdowns on domestic and international, particularly

accommodation providers. Those businesses need, and have the right, to earn an income by making their premises available for occupation by paying customers. CEH has filled the COVID-driven income gap faced by many of these operators, and has been the difference for many operators in remaining viable or not. The income earned by motel operators from CEH has had a significant, positive effect on those operators, and flow on effects into other supporting economic sectors.

146. On the other hand, the use of motels for CEH has resulted in a loss of visitor accommodation capacity in Rotorua. That situation is complex and discussed in Ms Hampson's evidence. While that did not have an adverse effect on tourism when tourism was so significantly constrained during the pandemic, on emergence from COVID-related restrictions, and with a return of tourism demand, CEH has several potential adverse effects on Rotorua's tourism sector.
147. First, there is the risk of adverse effects on Rotorua's tourism reputation as a result of CEH being concentrated in prominent locations around the town. This was identified in the Beca SIA's neighbour interviews, in which neighbours suggested that EH should be spread around the outskirts of the city or managed in a way that still attracts visitors. The concentration of activity was considered to be likely to cause a bad reputation and negatively impact tourism. There were 128 submitters (37%) that mentioned this issue.<sup>23</sup>
148. The Beca SIA survey identified a clear aspiration for Rotorua to retain and develop its reputation as a desirable tourist destination, but some respondents were concerned that EH would jeopardise this aspiration. Approximately 135 submitters (39%) provided feedback about the likely adverse effects on tourism.
149. Ms Hampson reports that RotoruaNZ has the view that Rotorua is experiencing growing reputational damage, and this is causing a reduction in accommodation nights. Ms Hampson's evidence provides data showing that Rotorua is experiencing a decline in its market share of

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<sup>23</sup> Boffa Miskell, 2022. Submission Summary Contracted Emergency Housing.



national domestic tourists. There are a range of contributing factors for this pattern, and Ms Hampson is of the opinion that Rotorua's tarnished reputation is reducing tourism activity, though this is likely due to all emergency housing and is not directly attributable to CEH.

150. Second, the use of motel capacity for CEH reduces the capacity available to tourists, potentially constraining visitor numbers, and their spending in Rotorua.
151. Ms Hampson's evidence concludes that there is no evidence of a decrease in domestic spending on tourism activities. Tourism spending is currently down due to the effects of Covid. She expects that there will be a slow return and improvement as the number of international visitors return to Rotorua.
152. There have also been some effects on other local businesses. Some submitters identified that their businesses do not operate how they usually would due to CEH, and concerns about crime and intimidation of customers. For example, some businesses choose to keep their access doors locked during working hours (including consideration of their front door), for example Blackman Spargo Rural Law Limited (#351). Staff no longer feel safe to work after hours and feel they cannot leave personal belongings in their cars parked in the private carpark. The childcare centres located on Sala Street are concerned for the welfare of their children and the ongoing viability of their business (#328). Thefts from businesses including stock/souvenirs and employee's personal belongings, car break-ins, and burglaries from guest rooms have been recorded in some submissions (#295, #323, and #166).

#### *Property effects*

153. Household assets and cost of housing are key aspects of livelihoods and wellbeing in Aotearoa NZ.<sup>24</sup> There were 25 submitters that discussed the adverse effects on property values.<sup>25</sup>

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<sup>24</sup> The Treasury Living Standards Framework defines the housing domain as people having a place to call home that is healthy, suitable, affordable and stable.

<sup>25</sup> Boffa Miskell, 2022. Submission Summary Contracted Emergency Housing.

154. Ms Hampson's evidence provides evidence from a literature review that there can be some minor impacts on property values for properties adjacent to public housing, but the impacts diminish based on proximity. In the NZ context, one research study showed that sales value losses peak at the 200-250m distance and then dissipate over approximately a 500m buffer around public housing. The impacts in percentage terms are discussed in more detail in Ms Hampson's evidence. Her evidence acknowledges that the property effects are likely to be temporary while UEH and CEH are in operation. That is unlikely to provide assurances to those community residents who feel they have no choice but to move out of the area to get away from the social effects. They will bear the costs of the loss in property values, which will have impacts on savings and retirement nest eggs.
155. In addition to the effects on household and business net wealth arising from reduced property values, households and businesses will also incur unanticipated changes in relation to property damage and excesses for property insurance. Additional spend on these aspects of property ownership will reduce available spend in other parts of the economy, negatively impacting Rotorua's businesses and having a negative impact on savings and profit.
156. Many submitters mentioned that they have installed security systems such as cameras and alarms in response to their experiences with EH, and claim that those systems were not needed prior to EH being located in their suburbs. Approximately 29 submitters (8%) have raised concerns about the additional financial burdens that have been incurred in relation to security.<sup>26</sup> This effect applies equally to businesses also.
157. The Beca SIA's neighbour survey reported incidents of trespassing, vandalism of public and private property including graffiti, theft of cars and tools, smashed windows, broken gates, and other property damage. One school had to put up temporary fencing and will be installing

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<sup>26</sup> Boffa Miskell, 2022. Submission Summary Contracted Emergency Housing.

permanent fencing to stop trespass and vandalism which they had experienced.

158. The Beca SIA identified that theft and related offences have increased between 2017 and 2022 in suburbs such as Victoria, Whakarewarewa, Glenholme East and Fairy Springs and locations surrounding Fenton Street, where there are concentrations of EH. The crime assessment undertaken by Ms Hampson confirms that there have been higher levels of crime in the Fenton corridor in comparison to the rest of Rotorua.
159. These outcomes are contrary to those intended in the ODP and the Community Safety Plan, which anticipate that there will be a reduction in crime and damage to private property.

*Other effects on households and businesses*

160. Costs other than those arising from property damage, increased security, and insurance excesses will arise as well. These will include financial and time costs relating to seeking medical treatment and counselling to deal with increased stress, attending community meetings, and engaging with local and central government.
161. Diversion of these time and financial costs means that members of the public have reduced ability to engage in activities such as recreation, socialising with friends and education, for example.
162. In terms of mitigation and/or monitoring, the following options could be pursued to reduce the adverse social effects related to livelihoods:
  - (a) Disperse CEH and UEH sites more widely in Rotorua to prevent concentrations causing increased social effects and costs for households and businesses in the immediate community.
  - (b) Provide financial grants or compensation to directly impacted neighbours (including schools) to help finance the provision of fencing and other security measures.
  - (c) Improve the amenity of the built environment and remove motel signage from properties that are being used for CEH over the duration of their contracts.

- (d) Work closely with RLC and tourism interests to ensure any CEH is managed in a way consistent with sector aspirations and policy provisions in the ODP for this sector.

**Assessment of social equity outcomes**

163. Social equity relates to the distribution of positive or negative effects on different types of households and social groups, including vulnerable people.
164. Homeless people are vulnerable members of society, and there are sub-groups which are more vulnerable than others, such as women, children, disabled people, trans and non-binary people and the elderly. Intimidation and fear is likely to impact the more vulnerable groups in EH.
165. Submitters, such as Mr Knox (#206) on behalf of Te Matapihi, support the provision of CEH accommodation to house vulnerable populations identified as whānau/families with children, young people, people with disabilities, and elderly people, at a time when there is a recognised housing crisis in Rotorua. Mr Knox asserts that it is a basic human right to have safe and warm shelter and an adequate standard of living.
166. As discussed in relation to health and safety, the CEH environment provides more safety and security for those occupants than living in other rough sleeping or crowded conditions. However, CEH is only designed to accommodate people for a week or two at most, so positive effects on health and safety are counteracted by negative effects of staying too long in CEH motels.
167. Being homeless or living in unstable environments can have negative impacts on children which can lead to long-term or lifetime effects. It can be hard to access school and childcare and those difficulties, and changing schools repeatedly, can make regular attendance at school difficult. One school interviewed by Beca identified that children from CEH often require more support.
168. There are some key health and safety concerns around children crossing busy roads and playing or riding bikes in the Noahs Hotel (#295) carpark.

169. Ms Collins has provided evidence about providing sufficient spaces for children to be able to play safely. Her evidence discusses the effects on children's development from not having access to play in appropriate places. Several submitters have identified the risks to children from playing at inappropriate locations surrounding CEH, including Ms Warbrick (#174), Mr Warbrick (#210), and Noahs Hotels (#295).
170. There can be long term mental health effects from living in crowded and dangerous situations, including being surrounded by violence and substance abuse. The CEH environment seeks to provide support services that should protect children, although the level of protection afforded to them is reduced for long stays in CEH, and as I have mentioned, the length of stay in Rotorua UEH (and potentially CEH) is not meeting MHUD's objectives. There were 16 submitters who mentioned length of stay as an area of concern in submissions<sup>27</sup>.
171. There is a recognised relationship between violence and homelessness for women, including domestic or family violence. CEH motels and the associated support services and security staff will potentially provide safer environments than where they lived before EH, however there may still be emotional stress due to intimidating and anti-social behaviour when in CEH.
172. The Beca SIA documented that NZ Police had identified a notable increase in family harm events which had almost doubled around the CBD and in the Fenton Street area. Ms Hampson's assessment of crime documented in her evidence shows that there has been an increase in monthly victimisations of 212% in the Fenton corridor.
173. Trans and non-binary people are recognised as facing discrimination, which can often lead to homelessness in the first place. The same effects are likely for trans and non-binary occupants as for women.
174. Disabled people need support networks, and homelessness can disconnect them from those networks. Being housed in CEH accommodation could prevent these occupants from accessing required

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<sup>27</sup> Boffa Miskell, 2022. Submission Summary Contracted Emergency Housing.

- services, although the CEH wrap-around services are likely to provide positive impacts in comparison to living in less suitable environments.
175. Elderly residents are more likely to need access to medical services, which will be easier to access from CEH. However, they are more vulnerable and there is potential for negative impacts to arise from intimidation from other occupants.
  176. In summary, the impacts for vulnerable people being accommodated in CEH are likely to be net positive, including feeling safer and having better access to medical and other services, although they will still be exposed to negative effects arising out of proximity to the cumulative effects of anti-social behaviour and overcrowding.
  177. For members of the surrounding community, including its vulnerable people in particular, the effects are likely to be negative. Beca reported that elderly, women, children, and disabled people are fearful walking in their own neighbourhoods, especially at night, and have changed their walking routes in response to these fears.
  178. In Mr Smith's submission (#168) he claims that his son who has Down Syndrome and is living in Glenholme due to its close proximity to St Chad's Charitable Trust was unable to walk by himself in the neighbourhood due to the anti-social behaviours of EH and TH occupants. The entire family has chosen to move to Cambridge so that their son will be able to take care of himself when his parents are no longer able to do so.<sup>28</sup>
  179. A submission made by Mr Warbrick (#169) raised concerns about elderly people risking their safety by asking unwanted people using the communal baths at the Whakarewarewa Village to leave.
  180. Consideration of the reverse sensitivity effects on key community facilities, such as St Chad's, but also schools, places of worship, and retirement living in the surrounding neighbourhoods have not been provided in the Beca SIA. This is one omission that needs further

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<sup>28</sup> <https://www.nzherald.co.nz/nz/rotorua-emergency-housing-motels-report-shows-police-demand-around-motel-areas/A6I4IMSZ6V2WHV4EC23TWLPHWM/>

examination when assessing whether specific motels are appropriate for medium term occupation for CEH activities.

181. A useful way of monitoring the social impacts on vulnerable peoples will be to undertake ongoing surveying of EH occupants to allow them to identify the issues which are arising for them, and filter responses according to specific demographic groups.
182. This would also be appropriate for understanding the issues that more vulnerable groups in the wider community are experiencing, and could be done at community engagement meetings, including with immediate neighbours.

#### **Assessment of urban form outcomes**

183. Urban form refers to the way places and cities are laid out in relation to land use activities and topography. Urban form includes the location and density of housing, commercial, industrial, and other business activity, and transport routes and nodes by multiple modes. Well-functioning urban form assists the availability and affordability of a range of land uses including housing, business activity, and social and cultural activities. A range of land uses within communities and access to neighbourhood centres can add to the attractiveness and liveability of locations for specific activities and build a sense of place.
184. Urban form outcomes will arise due to the changing activities in the motel buildings from tourism to CEH activities. Effects included in this topic relate to the types, density and cost of housing, infrastructure and services and the functionality of urban form in relation to economic and social life.
185. There is an expectation in the Rotorua spatial plan that over time tourist accommodation will transition into the CBD, freeing up land along Fenton Street for more intensive accommodation. As discussed in Ms Hampson's evidence, PC9 will also improve residential capacity by allowing for higher residential intensities in key residential zones in Rotorua.
186. For the duration of the consent period, the land use will not change to accommodate higher residential intensities, which could be an outcome

if the contracts were not in place and motels continued to be less profitable. If this occurred, it may help to alleviate some of the current pressure on residential supply, but that is not predictable due to other wider constraints such as recognised building materials and labour force shortages.

187. The use of the motels for CEH activity is an efficient use of built infrastructure while moteliere wait for tourists to return in significant numbers. When they do, there will be conflict between having enough provision to accommodate travellers and needing to provide social housing for homeless people who have no alternative locations to live.
188. While that use right is being retained, the ability to convert older tourist accommodation into newer higher density residential activity is curtailed.

**Assessment of access outcomes**

189. Access outcomes relate to the ability to obtain goods, services (health, education, training), employment, and consumption (retail, business activity), by being able to move around urban communities by different modes.
190. As with many of the other wellbeing indicators, the CEH motels will affect access outcomes for both CEH occupants and the neighbours of CEH facilities.
191. Occupants of CEH motels should have significantly improved access to support services such as health, education, and training to improve their ability to earn higher incomes and move out of the poverty and homelessness cycle.
192. The Beca SIA noted, however, that there were poor uptake rates for some of the services provided to CEH occupants. It also identified that more resources were needed to support mental health, drug, and alcohol issues, including a cross service working model.
193. The Beca SIA identifies that in Area 1 (surrounding Fenton Street and Fenton Park/Whakarewarewa), almost all CEH motels are close to a school or pre-school, and other meeting places such as churches and temples. There are also opportunities for recreation and play at six



playgrounds in the study area. There is a range of shops, including large supermarkets, and other services close to CEH motels.

194. In Area 2 (Koutu and Fairy Springs), the CEH motels (now one) are located within 250m of a school or pre-school, there is a marae within 0.5-1km, and the nearest playgrounds are a 5 to 20 minute walk. There is also good access to shops.
195. This proximity in both Areas 1 and 2 indicates positive access outcomes for CEH residents.
196. For those who are not occupants of the CEH motels, there is evidence that walkability of neighbourhoods has been compromised by CEH motels. The Beca SIA survey identified that some people have reported changing their walking patterns to move around, particularly in the suburbs of Victoria and Glenholme. The reasons provided for these changing patterns include expecting and experiencing intimidation, witnessing anti-social behaviour, the poor state of the environment (graffiti and litter), and feeling unsafe.
197. Submitters, such as Ms Warbrick (#174) discussed how her walking patterns have changed due to the declining amenity and types of people that she has encountered in the past. She states “I actually do not feel safe enough to walk down Fenton Street”. Neighbourhood safety is an issue that is raised by 182 submitters.<sup>29</sup>
198. As discussed in the Beca SIA these are negative effects associated with the CEH activity. It is contrary to the anticipated environmental outcome of increased pedestrian counts in commercial centres (COMZ-AER4), of well-designed and safe pedestrian and cycling linkages between neighbourhoods and to and from schools and local amenities (RESZ-I2) described in the ODP.
199. Again, the Beca SIA describes the overall effects on access as having a low positive to negligible impact, compared to the population being housed elsewhere or being transient. That position overlooks the impacts that Beca has described on the surrounding neighbours which are negative for

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<sup>29</sup> Boffa Miskell, 2022. Submission Summary Contracted Emergency Housing.

some groups. That oversight appears to be influenced by the baseline adopted, which I have explained is not the correct baseline to apply.

200. A dispersal of CEH and UEH motels, rather than such high concentrations of activities, may help to spread the effects of CEH occupants' anti-social behaviour around Rotorua more and help residents feel safer and more able to walk to access goods and services in the future.

**Assessment of cohesiveness outcomes**

201. Cohesiveness relates to the ability of people to form inclusive and cohesive social and cultural relationships in spatially defined places. The cohesiveness of communities reflects a sense of belonging and place, physical connectedness and accessibility, and the ability to establish and maintain social relationships.
202. The Beca SIA does not provide any evidence about the degree to which UEH and CEH occupants are forming relationships and social networks with other occupants or neighbours while they are living in CEH.
203. Submitters held the view that EH occupants have limited intentions of establishing social connections in their neighbourhoods, and that they have little regard for those that have been living in established residential communities. The Beca SIA finds that the community perception is that many CEH occupants are not from Rotorua and are therefore not part of the community.
204. Comments provided in Mr Morrison's submission (#187) highlight concerns about out of towners who he believes have moved into Rotorua using the rhetoric of whakapapa. In his words he says they "have brazenly stamped on our Turangawaewae mana", "destroyed both private and public whenua", and have a lack of respect for kaumatua who have been aggressively verbally intimidated. Over 100 submitters (29%) raised out of town clients in EH as an issue in submissions. Many media reports have including commentary on the public sentiment about out of towners using UEH and CEH.<sup>30</sup>

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<sup>30</sup> [Rotorua 'ripped apart' by emergency housing crisis - Mayoral candidate | Te Ao Māori News \(teaomaori.news\)](#)

205. I noted that the OIA response from MSD shows that a large proportion (69%) are from Rotorua, and only 12% come from outside the wider region. It is unclear whether this pattern has changed and it would be useful for MHUD to provide more up to date information in the course of this hearing due to the high degree of public interest.
206. There is an overwhelming sentiment from frustrated residents that Rotorua is taking on a nation-wide problem due to the high availability of vacant accommodation in Rotorua recently due to the Covid impacts on tourism. This is reflected in statements included in the Beca SIA that describe "Rotorua as a dumping ground". Many media reports use these terms, and community residents have begun to use them as a way of sharing frustration.
207. A positive social outcome from this bad sentiment is that community action groups such as Restore Rotorua Incorporated are forming as a mechanism for venting frustration, which is allowing existing residents to form and strengthen relationships with other community members with the same concerns. Such groups can reorientate to other purposes and actions after the current issue is tackled.
208. A negative outcome, according to Mr Morrison (#187), is the stability in his community has been compromised due to six of his immediate neighbours selling their homes due to the intimidation and stress associated with living next to EH.
209. There is also evidence in many submissions and media reports that there is a growing discontent with RLC responses to the CEH and UEH concerns, and members of the public are questioning the level of transparency available in decision making. This position does not adequately recognise the complexity of the lack of housing supply that has arisen as a result of both local and national policies and that there is no short-term fix. It is important that local government works with central government to find solutions to the problem. The hearing will be a useful forum for residents to understand the complexity of the issues, voice their concerns, and have their viewpoints acknowledged.

210. Beca views CEH as being a part of the community for the next five years, and this provides more chances for social interactions than are available with either short stay visitors or other forms of EH. Beca does, however, acknowledge that “CEH largely operates in isolation of the community”.
211. In my opinion, Beca’s conclusion that there are negligible impacts on stability and cohesion of the local and wider community discounts the lived effects of immediate neighbours and the additive effects of the applications.
212. One mitigation measure suggested by Beca is to look for opportunities to seek community feedback and share information between both parties so that CEH are not operating in such an isolated manner. This aligns well with the survey recommendations that I made earlier in this evidence.

**Assessment of environment outcomes**

213. Environment outcomes relate to the consequences of changes to the physical and natural environment for people and communities.
214. There are no physical changes proposed to the built environment from the changed activity use on the motel sites. The main changes will be impacts on the amenity of specific sites and the surrounding neighbourhoods.
215. The ODP provides a number of objectives that relate specifically to character, and amenity. In Mr Batchelar’s Section 42A Report, he provides information about the relevant objectives and policies applying to the commercial and residential zones, in which the CEH applications are located.
216. The Site-Specific Assessments show that the CEH activities generally have a less than minor effect on the amenity of residential zones individually. It is when there is a concentration of activities that amenity effects start to appear.
217. As assessed in the Site-Specific Assessments, the CEH activities generally have no greater reverse sensitivity effects on existing activities than the visitor accommodation activity.

218. The character of residential areas is anticipated to be peaceful and safe, with low traffic generation. The amenity effects of CEH are most likely to be experienced by immediate neighbours and the surrounding community.
219. The Beca SIA assesses tourism character. Fenton Street is described as a high profile tourism node with stated character associations such as “gateway to Rotorua”, “golden mile”, and the “jewel of Rotorua”. The community’s perception of the physical appearance and amenity of the Fenton Street has changed noticeably since CEH began operating in the area, with reported changes in the physical appearance of grounds and motel buildings. Submissions noted an increase in rubbish, abandoned trolleys, graffiti, vandalism and property damage. Mr Morrison (#187) deems the amenity effects to have “been off the scale of any acceptable standard for a safe, stable and liveable” environment.
220. The media has seized on this transformation of built character and started to describe Fenton Street as “MSD mile” and a “dumping ground” for people with complex social needs. Some submitters have used terms such as “industrialised homelessness”, “homeless hub” and “NZ’s homeless destination”. While these comments entail an element of media sensationalism, they can influence the perception of the area for locals and of Rotorua as a destination for visitors.
221. Physical changes in the environment are also noted by some survey respondents saying that there has been a decrease in their quality and enjoyment of the surrounding environment over the last two to three years. The changes relate also to the presence of anti-social behaviours, including increased noise levels from yelling, hearing domestic arguments, parties, and loud music. The frequency of these occurrences has not been addressed in the Beca SIA, but the overall perception is that these activities are not consistent with normal residential environments.
222. In the Beca SIA survey, people identified Victoria and Glenholme as becoming less desirable and being known as “problem areas”.

223. Motel operators (who often live on site) are responsible for maintenance, cleaning, inspections, and repairs, and for this reason there should be no marked change to physical amenity of the motel sites. However, that is not the experience communicated in a number of the submissions, or in responses to the Beca SIA survey, where some respondents identified that the use of cones for security made the area appear custodial.
224. Common across all of the interviews with neighbours, was the impact on amenity. Interviewees noted that motels were no longer being looked after, with a lack of maintenance of landscaping, temporary security fencing and cars parked on berms, and smashed cars and windows. A submission made by Mr Warbrick (#169) raised concerns about the lack of maintenance for motels and hotels. There were 32 submissions that raised the appearance of motels.<sup>31</sup>
225. Site visits by Boffa Miskell planners in August 2022 (Ms McDonald and Ms Bennie) did not show the same levels of poor amenity for the CEH providers as described in the survey and interview responses, nor in the submissions. It is unclear whether the difference is one of perception, or whether the environment around the motels changes periodically.
226. Nevertheless, there has been a negative perception from community members about reduced amenity and sense of place, reflecting a loss of community pride and identity which were once highly valued.
227. Amenity also includes the way people are able to use their homes and outdoor living areas, the way they travel through the local neighbourhood and related activities of their daily lives.
228. The effects on visual amenity and privacy of properties adjacent to the motels has not been considered in the Beca SIA assessment, but there are likely to be some immediate neighbours with significant concerns about not being able to exercise their rights to use their property in the way that it is intended to be used, and that they used to use it. The Site Specific Reports prepared by Ms McDonald and Ms Bennie address these issues.

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<sup>31</sup> Boffa Miskell, 2022. Submission Summary Contracted Emergency Housing.

229. Amenity and character effects are considered in relation to tourism and residential character in the Beca SIA, and both effects are considered to be very low negative, or negligible when considered for individual sites. Beca describes that this finding is due to the ability to provide mitigation techniques to reduce the impacts of physical and noise amenity affects at CEH.
230. It is clear from the survey respondents and the number of submissions received discussing these issues, that the community's consensus differs from the finding of the Beca SIA, possibly due to difficulties associated with differentiating between the operation of UEH and CEH motels, and that amenity and character effects on the community are much greater than the Beca SIA concludes.
231. There are some mitigation options that could help to reduce the amenity effects, including engaging with members of the public to understand key concerns and looking to find acceptable solutions to problems. Ms McDonald and Ms Bennie have provided detailed consenting conditions to help improve amenity, including landscaping, fencing, and noise conditions.

#### **SUMMARY OF SOCIAL EFFECTS ASSESSMENT**

232. There are a range of social effects that have arisen from the provision of CEH and UEH in large quantities in concentrated areas of Rotorua. I have produced Figure 2 to show the overall impacts for the two groups I have assessed, CEH occupants and the immediate neighbours and community.
233. This table highlights that there are mainly positive outcomes for CEH occupants, and mainly short-term negative outcomes for Rotorua residents, though for some areas the effects are high such as for health and safety.
234. Mitigation measures, and / or dispersal of activity to avoid cumulative effects of CEH activity are the best ways, in my opinion, to provide solutions to balance the need for short-term EH, the lack of current supply of other forms of public housing, and the adverse effects reported

by the community in submissions and the Beca SIA surveys and interviews.

Figure 2: Summary of Social Wellbeing Outcomes

Social Wellbeing Outcomes	Timeframe	CEH Occupants	Neighbours and Community
Health and Safety	Short - Long term	Yellow	Red
Livelihoods	Short - Long term	Light Green	Yellow with diagonal lines
Social Equity	Short - Medium term	Green with diagonal lines	Yellow with diagonal lines
Urban Form	Long term	Yellow with diagonal lines	Yellow with diagonal lines
Connectivity	Short - Medium term	Green with diagonal lines	Yellow with diagonal lines
Social Cohesion	Short - Medium term	White	Yellow with diagonal lines
Environment	Short - Medium term	White	Yellow with diagonal lines
<b>Legend</b>			
Most Positive Outcomes		Light Green	
Positive Outcomes		Yellow	
No Change		White	
Negative Outcomes		Orange	
Most Negative Outcomes		Red	
Short Term Outcomes		Yellow with diagonal lines	

**Options for mitigating the social effects of CEH and UEH**

235. There are some mitigation measures which I consider would help to improve the surrounding environment of CEH, and which could be reasonably cost effective, including some recommended in the Beca SIA:

*Health and Safety*

- (a) On-site safe dedicated play areas for children (as per Ms Collins' recommendations).
- (b) Security staff presence highly visible.

*Connectivity*

- (c) Housing young people and children near to schools and recreation facilities.

*Social cohesion*

- (d) Operational systems to manage the interface between CEH clients and the wider community – there are reports that the current system is not performing well, due to retaliation from those who have been complained about or to. This has led to some people being afraid to complain, which means the scale of problems is



difficult to ascertain. Rather than having neighbours complaining directly to the motel, a better option would be a communication system by phone or internet where complaints and grievances could be made anonymously, and details of complaints are accurately recorded in a single location, and actioned in a co-ordinated fashion. It would need to be available at all hours of the day. It would make sense for this to be provided and funded by MHUD so that information can be centrally co-ordinated, as the current individual operator complaints process does not appear to be working well.

- (e) Communication and engagement – creation of a community forum facilitated by MHUD would enable local residents to gather regularly (in person or online) to hear concerns, but also to provide and hear feedback about what is happening in the motels, how complaints are responded to, and generally what measures are being made to provide more suitable long-term housing for EH occupants. In addition, clear communication with both UEH and CEH occupants, neighbours and the wider community is essential to enable early identification of problems before they become more significant.

*Environment*

- (f) Ms McDonald and Ms Bennie have made recommendations about landscaping, fencing, removal of motel signage, and improved parking, which I agree would help improve the amenity around CEH motels.
- (g) Allow for on-going SIA to be undertaken by MHUD on an annual basis, and undertaken three months prior to consents being removed, this would include RLC input. Two useful surveys could be undertaken to monitor the social effects:
  - (i) An independent, confidential survey of both UEH and CEH occupants to understand their lived experience and suggestions for improvements to ensure that occupants feel safe and secure and are not experiencing ongoing

negative impacts due to being located in CEH for longer than anticipated periods.

- (ii) Surveying the community to understand the range of impacts being experienced by both immediate neighbours and the wider community. The Beca SIA survey provided some useful information for their assessment, however the response rate was small in comparison to the total population, notwithstanding the noted COVID restrictions. There are submitters that are immediate neighbours who have not been consulted despite being directly affected by CEH and UEH on a regular basis. This is a valid concern.

*Ongoing SIA and management plan*

- 236. A Social Impacts Management Plan (“SIMP”) would enable monitoring of potential impacts as soon as possible to establish a baseline. This would be followed by monitoring at an agreed date (for this proposal after one year) to evaluate the effectiveness of the social impact mitigation management measures, including grievance redress, over this period against the baseline. The results from this monitoring would then be used to update the SIMP with the same process being repeated at the next monitoring date.

*Other alternative mitigation options*

- 237. The Beca SIA does not consider any alternatives to contracting the 13 motels for CEH.
- 238. One of the mitigation options may be the possibility that not all of the 13 hotels are granted consent. The statements of Ms Collins, Ms McDonald, and Ms Bennie have provided information about which properties are better suited than others for accommodating families, for example. The negative social effects I have identified could be mitigated if fewer CEHs were clustered along Fenton Street and CEHs were dispersed more widely across Rotorua. That would tend to generate much smaller and fewer cumulative negative social effects, but still yield similar levels of positive effect for the CEH occupants.

239. Other solutions have not been considered in the Beca SIA, such as the establishment of short-term relocatable houses, as has been piloted in Raukokore on the East Coast, or alternative sites for UEH and CEH occupants. There is no description of any other alternatives and whether these are viable or not in terms of being available to provide immediate short-term assistance to alleviate the pressures being created by emergency housing provision in Rotorua.
240. I note that the applicant seeks a five year term of consent, but remain unclear about how the applicant proposes to conclude CEH in Rotorua, and how the negative effects of UEH in general will be addressed within wider Rotorua. The answer to those, and other relevant questions, need to be understood in order to fully assess the merits of the application. Other relevant questions include:
- (a) Whether there is intent to fulfil national policy objectives to move people away from UEH and into CEH, which ostensibly provides better support and wrap around services for clients.
  - (b) When and to what extent the housing shortfall can be addressed, particularly whether it will be within the five year term of the consents requested.

#### **RESPONSE TO SUBMITTERS REGARDING SIA**

241. There were three submissions that are directly relevant to the Beca SIA process, and many more submissions on areas of concern that I have talked about in each wellbeing indicator section of my evidence.
242. Here, I concentrate on responding to the three submissions that commented on the robustness of the Beca SIA report.
243. Submission 187 (Mr Morrison) raises many of the issues I have covered in my evidence, including safety issues, social coherence issues such as racial and cultural backlash, disrespect shown to Te Tangata Whenua and Kaumātua and impacts on tourism reputation.
244. Mr Morrison questions why he, as an immediate neighbour, was not contacted to be interviewed about his lived experience for the survey undertaken for the Beca SIA.

245. The survey and ongoing SIA that I have recommended as a mitigation opportunity should provide him with the ability to express his concerns and learn more about the operating format of the CEH next door to his property.
246. He points to a general reluctance from neighbours to complain to motel owners and operators “due to fear of retaliation or intimidation” from CEH clients and visitors. The neutral online hotline that I have recommended should be set up by MHUD, would provide residents with more certainty that their complaints would not stimulate retribution.
247. Overall, the submission of Mr Morrison covers many of the social wellbeing indicators that my evidence has covered, and shows that the effects considered in the Beca SIA are too narrow to assess the effects on immediate neighbours adequately.
248. The Noahs Hotels (NZ) Ltd submission (#295) is from a hotel operator directly across the road from a CEH motel. The submission raises a number of concerns which are covered in my earlier impact assessment, including impacts on tourism reputation.
249. The operator argues that there are specific locational effects which mean that some hotels are less suited to operating as CEH than others, and disagrees that negative effects are most likely to occur when clustered with other non-EH motels.
250. This submission raises the issue that the amenity effects of operating CEH are not the same as those that occur from tourism accommodation and points to the key differences relating to occupancy, occupancy rates and nature of use. The table in the submission describes the key differences, which are:
  - (a) CEH occupants stay for much longer than tourists, an average of 22 weeks compared with 1-2 days. There are increased storage and waste management concerns.
  - (b) There is a perception that the facility has a much higher occupancy rate when being used for CEH than as a motel. Though

this assertion is acknowledged as being based on assumptions rather than evidence.

(c) CEH occupants are in their rooms for the majority of the day, while tourists come and go and tend to only spend time in the motel during the night.

251. This activity use has been discussed in Mr Batchelar's section 42A report which describes the difficulties with being able to define the right land use activity classification for CEH motels in the ODP.

252. In amenity terms, the submitter agrees that the effects on amenity described in the Beca SIA reflect their own experiences of hearing shouting, seeing police being called and witnessing threatening behaviour at least once a fortnight.

253. Submission 373 (Mr Newbrook) questions the site visit process undertaken for the Beca SIA, in particular about how conclusions can be drawn after such a limited number of visits. I can confirm, that I would use a similar approach if I was undertaking the assessment. The way to understand what the social effects are that neighbours have been experiencing is to interview or survey them.

254. The sample size of the survey undertaken by Beca was small, and there were issues regarding Covid protocols, which presented additional research problems. It does appear that a significant number of affected parties were not surveyed and were unable to provide perspectives of their lived experiences. In my opinion, the Beca survey does however highlight a range of issues that the wider community are experiencing. However due to the approach they have used to define the permitted baseline, they have downplayed many of those experiences as being of less importance than they should have been afforded, as discussed elsewhere in my evidence.

## **CONCLUSIONS**

255. In summary, there are a range of both positive and negative social effects that will arise from the use of motels for CEH activities. The two key groups that will be impacted by these resource consents are homeless

people needing EH and the immediate neighbours and surrounding community of CEH.

256. There are many options for mitigating the adverse social effects for both CEH occupants and immediate neighbours and communities by using the CEH model.
257. The social wellbeing effects for CEH occupants are tipped in the favour of being more positive, especially in comparison to the alternative living arrangements. The improved level of access to social and health support services and onsite security should provide positive effects.
258. There are also likely to be negative effects for some people, related to crowding, long lengths of stay, and being surrounded by intimidating behaviour, violence, and substance abuse. It is essential that better options are provided to move occupants through CEH faster, which means providing more housing supply.
259. The social wellbeing effects for immediate neighbours and the surrounding community are more likely to be negative. I have recommended a range of mitigation measures that could reduce the scale and magnitude of adverse social effects, including through compliance and consenting conditions.
260. It is evident from the submissions, media articles, and Beca's SIA surveys that it is difficult to differentiate between the social effects that are arising from individual locations and those that are resulting from such large concentrations of UEH and CEH in a relatively small geographic area.
261. However, clustering the activity together is still likely to generate ongoing negative social effects for residents, and while this will be for a short-medium timeframe (up to five years), living with those effects will be difficult for many and is likely to lead to stress, anxiety and other mental health issues.
262. Careful consideration needs to be given to what degree the cumulative effects are being caused by such significant concentrations of EH activity along Fenton Street. It may be desirable to grant some consents and not others. This solution would encourage MHUD to look for other EH sites

in more dispersed locations. This would present benefits of diluting the cumulative effects on central and suburban areas surrounding Fenton Street and disperse the effects, so concentrations of negative activity are less likely to occur.

263. An alternative may be to explore other options for providing EH in formats other than motels, through the provision of short-term relocatable housing, working with iwi, converting motels or campgrounds, or more permanent housing.

**Rebecca Foy**



21 September 2022

## **ATTACHMENT 1 – CENTRAL GOVERNMENT HOUSING PROVISION**

264. A core element of the government’s housing provision strategy is the Aotearoa Homelessness Action Plan. The AHAP strategy is based around the following four key supply objectives:
- (a) Supply. Every New Zealander should have a place to call home and the use of emergency housing in motels will be significantly reduced.
  - (b) Support. Those affected by homelessness will move quickly into stable accommodation and will be provided access to wider social support services to address their needs.
  - (c) Prevention. Necessary support will be provided to stop homelessness issues from happening in the first place.
  - (d) System enablers. The system supports and enables the visions around supply, support and prevention, and homelessness is collectively addressed by social support providers.
265. The supply objectives are intended to be met by three support objectives:
- (a) Urgently increasing the supply of transitional housing, while reducing the use of motels for EH. In the long-term motels being used for EH will be a rare event.
  - (b) Supporting Māori Community Housing Providers (“CHP”) and other iwi and Māori providers through He Kūkū ki te Kāinga for transitional and long-term housing in areas with needs for homelessness support.
  - (c) The 2018 Budget provided funding for 6,400 additional public housing places to be provided by 2022, equivalent to 1,600 homes per annum.
266. The support objectives are intended to be met using the following approaches:
- (a) Piloting a rapid rehousing approach to support households into permanent housing and avoiding a return to homelessness.
  - (b) Introducing housing broker roles to help people on the public housing register to sustain a tenancy.



- (c) Better preparing people for private rental (ready to rent programmes) and preventing homelessness by partnering to increase access to private rentals.
  - (d) Establishing a flexible funding package for families with children in emergency housing to help with a range of needs where other support is not available.
  - (e) Expanding support for people in emergency housing by creating new roles.
267. Since the AHAP was developed, the national progress achieved has included:<sup>32</sup>
- (a) 560 of a target of 1,000 new transitional houses had been delivered despite COVID-19 delays to timeframes. 50% were ready to be occupied.
  - (b) Budget 2020 included investment of:
    - (i) \$570 million to deliver 8,000 new public and transitional homes on top of the goal to provide 6,400 public houses and 1,000 transitional homes by June 2022.
    - (ii) \$40 million for the MAIHI.
    - (iii) \$41.3 million secured by the Ministry of Pacific Peoples to improve housing for pacific families.
  - (c) Urgent priority was given to finding accommodation for homeless people during the COVID-19 Level 4 Lockdown. Around 1,200 places were secured in motels. This was viewed as a successful solution with some emergency housing clients reporting a sense of community in these places. \$106 million was committed to ensure people could stay housed until April 2021, while long term housing supply is identified<sup>33</sup>.
  - (d) 2,150 households were able to be supported through the Sustaining Tenancies programme in 2020/21, 500 places more than aimed for.

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<sup>32</sup> <https://www.hud.govt.nz/assets/Uploads/Documents/Homelessness-Action-Plan-Progress-Report.pdf>

<sup>33</sup> Ibid

- (e) The Rapid Rehousing programme did not meet its objectives due to COVID-19 priorities, but the aim is for 549 places rather than the initial aim of 340.
  - (f) MHUD has also funded a trial of relocatable cabins at Raukokore (Bay of Plenty).<sup>34 35</sup>
268. Central government provides housing services through Work and Income (“WINZ”), which is responsible for assessing housing needs. The assistance options are to:
- (i) try to find accommodation with family and friends;
  - (ii) provide financial assistance for people who are behind in rental payments;
  - (iii) help with rent and bond payments for acquiring a new property;
  - (iv) provide help with moving and travel costs;
  - (v) negotiate with landlords, and
  - (vi) source accommodation options that the applicant can afford.<sup>36</sup>
269. Tenants in government-owned social housing either receive an income related rent subsidy, where tenants pay no more than 25% of their net income, or pay market rent.
270. There are also CHPs involved with providing access to social housing working with Kāinga Ora. Housing First offers people immediate access to housing and then provides tailored support to help address the issues that led to homelessness, for as long as needed.
271. If none of those solutions work, then transitional housing or emergency accommodation are the final options.
272. Transitional housing provides temporary accommodation and support for individuals or families who are in urgent need of housing. Households using transitional housing are offered tailored support and assisted to

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<sup>34</sup> <https://www.hud.govt.nz/our-work/he-kuku-ki-te-kainga-fund/>

<sup>35</sup> <https://www.beehive.govt.nz/release/raukokore-re-imagined%E2%80%98smart%E2%80%99-relocatable-rent-own-housing>

<sup>36</sup> <https://www.workandincome.govt.nz/housing/nowhere-to-stay/emergency-housing.html>

find longer term accommodation. Transitional housing is intended to be used for no more than 12 weeks. Families receive a further 12 weeks' support once they have found permanent housing.

273. Emergency Housing Special Needs Grants (“EHSNGs”) were introduced in 2016 and are available to people who cannot remain in their usual residence (if any) and do not have access to other adequate accommodation. They were intended to be used as a last resort and for up to seven nights at a time.
274. Emergency accommodation, such as hostels and motels, are intended to be used for a short period. The accommodation costs are covered for the first seven nights if it is an applicant’s first time in emergency housing or they have not needed emergency housing for a while.
275. After seven nights, the EH client starts to pay for some of the accommodation costs (equivalent to 25% of the household’s income).
276. In June 2022 there were 76,271 public homes available nationwide<sup>37</sup>, including properties owned or leased by Kāinga Ora and CHPs. In addition to those homes there were also 5,520 transitional housing places and 120 progressive home ownership properties.
277. Also in June 2022, there were 26,664 Housing Register applicants nationwide waiting for homes.<sup>38</sup> This covers all applicants that are not in public housing who need to be rehoused. Demand for social housing is much greater than supply.
278. From June 2019 to June 2022, the number of people who applied for public housing through MSD increased from 12,311 to 26,664 people, an increase of 117%.<sup>39</sup>
279. Applications are classified as being either Priority A, (households considered at risk with a significant and persistent need with immediate action being required) or Priority B (households with a serious, significant, and persistent housing need).

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<sup>37</sup> <https://www.hud.govt.nz/stats-and-insight/public-housing-quarterly-reports/>

<sup>38</sup> Ibid

<sup>39</sup> Ibid

280. Due to an under supply of public housing and very high needs for housing assistance, people are staying in emergency housing and transitional housing for long time periods as there are no other viable housing alternatives. The Budget 2022 Rotorua Response identified that the average length of stay in emergency housing and transitional housing was around 18 weeks. That exceeds the intended maximum stays in both emergency (one week) and transitional (12 weeks) housing.
281. Emergency housing and transitional housing is intended to be a crisis response, and high levels of utilisation of that type of housing is not helping to achieve the objectives of the AHAP or address the negative social wellbeing outcomes that arise from these living arrangements. However, arguably the emergency housing clients are in a better position than they were prior to moving into motels, and especially if they are in managed CEH as opposed to general emergency housing.
282. MHUD have recognised that supply is no longer meeting the client demand and the Budget 2022 Initiative Summary for the AHAP was to seek funding of \$15.31 million in the 2022/23 year, and approximately \$28 million in each year out to 2025/26.
283. There is a short term (<5 years) focus for providing transitional housing for rangatahi (youth), who make up approximately 20.7% of homeless people. Provision for rangatahi will be for 90 transitional homes and 65 in housing for high and complex needs.