

Meeting Minutes

Subject	Community Liaison Group Meeting (Rotorua Contracted Emergency Housing)		
Venue	The Arts Village (Studio 2) 1240 Hinemaru Street, Rotorua	Date	26 September 2024
Chair	Rachel Dimery	Time	6:00 – 7.23pm

Attendees

Will Barris (Ministry of Housing and Urban Development)
Colleen Neville (Ministry of Housing and Urban Development)
Jenny Peace (Restore Rotorua)
Bryce Smart (Rotovegas Motel)
Jean-Paul Gaston (JP) (RLC)
Dianna Raukawa-Doughty (Community representative)
Kent Breeze (Rydges - Hotels/Tourism representative)
Frank Ma (Malones Motel)
Frank Liu (Ascot Fenton Motel)
Paul Romanes (Community representative)
Trevor Newbrook (Restore Rotorua)

Apologies

Jordon Robertson (Te Pokapū – Te Hau ki te Kāinga)
Kim McGrath (RLC)

1. Welcome

The chair welcomed everyone.
Will opened the meeting with a karakia.

2. Apologies

Apologies noted.

3. Feedback on the operation of emergency housing

a. Progress on motel exits (Will)

Will advised that notice has been issued Tuscan Villas (which is outside this process but is the sister motel to Emerald Spa) and it was vacated at the end of June/July. Trevor noted it is still closed off. Will advised he understands they are doing refurbishments and vehicles must relate to Emerald Spa. Will explained Tuscan Villas was not a CEH property but HUD took on as part of Covid response, as well as Four Canoes. He advised both properties had sinking lid for occupancy, so were not brought into CEH.

Will confirmed Midway motel, Emerald Spa and Malones have all been issued notice. All at half or less occupied and will be fully empty by 14 December. Jenny asked where the people will go. Will clarified that the exit strategy is based on securing stable long-term accommodation for people. This may be Kāinga Ora homes or private rentals, while some people may return to whanau and some may chose to leave Rotorua. In response to a question from Jenny, Will confirmed people do not go to any other form of motel. However, Will advised that if one or two people are left as 14 December looms, they may move to another CEH but this will be a last resort. He noted that 26 people went into Kāinga Ora homes in July 2024.

Jenny asked whether there were figures on how many people in CEH are local people. Will advised they do not have figures on that and that Jordon had explained at the last meeting the process for placing people based on where they whakapapa to. He confirmed that there are processes to prevent people with no connection to Rotorua going into CEH. JP said after 2021 it was not actively encouraged for people to come to Rotorua once the hub set up. Trevor disagreed on this point.

Trevor asked about Aywon and other motels contracted that do not have resource consents. Will advised HUD have transitional housing motels in 15 other locations in the country, but in Rotorua the only motels are the remaining CEH and Aywon. Will confirmed HUD will be out of Aywon by end June 2025.

Will clarified that exit strategy is predicated on gaining consent for the seven motels for another 12 months. If consent is not granted, the alternative is that every available house that HUD can move people to will be used and otherwise HUD will refer people to MSD. Kent said that originally consent was for five years, but only granted two years, so was probably right. Trevor disagreed and said the first application was open ended. Trevor considered it could have been done within two years. There were different views whether the CEH could have been exited within two years.

b. Plan to exit motels around Whakarewarewa (Will)

Will tabled document for exit strategy that was part of the RC applications. He noted that it has not yet been certified by RLC. He also tabled document for exit strategy from Whakarewarewa.

Will highlighted that the large bulk of new homes will come online between December 2024 and June 2025. He acknowledged that submissions have identified concerns with CEH near the village in Whakarewarewa. Will confirmed Apollo will be the next motel to be exited. He advised that as it is quite large, HUD wasn't confident they would have the supply of houses to exit Apollo by December 2024. HUD will be targeting the three Whakarewarewa CEH in the first six months of 2025.

Will talked about the need to match whanau with the houses being delivered – size of households, family in areas and households that live well together. Need a degree of flexibility. Dianna asked if homes are being built to cater to the size of those larger households. Will confirmed Kāinga Ora is aware of the make up of whanau in the motels. Dianna noted all the new builds she has seen tend to be small. JP said that the Kāinga Ora website has details on developments and the size of homes. Will advised that the Kāinga Ora build programme is based on demand on the Social Housing Register. He observed that there is less supply for 4-5 bedroom properties in the market. Dianna suggested it may be helpful if some of the bigger homes were built first.

Dianna advised that she likes the order of exits in regards to Whakarewarewa. Will confirmed Apollo and Alpin will be exited by June 2025, with Apollo being the first to be exited. That is on the assumption that RC is granted, which is not guaranteed. If consent is not granted, Will confirmed CEH will not operate in breach of consent.

Kent commented that if resource consents are not granted people will go all over the place and will be detrimental to Rotorua's reputation. Will advised that CEH has continued to receive referrals as it is preferable to uncontracted motels, but will not be taking any more referrals from June 2025.

Dianna asked for clarification that once HUD ends CEH contracts the same motels won't be used by MSD for uncontracted accommodation. Trevor said that is not government policy and that he couldn't see that the government would want that to happen.

Will advised emergency housing wasn't funded by central government until 2016. In 2016 MSD started the grant process they have now. HUD started in 2018 and now there are around 6,000 transitional housing places around the country, run by organisations such as Emerge, Salvation Army and others. COVID exacerbated it. Bryce noted that it was starting to be a problem prior to COVID due to AirBnB. He advised from around 2016 he was getting enquiries from people looking for accommodation, and while he didn't take people because they took tourists but other motels did. JP noted the MSD vouchers were intended for people homeless in an emergency situation and the vouchers were for seven days. Will advised HUD will still be in transitional housing, but not CEH motels. Bryce and Frank Liu both discussed examples of families with fair reason to need to be in CEH.

c. Any other feedback on the operations of CEH (All)

Paul noted trolleys seems to be back. JP said this is due to Council not paying to collect trolleys, so will need to talk to operators again. He noted some operators are talking with Lions Club about an arrangement to collect trolleys. JP said The Warehouse and Kmart were the two worst offenders.

ACTION: JP to provide an update to the group on whether a voluntary group is going to assist with trolley collection.

Will advised that there had been no complaints to the 0800 number. There had previously been only two complaints: one of which was about security not being visible, but that is the intent; and the other complaint was about children's behaviours. Most frequent calls have been people looking for accommodation. Will expects that the 0800 number may not be

continued.

Dianna advised that she has noticed all of the CEH have some type of gate, apart from Apollo and wondered why. Bryce said his property does have a gate and the purpose is as a signal to the public that the motel is shut, which may be why there are gates on the CEH on Fenton Street. Dianna thinks it is a good idea and would add to security and would mean people can't just come in and out. She is also concerned about safety of people leaving quickly and children crossing. JP suggested that these type of specific concerns would be useful to raise at the hearing so the Commissioners can evaluate whether a condition is needed.

4. Update on applications for new resource consents (Will)

Will advised that hearing date set for 5 - 8 November. JP advised the RLC website has a summary of submissions and there are about 35 submissions across 7 sites, with 179 submissions in total. He said about 20 submitters want to be heard. The venue is to be confirmed.

5. Discuss concerns noted in the Social Impact Assessment around operation of the CLG (All)

Will advised that the Social Impact Assessment had recorded feedback on the operation of the CLG. Some feedback was that there has been some frustration with the composition of the group, and way that concerns raised have been responded to. Would the group like to take the opportunity to talk about whether the group should continue, and if so, what changes members think would be helpful.

Paul advised that he thought the meetings have improved over time with different people attending. All agreed that it has been good having Will and JP attend.

Jenny advised she had been expecting the CLG to be more hands on and operational. She advised that she thought the compliance document tabled at the last meeting was useful compared to previous versions. Jenny said that she still thinks it is still valuable to meet and while some documents can be circulated by email, sees meetings as valuable so not blind-sided by any big changes.

Trevor advised he would like updates on moving people out of CEH at future meetings. Bryce and Kent noted this would be reliant on the timing of new builds.

JP suggested it was useful having multiple agencies attend the meeting.

Dianna advised that it is important that if any questions are asked directly for that person to answer and that others don't interject. Dianna wanted to share that she didn't always think concerns were treated seriously or with respect. She considers people need to be able to express their concerns openly. Jenny advised it needs to be remembered that the community representatives are feedbacking to community.

Jenny thought information was not forthcoming on checklists. Bryce outlined what the daily checklist he provides to MSD covers – no rubbish or trolleys out the front, no signs, keep noise down etc.. Kent said he thought it was a misunderstanding at the beginning of what was involved with the checks and that his recollection was that this was addressed by the report that set out what the defects were and that they had been resolved.

Jenny and Dianna wanted to have updates at each hui about how often monitored and checked. Bryce clarified that the checklists are sent every month to HUD.

JP acknowledged the concern raised about the first monitoring report and that the full monitoring report was provided, as well as the HUD six monthly monitoring report. Dianna reiterated that someone should speak to this at each hui, so that the community representatives can go back to their communities and provide reassurance that compliance checks have been done. Paul suggested it would be more useful to circulate reports a week or two before the meeting so that the representatives can read the information before the meeting and focus the discussion. JP suggested a link to the report could be pre-circulated before the meetings.

Dianna advised she felt that some moteliers had been a bit defensive and there had been some tensions at times, with a lack of acknowledgement of issues at Whakarewarewa. She emphasised that anyone bringing concerns around the impacts on the community, families and kids need to be able to do so without being undermined.

Paul advised that the new format compliance report satisfied the concerns raised previously. Dianna and Jenny feel hui have improved.

6. Other business

There was no other business.

7. Next meeting date

It was agreed that next meeting would be set for the end of November.

ACTION: Rachel to confirm venue availability and send meeting invites.

Will closed the meeting with a karakia.

SUMMARY OF ACTIONS

Action	Person responsible
Provide an update to the group on whether a voluntary group is going to assist with trolley collection.	JP
Confirm venue availability for the end of November and send meeting invites.	Rachel



Te Tūāpapa Kura Kāinga
Ministry of Housing and Urban Development

Rotorua Contracted Emergency Housing Exit Strategy

Purpose

1. Resource consent was granted on 15 December 2022 for the use of 13 motels for Contracted Emergency Housing (CEH) for a duration of two years (Annex A (I) refers).
2. The purpose of this document is to inform Rotorua Lakes Council (RLC) of the Ministry of Housing and Urban Development's (HUD) CEH exit strategy, in accordance with Condition 5 of the resource consents (Annex A (II) refers).
3. In addition, as part of its exit strategy, HUD will seek resource consent (on behalf of the motel operators) for seven motels for a one-year period. This will ensure families can be transitioned to appropriate permanent housing.

Background

4. The causes of the housing crisis with specific reference to the Rotorua Lakes area, and the impact of the numbers of people requiring emergency housing in the region, were covered in the evidence HUD¹ lodged in support of the CEH consent application.
5. Since late 2019 HUD, along with other government agencies, has been working with RLC, Ngāti Whakaue and Te Arawa to respond to Rotorua's housing challenges.
6. These challenges have emerged due to an unexpected period of population growth, coupled with a lack of local housing supply, a slowdown in the construction of new housing and a downturn in the local economy.
7. The construction of new private market housing, whether for sale or rent, slowed due in part to infrastructure and geotechnical challenges and higher interest rates, but also to a lesser extent because of vertical build costs and relatively low market rents.
8. Incomes in Rotorua are significantly lower than the NZ average, with a high number of people on benefits. Private rental and purchasing a home are beyond the financial reach of those in acute housing need.
9. As a result, a housing crisis has emerged in Rotorua. As at the end of 2019, it was estimated there was a shortage of 1500 – 1750 homes. This led to an increase in motels being used for temporary emergency housing, with long-term rather than the intended short-term stays.
10. As agreed by Cabinet, HUD contracted specific motels to provide emergency accommodation focused on supporting families with children. Resource consents for 13 motels were subsequently lodged. Based on the pipeline of public housing at this time, HUD believed that the use of the motels for CEH would be required for five years and sought resource consent on that basis.

¹ Refer to Statement of evidence by Nick McNabb, Chief Advisor at The Ministry of Housing and Urban Development.

11. As part of the resource consent hearing, HUD outlined a 5-year plan to reduce Emergency Housing in Rotorua, including:
 - an anticipated increase in the supply of public, affordable, iwi and market housing, and
 - enabling managed reduction in the number and concentration of motels used for Emergency Housing Special Needs Grant (EH SNG) and CEH.
12. The resource consents were granted by Independent Commissioners for a two-year period. The current resource consents therefore expire on 15 December 2024.

What has happened since resource consent was granted

CEH has been evaluated

13. An independent evaluation of Contracted Emergency Housing in Rotorua was published in January 2023. It found most respondents were positive about their experiences, saying it provided their whānau with respite from a range of challenges and trauma they were experiencing in their lives, including homelessness. Most of the respondents said their experience of contracted motels was that it was safer and more secure, had reasonable amenities, and provided them with a sense of community (the full report can be found [here](#)).

Increased supply and lowered demand have enabled a reduction in the overall number of motels used for emergency housing

14. The supply landscape in Rotorua has seen a significant shift over the last few years with increased delivery of new permanent housing and a shift away from interim housing solutions. From September 2021 to March 2024 inclusive, a total of 876 (gross) new dwellings were built in Rotorua – these are a mixture of market and social housing.
15. The number of households in emergency housing, and the number of motels utilised for this purpose, has steadily reduced since the peak in November 2021. One of the initial priorities in Rotorua was to reduce the use of MSD ‘mixed use’² motels. This focus contributed to a sharp decline in the number of motels used by MSD. The number of EHSNG motels MSD clients are utilising has reduced from 35 motels in August 2022 to six in April 2024. As at May 2024, HUD has exited three³ of the 13 CEH motels prior to resource consent expiration.

Recent policy changes will enable reduced use of CEH motels

16. The recently established Priority One category enables families to receive a fast-track preference to social housing after a 12-week consecutive period in emergency housing – including CEH and EHSNGs.

² Motels which were being used for both emergency housing and tourism.

³ New Castle (site 6), Ann’s Volcanic (site 11) and Union Victoria (site 12).

Motels are progressively returning to commercial operation

17. The three motels HUD has exited have successfully returned to commercial operation within the 90-day notice period HUD issued.
18. HUD has provisions in the agreements they hold with accommodation providers that mean there was no 'mixed use' of motels as they transitioned from CEH to tourism operation.

Current Situation

19. In Rotorua, there has been a reduction in the overall demand for emergency housing⁴. Most households requiring emergency housing are families with children who reside in CEH. Therefore, it is not possible, based on reduced demand alone, that a full exit of CEH motels can be achieved by December 2024 without significant impacts and disruption. Given the key factor in reducing reliance on CEH was the pipeline of public housing, this is not unexpected. However, faster than expected progress is being, and has been, made.
20. The key enabler for reducing the reliance on CEH motels remains a steady supply of affordable housing options. HUD initially applied for resource consent for a five-year period to ensure enough new supply of housing would be available to support whānau to exit motels. While the supply picture is gradually increasing, there remains an interim need for the emergency housing delivered through the HUD contracted motels. Given the vulnerability of the cohorts, HUD consider the most appropriate approach is to continue to support a progressive decrease in contracted accommodation.
21. As a result, HUD will apply for resource consent for seven motels for a further one-year period.

HUD will continue to take a phased approach to reduce Contracted Emergency Housing motels

22. HUD will continue to take a phased approach to reduce its reliance on contracted motels with a full exit from contracted motels by December 2025.
23. By December 2025, HUD expects most of the supply solutions to be completed. This will support cross-agency efforts to reduce overall reliance on emergency housing motels. The Kāinga Ora Social Housing Pipeline for Rotorua estimates 350 social houses will be delivered by this time. Through discussions with Kāinga Ora, HUD anticipates approximately two thirds of these (234), as outlined in the below table, will be made available to whānau in emergency housing. This will support HUD's exit from CEH.

Anticipated Social Housing available for whānau in CEH

December 2024	June 2025	December 2025
48	212	234

*The above figures are accumulative over time

⁴ In December 2021, 588 households were reported across both CEH and EH SNG motels compared to 222 households in April 2024.

24. While supply comes onboard to enable a full exit of CEH motels, HUD will implement a number of measures to support exits and CEH motels returning to tourism, as set out in the table below.

Prioritising and exiting motels
<p>HUD will:</p> <ul style="list-style-type: none">• Prioritise all CEH motels in Rotorua to determine the most appropriate motels to exit and the order in which these exits occur.• Continue to gradually exit one motel at a time to ensure the market is not flooded with multiple motels returning to the tourism market at the same time.• Work alongside MSD to actively manage exits by stopping new referrals into CEH motels from 30 June 2025.• Issue 90-day notice period to motels being exited to allow sufficient time for restoration work, if necessary, to take place before the motels return to tourism.

25. HUD has explored several options to achieve a full exit of contracted motels as efficiently as possible. It has balanced the different options with the need to ensure families are appropriately housed and believe the above approach is the best way to provide a supportive transition into stable housing.
26. Prior to resource consent expiring in December 2024, HUD will exit Malones Motel (RC17662), Midway Motel (RC17890) and Emerald Spa Motor Inn (RC18244). These motel exits were determined using the above process. HUD will work with the service providers supporting these three motels to reduce their occupancy, either by placement into long term housing or, if necessary, by transfers into the remaining motels for which new resource consents will be sought. Notice to these three motels will be issued no later than 90 days prior to consent expiry.

Conclusion

27. HUD is proactively working alongside other agencies to exit the use of motels for CEH in Rotorua by December 2025. This is being done through an increase in the supply of new social and affordable housing, including Kāinga Ora housing, leading to a reduction in the level of demand for CEH.
28. In addition, the recently established Priority One category enables families to receive a fast-track preference to social housing after a 12-week consecutive period in emergency housing – including CEH and EH SNGs.
29. This exit strategy outlines the programme to end use of the consented sites and buildings for CEH, including the need for HUD to apply for resource consent (on behalf of the motel operators) for seven motels for a one-year period.

Annex A – CEH resource consents

I. The following 13 motels were granted resource consent:

- RC17647 - Lake Rotorua Hotel, 131 Lake Road.
- RC17648 - Alpin Motel, 16 Sala Street.
- RC17650 - Newcastle Motor Lodge, 18 Ward Avenue.
- RC17661 - Pohutu Lodge Motel, 3 Meade Street.
- RC17662 - Malones Motel, 321 Fenton Street.
- RC17673 - Union Victoria Motel, 26/28 Victoria Street.
- RC17887 - Ascot on Fenton, 247 Fenton / 12 Toko Streets.
- RC17889 - RotoVegas Motel, 249 Fenton / 14 Toko Streets.
- RC17890 - Midway Motel, 293 Fenton Street.
- RC17891 - Geneva Motor Lodge, 299 Fenton Street.
- RC17892 - Ann's Volcanic Motel, 107 Malfroy Road.
- RC17893 - Apollo Hotel, 7 Tryon Street.
- RC18244 - Emerald Spa Motor Inn, 284 Fenton Street.

II. Condition 5 of these resource consents requires:

“No later than 6 months prior to the consent expiry under 4(a), the consent holder shall submit to the Manager, Planning & Development Solutions, Rotorua Lakes Council, or their delegate, for certification, an exit programme to end the use of the site and buildings for CEH within the timeframe granted under this consent. The exit programme shall detail matters such as - the plans to have the residents relocated from the site at the expiry of the consent, when the CEH will not be accepting further residents, and details of any required works to reinstate the buildings as a motel.”



What is being planned?

Te Tūāpapa Kura Kāinga - the Ministry of Housing and Urban Development (HUD) - is seeking consent for seven Contracted Emergency Housing (CEH) motels for a further one-year period.

- In July 2021 HUD contracted 13 CEH motels focused primarily on supporting whānau with tamariki. Resource consent for motels was sought for a five-year period but was only granted for two years. This expires in December 2024.
- HUD will be seeking consent for a further one-year period, until December 2025, for seven motels while a staged exit strategy is undertaken. This will ensure that the reduction of motels is balanced with whānau housing needs.

What has happened since the previous resource consent was granted?

- Housing supply has increased. From September 2021 to March 2024 inclusive, a total of 876 (gross) new dwellings were built in Rotorua – these are a mixture of market and social housing
- There has been a reduction in demand for emergency housing which has meant we have been able to reduce the number of motels we use. The number of EHSNG motels MSD clients are utilising has reduced from 35 motels in August 2022 to six in April 2024. As at May 2024, HUD has exited three of the 13 CEH motels prior to resource consent expiration.
- Our new Priority One category will mean families with dependent children in emergency housing for longer than twelve weeks will move to the top of the social housing waitlist so we can get them into stable housing sooner.

What are the next steps?

- The key enabler for reducing the reliance on CEH motels remains a steady supply of affordable housing options.
- By December 2025, HUD expects most of the supply solutions to be completed. This will support cross-agency efforts to reduce overall reliance on emergency housing motels. The Kāinga Ora Social Housing Pipeline for Rotorua estimates 350 social houses will be delivered by this time. Through discussions with Kāinga Ora, HUD anticipates approximately two thirds of these (234), as outlined in the below table, will be made available to whānau in emergency housing. This will support HUD's exit from CEH.

Anticipated Social Housing available for whānau in CEH

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While supply comes onboard to enable a full exit of CEH motels, HUD will implement a number of measures to support exits and CEH motels returning to tourism.

Halting new referrals

- Work alongside Te Pokapū and MSD to actively manage exits by stopping new referrals into CEH motels from 30 June 2025

Prioritising motels

- Prioritise all CEH motels in Rotorua to determine the most appropriate motels to exit and the order in which these exits occur.

Stagger exits

- Continue to gradually exit one motel at a time to ensure the market is not flooded with multiple motels returning to the tourism market at the same time.

This approach will ensure HUD has a pathway to reduce the number of motels for CEH in Rotorua while ensuring whānau housing and support needs to transition into permanent housing are also met.

What Does this mean for Whakarewarewa Village?

Of the seven motels HUD will be seeking consent for, three of these are located near Whakarewarewa Village. These are the Apollo Hotel, Alpin motel and Pohutu Lodge.

HUD will be prioritising the exit of Apollo Hotel immediately following the exit of the three motels its not seeking resource consent for, and Alpin motel soon after. Pohutu Lodge will be the last of these three motels we will exit.

How will HUD exit motels

- HUD, MSD, KO and Te Pokapū will review the pipeline of housing types and the whānau make up in the motels and conduct a matching exercise to place whānau into the new homes.
- HUD will stop new referrals to a motel once we begin exiting.
- HUD will issue a 90-day notice to the motelier and support service provider once there is certainty enough housing is coming online to vacate the motel

What support will be available to whānau following the exit of motels

- HUD is providing a further period of wrap around support service to support whānau transition from motels to housing.
- The purpose of this support is to address any issues experienced within the first few months of settling in their new homes and to avoid the risk of households returning to homelessness.

What did we consider when determining the order of exiting these motels

Volume of units vs Expected social housing supply

- Apollo Hotel and Alpin motel have large numbers of units and we know from experience that larger facilities can take longer to exit. We are lining up the exit of these motels with the expected large volume of Kāinga Ora social housing due to come available. Pohutu lodge will be the last of these three motels we will exit.

Facilities most suited to whanau

- HUD is prioritising the exit of Apollo Hotel in the first instance as the room configurations available at this motel are less suited to larger whānau.
- Pohutu Lodge's room configuration is considered the most suitable for larger whānau so this will be the last of these three motels we exit.

Submissions

- Apollo featured highly in submissions received for the upcoming Resource Consent hearing.
- We are also conscious of its proximity to Whakarewarewa Village