



**MINISTRY OF SOCIAL
DEVELOPMENT**

TE MANATŪ WHAKAHIATO ORA

Dear

On 28 April 2017, you emailed the Ministry requesting, under the Official Information Act 1982, information regarding homelessness in Rotorua and transitional and social housing in Rotorua.

For the sake of clarity I have addressed each of your questions in turn.

- *Any briefing or information that the ministry received or produced for Ministers or Cabinet about a story featured on the TV3 program, The Hui, on 23 April 2017 about Rotorua having the second highest level of homelessness in New Zealand.*
- *Background notes/research which led to the announcement of 117 state homes in Rotorua. I am seeking to know how it was determined that 117 new homes are needed, and also how it was determined that 40 are to be one-bedroom, 30 are to be two-bedroom and 10 are to be three-bedroom homes. I am also seeking to know how long this announcement has been in the planning stages for. Along with all other information and correspondence relevant to the announcement of 117 new state homes in Rotorua.*
- *Any other information and correspondence relevant to the new 117 state homes in Rotorua*

I have enclosed copies of the following documents that are in scope of your request.

- Memo titled 'Rotorua Factsheet', dated 31 March 2017. This memo was provided to Minister Ngaro's office and provided a factsheet which covered both Social housing and Emergency Housing demand ahead of the interview with the Hui.

You will note that some information is withheld under section 9(2)(j) of the Official Information Act to enable the Ministry to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations). The greater public interest is in ensuring that government agencies can continue negotiate without prejudice.

The names of some individuals have been withheld under section 9(2)(a) of the Act to protect the privacy of the individuals. The need to protect the privacy of these individuals outweighs any public interest in this information.

Some information is also withheld under section 9(2)(g)(i) of the Act to protect the effective conduct of public affairs through the free and frank expression of opinions. I

believe the greater public interest is in the ability of individuals to express opinions in the course of their duty.

- Email titled '*Follow up to the Hui*', dated 12 April 2017. This email provided details about Minister Ngaro's plans for his visit to Rotorua.

You will note that some individuals names have been withheld under section 9(2)(a) of the Official Information Act. The need to protect the privacy of these individuals outweighs any public interest in this information.

- Document titled '*Rotorua Confirmed Emergency Housing Places*', dated 21 April 2017. This document provided a visual map of the number of emergency housing places the Ministry had secured in Rotorua and the dates they are available to place clients into.

The address details and the images of the homes are withheld under section 9(2)(a) of the Act to protect the privacy of the clients who may be residing at the home. The need to protect the privacy of these individuals outweighs any public interest in this information.

Further information regarding the Ministry's purchasing intentions is available on the Ministry's website at: <http://www.msd.govt.nz/about-msd-and-our-work/work-programmes/housing/purchasing-intentions/index.html>

- *The announcement mentioned that the government is "actively encouraging private social housing providers to help the Government deliver the new properties within three years". Please advise what "encouraging" means, which private social housing providers have been encouraged and have any been responsive to the encouragement.*

Ministry officials have recently been conducting a series of regional road shows, including in Rotorua, with the theme of '*Towards 2020: Increasing Social Housing*'. Through these road shows the Ministry has been engaging with a wider housing sector including housing providers, developers and financiers on the additional supply of social housing that the Ministry is seeking to deliver over the next three years, the support that the Ministry is able to provide in order to help facilitate the delivery of that new supply, and inviting expressions of interest from the sector for the delivery of new social housing places. Responses to these road shows have been very positive and the Ministry is in early discussions with a number of parties about potential new supply opportunities.

The 2016 Social Housing Purchasing Strategy is the Ministry's strategy for purchasing subsidised social housing places (Income-Related Rent Subsidy or 'IRRS' places) through to June 2020. A key purpose of the Strategy is to share information with existing and potential providers about the types and locations of social housing places that are needed, and how the Ministry will fund and contract for these places, to support provider's investment decisions

The name of the providers the Ministry has been in discussions with is withheld under section 9(2)(j) of the Act enable the Ministry to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations). The greater public interest is in ensuring that government agencies can continue negotiate without prejudice.

- *Is there a budget for the new state homes, if so, please provide all relevant details about the budget.*

The Ministry does not have funding for new builds in Rotorua. However, the Ministry purchases social housing tenancies by paying the difference between market rent and the Income Related Rent that an eligible tenant pays (no more than 25% of their net household income) through the Income-Related Rent Subsidy (IRRS). The budget for this is \$901.4 million for the 2017/18 financial year.

- *Is there any particular part of Rotorua which has been earmarked for the new state homes to be built in? If so, where*

At this stage no specific locations in Rotorua have been earmarked for new social housing developments.

- *Please provide the planned timeline over the next 3 years in which these new 117 new state homes are expected to be rolled out.*

The timeline will depend on the individual arrangements that the Ministry enters into for the delivery of the new social housing supply.

- *Please advise which mix of the new 117 state homes will be new builds, and which will be existing homes*

This is still to be determined as the new supply opportunities are worked through, but could be a mixture of new build and leased places.

The principles and purposes of the Official Information Act 1982 under which you made your request are:

- to create greater openness and transparency about the plans, work and activities of the Government,
- to increase the ability of the public to participate in the making and administration of our laws and policies and
- to lead to greater accountability in the conduct of public affairs.

This Ministry fully supports those principles and purposes. The Ministry therefore intends to make the information contained in this letter and any attached documents available to the wider public shortly. The Ministry will do this by publishing this letter and attachments on the Ministry of Social Development's website. Your personal details will be deleted and the Ministry will not publish any information that would identify you as the person who requested the information.

If you wish to discuss this response with us, please feel free to contact OIA_Requests@msd.govt.nz.

If you are not satisfied with this response regarding emergency housing in Rotorua, you have the right to seek an investigation and review by the Ombudsman. Information about how to make a complaint is available at www.ombudsman.parliament.nz or 0800 802 602.

Yours sincerely



Scott Gallacher

Deputy Chief Executive, Housing



Memo

Section 9(2)(a) Privacy of Natural Persons

To: [redacted] Private Secretary, Associate Minister for Social Housing

CC: Scott Gallacher, Deputy Chief Executive Housing

From: s 9(2)(a) [redacted] Senior Advisor, Office of the DCE Housing

Date: 31 March 2017

Security level: IN CONFIDENCE

Rotorua factsheet

Action: For Information

Purpose

This memo responds to the request for a regional factsheet for Rotorua covering social housing and emergency housing demand ahead of the Minister's proposed interview with 'The Hui'.

Key Messages

- Government recognises that, as an international tourism destination, Rotorua faces some unique housing challenges, and we're working across the housing continuum to ensure the right support is available for people in need.
- Last year, Government committed over \$354 million to support the emergency housing sector. This represents the first time any government has funded emergency housing.
- On 1 July 2016, an Emergency Housing Special Needs Grant (SNG) was introduced to meet the costs of temporary accommodation for people with an urgent housing need. In most cases, this assistance does not need to be repaid.
- While we recognise that commercial accommodation can't provide vulnerable families with the support they need over the longer term, it does ensure we can provide them with a place that is warm, dry and safe.
- We know there have been some complaints from motel owners about anti-social behaviour. MSD's makes it clear that people have an obligation to the motel owner and other residents to respect the property and behave appropriately at all times. Only a small minority do not. The vast majority of people behave appropriately and are pleased to have somewhere to stay in the short-term.

- MSD is able to provide a bond payment to the motelier and paying for damage. However, tenants are responsible for any damage they cause including paying for it.

We'd encourage motel owners to contact the Police if damage is caused and no reparations are made by the occupant, or they suspect illegal behaviour has taken place.

- We have signalled our intention to purchase up to 2,200 contracted emergency housing places across the country at any one time.

- In Rotorua, the Ministry of Social Development has already contracted 10 emergency housing places, and is actively seeking a total of 30 places. MSD is working with providers to bring these places on-line as soon as possible. We'll be supporting those providers with a rental subsidy and funding for tenancy management and support services, to help move those in need into sustainable accommodation.

- While we're working to ensure emergency housing is available for vulnerable families, our ultimate goal is to support people into safe, stable and secure accommodation. The Ministry of Social Development is focused on increasing the supply of social housing to meet longer-term housing need.

- In December 2016 the Ministry released its social housing Purchasing Strategy. This is the Ministry's driving document for us to be able to shape the social housing market and meet demand.

- We have signalled that we will be working to secure another 3,800 social housing places by 2020. We've also got a further 2,600 places contracted or close to it. That's more than 6,400 new places for people and families in need. In Rotorua, we're looking to purchase 80 new social housing places including, 40 one-bedroom, 30 two-bedroom and 10 three-bedroom properties.

- [if asked] I acknowledge the good work that Love Soup has done in helping some of Rotorua's most vulnerable people. There's a lot we can learn from her experience and I encourage her to take up the offer to meet with my officials to explore how we can work together.

- [if asked] I am confident that none of the emergency housing providers we are working with are currently considering properties owned or managed by the Bhanas. If people have concerns over the state of their rental properties they should contact Tenancy Services.

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Background

Social housing

Register

The following table shows the number of applications on the social housing register by register type as at 28 February 2017 in the Rotorua District.

Territorial Local Authority	Housing Register	Transfer Register	Total
Rotorua District	74	9	83

The following table shows the number of applications on the social housing register (including transfer) by number of bedrooms required in the Rotorua District.

Territorial Local Authority	Number of bedrooms required					Total
	0	1	2	3	4	
Rotorua District	0	31	23	19	s 9(2)(a)	83

Subsidised tenancies

The following table shows the number of tenancies eligible for Income Related Rent Subsidy (IRRS) as at 28 February 2017 by the number of bedrooms.

Territorial Local Authority	Number of bedrooms						Total
	0 (bedsit)	1	2	3	4	5+	
Rotorua District	0	25	254	277	49	7	612

There are no Community Housing Provider (CHP) places currently receiving an IRRS in Rotorua.

Purchasing Intentions

The table below shows additional IRRS places MSD intends to purchase in the Rotorua District under the Purchasing Strategy 2016-2020.

Purchasing intentions - additional income-related rent subsidy (IRRS) places by bedrooms					
TLA	1	2	3	4+	TOTAL
Rotorua District	40	30	10	0	80

Emergency housing

Special Needs Grant

The following table shows the number of Emergency Housing Special Needs Grant granted by the Rotorua Work and Income site by month.

Month	Non-Recoverable		Recoverable		Total	
	Grants	Amount granted	Grants	Amount granted	Grants	Amount granted
Oct-16	s 9(2)(a)				104	\$82,110.60
Nov-16					68	\$52,559.00
Dec-16	19	\$11,869.00	6	\$4,815.00	25	\$16,684.00
Jan-17	s 9(2)(a)		s 9(2)(a)		5	\$3,803.00
Feb-17					17	\$19,693.94
Total	207	\$166,108.54	12	\$8,742.00	219	\$174,850.54

Supply

The Inter-agency Emergency Housing Response Team (EHRT) has identified demand for 37 emergency housing places in the Rotorua area. The Emergency Housing RFP process resulted in the Ministry contracting 7 places through the National Collective of Women's Refuges – note, these were accommodation only contracts.

The EHRT has secured three further rental properties, one of which is already tenanted with the other two expected to come on-line within the next week or two. The Salvation Army have been contracted to provide support services, and are looking to secure at least one further rental property.

There are no Crown properties available for use as emergency housing in Rotorua. The

s 9(2)(j) Ongoing negotiations

The EHRT considered options to lease or purchase motel-type accommodation to meet remaining demand, however, consenting issues meant this was not a cost effective or timely approach. s 9(2)(j) Ongoing negotiations

The Emergency Housing Provider (EHP) market in Rotorua is in its infancy, with the Salvation Army operating on a small scale only. VisionWest had expressed interest in expanding its services into Rotorua, but now consider they are unlikely to be in a position to submit a proposal due to the short-timeframes involved. s 9(2)(j) Ongoing negotiations

s 9(2)(j) Ongoing negotiations

Private rental market

The private rental market in Rotorua is buoyant, and there is a severe lack of rental accommodation across the city, especially at the lower quartile. The situation is likely to tighten further with median market rents in the Rotorua area growing by around 9 percent over the last year. MSD's frontline staff report that a growing number of clients are seeking assistance after having been unable to find replacement accommodation when their existing private rental properties are sold.

Live issues

Love Soup

Section 9(2)(a) Privacy of natural persons

Local homelessness advocacy group Love Soup has been vocal in raising concerns over the apparent increase in the incidence of homelessness, and has advocated for dedicated contracted emergency housing places, in Rotorua. Love Soup was founded and is managed by Gina and Elmer Peiffer, [redacted] Ms Peiffer recently organised a march in central Rotorua to raise awareness of homelessness.

Ms Peiffer has been a regular correspondent with the former and current Ministers of Social Housing. Most recently, she wrote to the Deputy Prime Minister in mid-February to express her concern over what she perceives to be a delay in the Ministry's consideration of Love Soup's application to join the Emergency Housing Panel. [redacted]

Section 9(2)(g)(i) Free and frank expression of opinions

[redacted] The EHRT has attempted to follow-up with Ms Peiffer to outline what Love Soup would need to do in order to become accredited to the panel, however, she has not responded to attempts to contact her.

Ranolf St Properties

TVNZ recently reported on a case of Sue and Stephen Bhana, who have been accused by former tenants of providing sub-standard rental accommodation. MSD was approached for comment by TVNZ after Ms Bhana claimed the Ministry had invited them to become a contracted emergency housing provider – that claim was incorrect.

'The Property Group' acting on behalf of The Salvation Army (which is a member of the Ministry's Emergency Housing Provider Panel) did make an initial approach to the Bhanas to determine whether their rental properties might meet TSA's requirements for use as emergency housing. When TPG became aware of the media coverage around the state of the properties they immediately withdrew their interest.

The Ministry provided the following statement to TVNZ:

"MSD has not encouraged the Bhanas to become an emergency housing provider.

We are working with credible emergency housing providers to increase the supply of contracted places in the Rotorua area.

Those providers have their own criteria for identifying properties that could potentially serve as emergency housing, and are carrying out due diligence on a wide range of options.

We are aware that an agent acting for a provider asked for some initial information about the Bhanas' properties, however, when they became aware of concerns around the standard of those properties they immediately withdrew that interest.

We are confident that none of the providers we are working with are currently considering properties owned or managed by the Bhanas."

ENDS

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From: [s 9(2)(a)]
Sent: Wednesday, 5 July 2017 12:20 p.m.
To: [s 9(2)(a)]
Subject: FW: Follow up to the Hui

From: [s 9(2)(a)]
Sent: Wednesday, 12 April 2017 5:41 p.m.
To: [s 9(2)(a)]
Cc: [s 9(2)(a)]
Subject: RE: Follow up to the Hui

Hi [s 9(2)(a)]

Apologies for the delay in coming back to you.

We've run this past [s 9(2)(a)] team and suggest the following amendments.

Cheers

[s 9(2)(a)]

Hi [s 9(2)(a)]

It was lovely to meet you on Friday.

You asked me to keep you updated on Minister Ngaro's plans for his visit to Rotorua.

I can confirm that we have locked in a visit but unfortunately it is just after your story will screen. The itinerary is still being finalised but it will include visits to those working on the ground.

Regarding the places we have now and are bringing on stream:

- We secured seven places last year through the first funding in July- these were places that already existed but needed additional funding to sustain their operations stay open. In many cases, they were already receiving government funding for services, but not for the accommodation part.
- We've brought on another property fairly recently and have a family living in there now.
- We have another three ~~four~~ properties coming on in the next ~~few weeks~~ - the first of which is due next week ~~for tonight~~; we are conducting due-diligence on seven ~~six~~ further properties that are likely to complete in ~~settle in mid~~ May and we are currently awaiting the outcome of offers on an additional four more houses.

- We are in various stages of negotiations for the remaining places and we are doing everything we physically can to bring on properties as soon as possible

From: s 9(2)(a)
Sent: Wednesday, 12 April 2017 11:54 a.m.
To: s 9(2)(a)
Cc: s 9(2)(a)
Subject: FW: Follow up to the Hui

Hi everyone

Can you please confirm that you are okay with the statements below proposed by Minister Ngaro's press secretary to "The Hui" (following his interview last Friday)

Tanks

s 9(2)(a)

From: s 9(2)(a)
Sent: Wednesday, 12 April 2017 11:50 a.m.
To: s 9(2)(a)
Cc: s 9(2)(a)
Subject: Follow up to the Hui

Hi Shaun,

Can we just check with MSD that it's okay to share the below details with the Hui?

Hi s 9(2)(a)

It was lovely to meet you on Friday.

You asked me to keep you updated on Minister Ngaro's plans for his visit to Rotorua.

I can confirm that we have locked in a visit but unfortunately it is just after your story will screen. The itinerary is still being finalised but it will include visits to those working on the ground.

Regarding the places we have now and are bringing on stream:

- We secured seven places last year through the first funding in July- these were places that already existed but needed additional funding to sustain their operations stay open. In many cases, they were already receiving government funding for services, but not for the accommodation part.
- We've brought on another property fairly recently and have a family living in there now. [this is 51a Roger St tenanted in February as noted in last week's plan]
- We have another three ~~four~~ properties coming on in the next few weeks ~~the first of which is due next week tonight~~ s 9(2)(a) as noted in this week's plan]; we are conducting due-diligence on seven ~~six~~ further properties that are likely to complete in settle in mid-May s 9(2)(a)

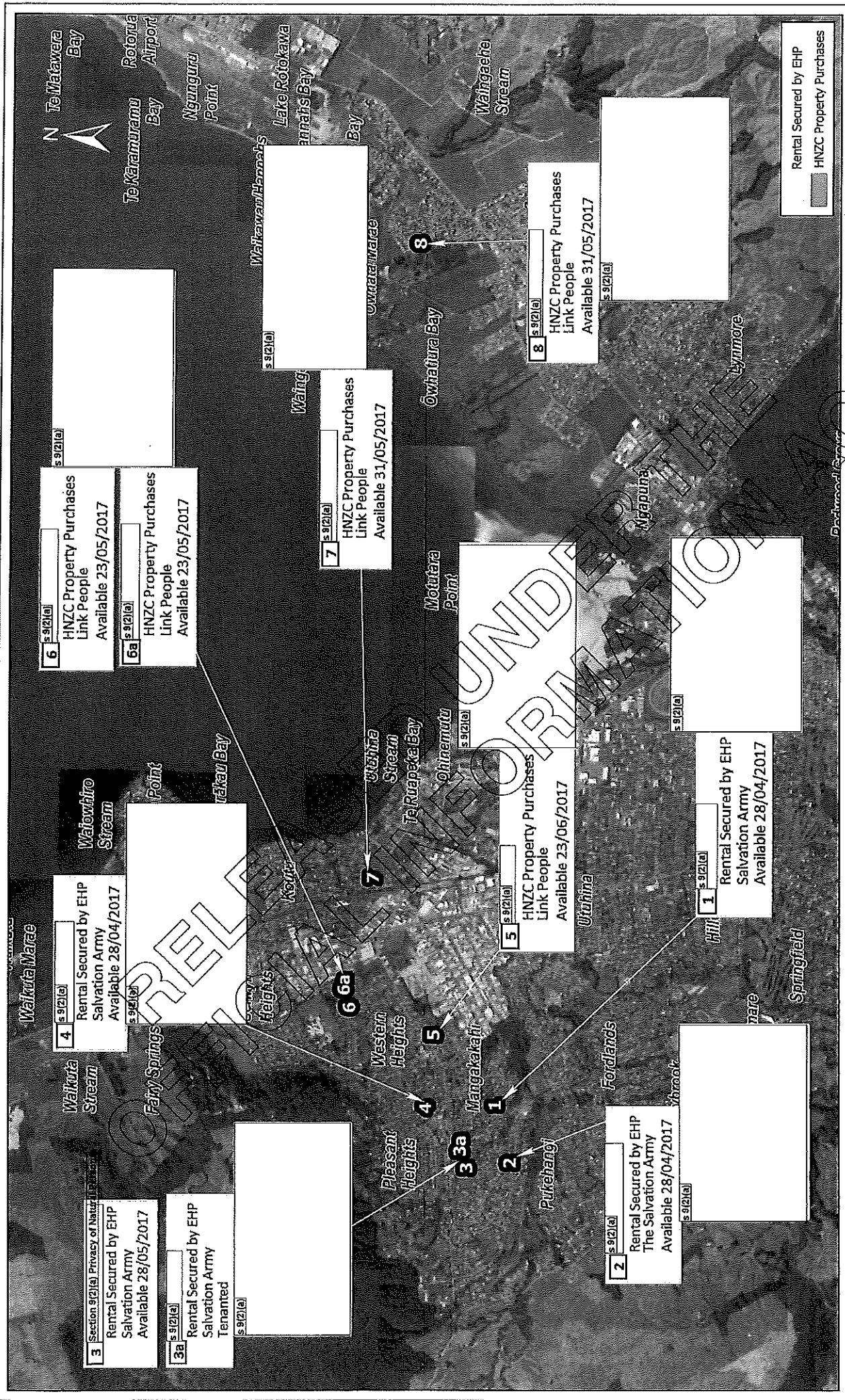
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- We are in various stages of negotiations for the remaining places and we are doing everything we physically can to bring on properties as soon as possible.

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Rental Secured by EHP
 HNZC Property Purchases

<p>the propertygroup Corporate Property Advisers and Negotiators</p>	<p>Property boundaries and aerial imagery sourced from Land Information NZ. Property boundaries accuracy: +/-1m in urban areas, +/-30m in rural areas. Areas are approximate and subject to survey. This map was produced with ArcGIS Pro by Esri.</p>		<h3>Rotorua Confirmed Emergency Housing Places</h3>		<p>TPS REF: 714082</p>
	<p>Section 92(1)(a) Privacy of Natural Resources Act 1986</p>	<p>3 Rental Secured by EHP Salvation Army Available 28/05/2017</p>	<p>3a Rental Secured by EHP Salvation Army Tenanted</p>	<p>DATE: 21/04/2017</p>	<p>SHEET</p>



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