

# FIVE YEAR **INTEGRATED HOUSING PLAN** 2007/8 – 2011/12



CITY OF CAPE TOWN | ISIXEKO SASEKAPA | STAD KAAPSTAD

THIS CITY WORKS FOR YOU



## Foreword by Executive Mayoral Member Dan Plato

The demand for housing in South Africa, but specifically in Cape Town, continues to grow, and I am pleased to report that the City is geared and poised to respond positively to these challenges.

Cape Town has four main human settlement challenges and constraints that impede housing delivery.

Firstly, there are an estimated 400 000 families without adequate access to services and shelter. To address this backlog effectively the City needs to deliver approximately 20 000 housing units per annum for the next twenty years. In terms of available resources, the present delivery rate is approximately 8 000 housing opportunities per annum.

Secondly, the apartheid urban landscape remains unchanged. New housing developments are still generally located on the city periphery, far from work opportunities, amenities and facilities.

Thirdly, new and existing settlement areas are characterised as uni-functional “housing areas” with a lack of integration with other facilities, land uses and transportation. The new housing programmes address the integration imperative.

Fourthly, to achieve the vision of a caring City committed to creating a better life for all of its citizens, it is my intention as Mayoral Committee Member for Housing to support the programmes, policies and strategies that have been developed by the Housing Directorate.

Our Five Year Housing Plan, which is supported by a short and medium term budget, is specifically aimed at meeting certain housing targets over the next five year period. This plan will surely address the various challenges and demands that the City is confronted with. However, we see this as a challenge and are geared and prepared to tackle the problem head-on in a holistic and integrated manner.

With the passionate support of the dedicated staff at my disposal, I have no doubt in my mind that we will achieve the targets that we have set ourselves in our pursuit to address the critical housing challenges within the Cape Metropolitan area.

A handwritten signature in black ink, appearing to read 'Dan Plato', enclosed within a large, stylized, horizontal oval flourish.

DAN PLATO  
EXECUTIVE MAYORAL MEMBER: HOUSING



# Introduction by Executive Director JA Smit

It is with pleasure that I present you with the Housing Directorate's Five Year Housing Plan which aligns with the City's Integrated Development Plan and the National Breaking New Ground Housing Policy to ensure integrated development.

The Housing Directorate is guided by the following six pillars:

- Fairness
- Affordability
- Sustainability
- Location
- Opportunity
- Dignity

In this Five Year Housing Plan we identify constraints impeding housing delivery and investigate strategies for eliminating or minimising them. We have also committed ourselves to the refurbishment of Council owned housing rental stock.

This plan is aligned with other City departmental plans to ensure integrated development in terms of budget provisions and availability of bulk and link infrastructure services. The City's social and land restitution housing programme has been implemented with identified external partners and we have introduced a GAP housing programme with banking partners and the private sector.

A medium to long term plan has been developed for housing with the key focus on land acquisition which aligns with the City's spatial development framework. We are committed to establishing the City as a fully accredited housing authority to speed up housing delivery.

The City's Upgrading of its Informal Settlements Master Plan has been linked to the overall housing development plan. Investigations into how best to implement in situ informal settlement upgrades as a mechanism of increasing access to housing opportunities are ongoing and we have obtained political support for a zero tolerance approach to land invasions.

The Budget Implementation Plan commits us to meet specific targets over this five year period. In the final analysis, housing can only happen with the full commitment of our staff and all other role-players. Let's make it happen.

A handwritten signature in black ink, appearing to be 'JA Smit', written in a cursive style.

**J A (HANS) SMIT**  
**EXECUTIVE DIRECTOR: HOUSING**

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... housing is a  
key strategy for  
redressing poverty ...



# 1. Introduction

South Africa's supreme law, the Constitution (1996) states that all citizens have the right to 'access to adequate housing'. In accordance with National Government's Housing Policy, which aims to address and normalise the country's housing shortage, the City of Cape Town has therefore set itself the target of providing housing opportunities to the almost 400 000 families within its jurisdiction who currently live in inadequate housing and depressed physical environments.

This poses a substantial challenge, given the current high rate of informalisation, (the increase in the number of people living in informal settlements, which has grown from 23 000 families in 1993 to approximately 117 000 families in 2007), and the ever increasing housing backlog, which has more than doubled from 150 000 in 1998 to 400 000 in 2007. Despite these obstacles, Cape Town has already met with considerable success in its efforts thus far.

The fact that housing is seen as a key strategy for redressing poverty adds impetus to the City's drive to provide adequate housing for the poor, indigent and lower income earners. The housing sector has the potential to increase employment and individual wealth, encourage households to save, increase the demand for consumer goods and services, and impact positively on the health of households. The City's focus over the next five years is therefore on accelerating housing provision and on ensuring that land utilisation is well planned, managed and monitored.

To achieve this, the City has adopted the national Breaking New Ground plan (BNG) for the development of sustainable human settlements and has also aligned itself with the Provincial Government's Western Cape Sustainable Human Settlement strategy (Isidima).



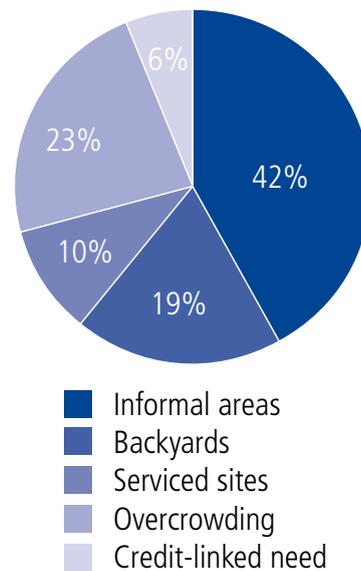
... The City will aggressively drive the construction of quality houses ...



These two instruments signal a paradigm shift away from traditional approaches to the provision of housing to a holistic approach aimed at developing and improving integrated human settlements. Essentially, they translate into planning and creating living environments that offer a variety of housing options to varied income groups, and in so doing facilitate their access to economic opportunities, educational, recreational and cultural activities, and health, welfare and police services on sustainable development principles with due recognition of the need for energy, water and waste efficiencies. The City will therefore strive towards balancing quantity (reducing the backlog) with quality housing and improving the overall living environment for these communities.

In line with this approach, the City has identified a number of objectives for current and future implementation. These are:

- To aggressively drive the construction of quality houses in accordance with the BNG plan
- To dedicate capacity and provide strategic support for in situ upgrading of existing and developable informal settlements, with the eventual goal of eradicating them altogether. As a short term objective, the City aims to alleviate squalour and poverty by initially providing rudimentary services to such settlements, progressing on to the full suite of services as capacity expands
- To improve the pace of the implementation of gap (entry level), social and rental housing as critical tools for the development and promotion of integrated sustainable human settlements. To this end the City will endeavour to strengthen its public/private partnerships
- To promote the functionality of housing areas as neighbourhoods with proper engineering and social services. In this regard the City is exploring the implementation of mixed use and mixed income areas of development, and will furthermore strive to develop integrated housing projects, create and upgrade rental housing and refurbish hostels. In achieving this objective, the City will be able to offer a comprehensive housing options menu that suits the needs of the poorest of Cape Town's communities



**Figure 1: Housing backlog**

- To use housing as a means to draw the poor and indigent into the economy. When poor people are given access to tangible assets such as housing or intangible assets such as education and health, they obtain the means to participate in economic activities and are therefore better placed to benefit from economic growth. The emphasis in this regard will be placed on well-located land for low-cost housing so that new developments are within the urban core and are well integrated, which should result in their capital growth
- To pursue a more compact and viable urban form, facilitating medium to higher densities
- To explore the formalising of backyard homes. It is envisaged that this will assist in reducing the housing backlog and open up potential income streams for this sector of the population
- To foster a culture of payment (for housing services rendered) among communities, and to link this to service delivery

... access to urban land  
with security of tenure  
and basic services ...



# 2. The housing environment

As a result of increasing globalisation and its position within the governmental hierarchy, the City's provision of housing is influenced by numerous international and national trends and policies. Cape Town shares similar challenges with other developing cities, including rapid urbanisation, growing informal settlements, increasing poverty, environmental and public health problems and an increasingly informalised economy.

## 2.1 The global context

As part of its endeavour to formulate a set of solutions to the current housing shortage, South Africa has committed itself as a signatory to the Habitat II Agenda, which works towards the fulfilment of the international right to adequate housing. It also subscribes to the Millennium Declaration on Cities, and supports its goal of achieving "... a significant improvement in the lives of 100 million slum dwellers by the year 2020." The City revisits the goals, policies and best practices initiated by these international conventions are revisited on an ongoing basis to strengthen and inform its housing strategies. Knowledge sharing with various countries is also conducted as a parallel process to develop combined approaches.

The City uses the knowledge gleaned from international experiences of this issue to:

- Accelerate and provide access to urban land with security of tenure and basic services
- Address the nature of the urban form itself, including transportation and livelihood considerations in housing projects

- Promote the Triple Bottom Line of sustainability – ecological, social and economic sustainability
- The upgrading and eradication of informal settlements/slums

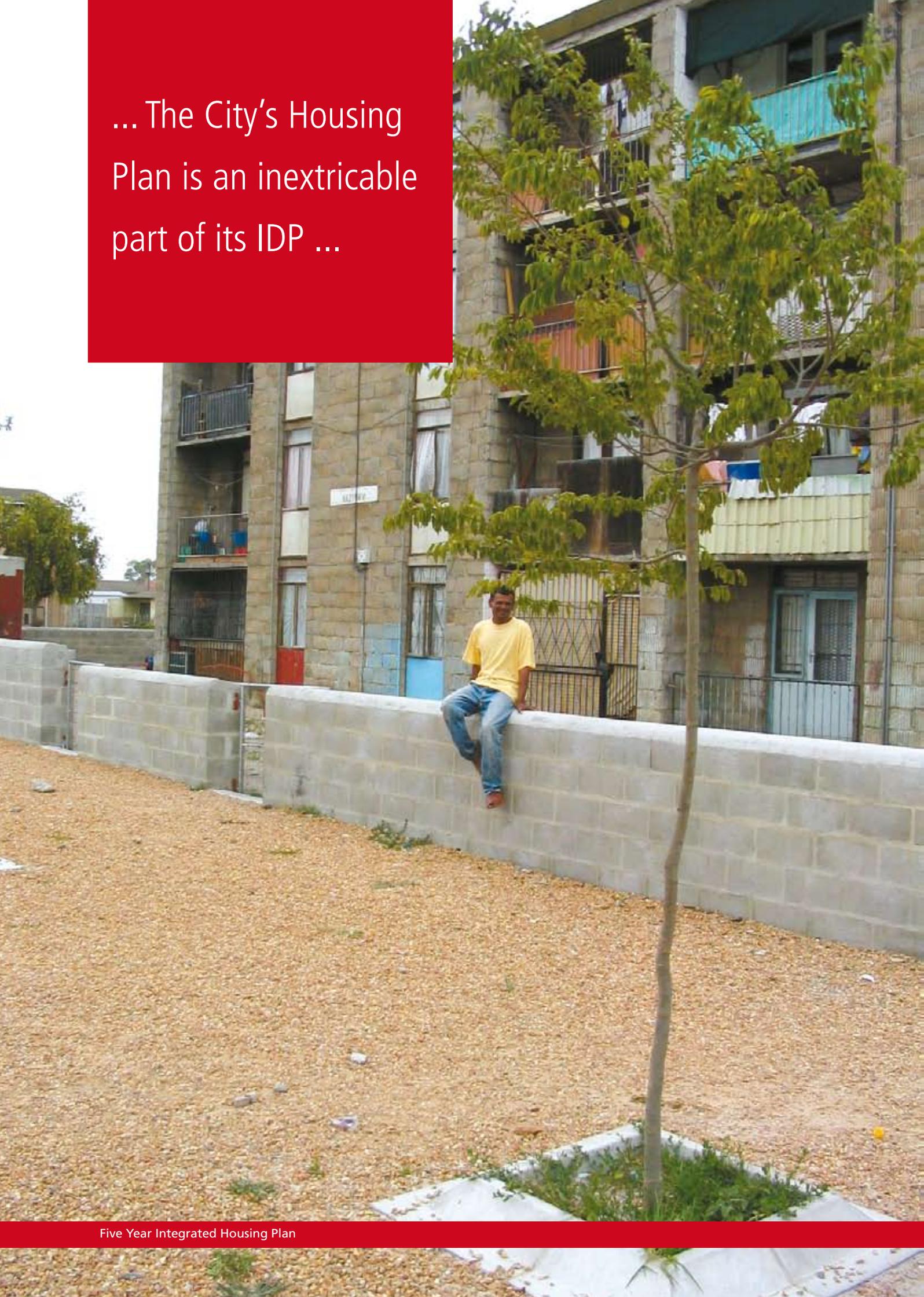
## 2.2 The national housing context

Cape Town is by no means alone in its housing challenges. South Africa's other cities also experience many of the same challenges, such as a lack of capacity to deal with the severe housing shortage, a lack of affordability, non payment of housing loans, lack of end user finance, insufficient land and inappropriate standards.

As previously mentioned, the National Department of Housing has recently adopted the Breaking New Ground BNG plan, which comprises the programmes listed below. These have a direct bearing on the City's provision of housing as they are cascaded downwards for implementation at local level. The programmes may be subject to modification given the ongoing need to continually refine housing delivery policies:

1. Integrated Residential Development Programme
2. Community Residential Units Programme
3. Upgrading of Informal Settlements Programme
4. Social Housing Programme
5. People's Housing Process
6. Emergency Housing Programme
7. Funding for land
8. Policy on the adjustment of the subsidy amount to cater for extraordinary development conditions and the required precautionary measures

... The City's Housing Plan is an inextricable part of its IDP ...



The City's housing policies are informed by the BNG strategy to promote Sustainable Human Settlements based on the following principles:

- Progressive informal settlement upgrading
- Densification and integration
- Urban renewal and inner city regeneration
- A wider housing mandate
- New social and economic infrastructure

## 2.3 Local context

In line with National Government's Housing Programmes, the City's key strategies for overcoming the housing shortage are:

### 2.3.1 The City's Housing Plan and the Integrated Development Plan

The City's Housing Plan is an inextricable part of its Integrated Development Plan, which informs its budget priorities over a five year period. The plan is comprised of various strategic focus areas, and is the City's principle mechanism for overcoming its challenges, achieving its vision statement and successfully implementing various other strategic considerations. These focus areas not only form the framework of the IDP itself, but function as internal strategic levers to facilitate shared growth and development and enhance institutional effectiveness.

Housing, which forms an element of the seven strategic focus areas, is key to the overall success of the plan. Human development will be achieved through improvements to the material status of individual residents, households, and the city's population. The IDP is discussed in detail in chapter six.

### 2.3.2 Housing and the environment

In meeting the challenge of delivering housing to families in need, the City of Cape Town is committed to the principle of sustainable natural resource utilisation.



Since the city's unique geophysical features underpin its economy, a balance needs to be struck between resource usage and natural conservation. Land, for example, is a crucial natural asset, but is also central to the delivery of new housing opportunities.

The Housing Directorate also strives to ensure (as far as possible within its financial constraints), that new housing opportunities are thermally efficient in their orientation and insulation; that they are located in proximity to other land uses to reduce the need to travel, and that they are fully water-borne. It has applied these principles in the number of pilot housing projects that it has undertaken.

... To improve and  
develop integrated  
human settlements ...



# 3. Strategic intent of the Housing Directorate

## Core objectives

The Housing Directorate's core objectives accord with international and national guidelines, support the Provincial Government's Isidima strategy and reflect the City's vision. They are:

- To improve and develop integrated human settlements
- To deliver housing opportunities

The following strategic thrusts have been developed by the City's Housing Directorate in support of the above:

### 3.1 Organisational capacity and rationalisation

- Ensure staff development
- Ensure that specialist staff are appointed to meet output demands, e.g. project managers
- Establish the City as an accredited housing authority to implement national housing programmes
- Establish a dedicated Anti-Land Invasion Unit
- Ensure that effective intergovernmental relations are established with other spheres of government pertaining to housing delivery

### 3.2 Accelerate housing delivery

- Facilitate housing for those living in backyards and saving groups with specific focus on people/groups that can mobilise their own resources
- Investigate blockages to housing delivery and streamline the housing delivery process
- Ensure that the entire housing programme funding allocation is appropriately utilised

- Ensure that housing delivery targets are achieved
- Accelerate structured and well coordinated upgrading of informal settlements
- Ensure that housing plans align with City departments to ensure integrated development in respect of budget provision and availability of bulk and link infrastructure
- Improve quality of and develop integrated human settlements

### 3.3 Improve quality and development of integrated human settlements

- Improve the location of housing projects
- Link housing to poverty alleviation and job creation
- Coordinate and facilitate the development of gap housing
- Provide community facilities

### 3.4 Strategic management and maintenance of the City's housing assets

- Ensure rationalisation of housing offices
- Develop long term maintenance and rental housing refurbishment programme

### 3.5 Institutional capacity and good governance

- Facilitate accreditation of the City to implement national housing programmes
- Zero tolerance on land invasions
- Improve internal and external communications e.g. staff, subcouncils, NGOs, media, business, professional bodies and other metros

**Table 1: Linkages between the strategic objectives, sub-objectives and intervention strategies.**

STRATEGIC OBJECTIVE	SUB-OBJECTIVES	INTERVENTION STRATEGIES
3.1 Organisational capacity and staffing	Ensure staff placement and development	Implement corporate staffing strategy including placements, up scaling, parity, relocations, training, etc
	Ensure that specialist staff are appointed to meet output demands, e.g. project managers	Appoint professional project managers
	Establish the City as an accredited housing authority	Facilitate accreditation to level three over the next 18 months Establish and provide staffing for the accreditation unit
	Improve Integrated Governmental Relationship (IGR), including input into national and provincial policies	Create an IGR framework that deals with cooperation with other Metros, National and Provincial Housing Departments, as well as international organisations
3.2 Accelerate housing delivery	Investigate blockages to housing delivery and streamline the housing delivery process	Monitor and document blockages to housing delivery on an ongoing basis Measure and monitor housing delivery in terms of qualitative and quantitative criteria Create a structured cooperation arrangement with national and provincial government for effective policy implementation and communication
	Facilitate housing for the backyard people and saving groups with specific focus on people/groups that can mobilise their own resources	Develop City strategy on housing for the backyard families and savers Develop City strategy in respect of People’s Housing Process and ensure the approaches to promote savings and housing for the backyarders are incorporated
	Ensure that the housing budget is expended	Measure and monitor housing projects on an ongoing basis Develop realistic cash flows and monitor them on a regular basis Provide invoices for payments timeously Streamline statutory approval process through the IGR process Strengthen capacity of project managers through orientation programmes and training Develop a Housing Project Management Manual
	Ensure that housing delivery targets are achieved	Provide suitable and affordable land to implement new Greenfield projects Employ professional project managers Streamline statutory approval process through the IGR process
	Accelerate a structured and well coordinated upgrading of informal settlements	Develop and implement Informal Settlements Master Plan Establish Informal Settlements Cooperative Coordination Team Develop Service Level Agreements Emphasise People’s Housing Process (PHP) and build capacity of the unit
	Ensure housing plan aligns with City departments to ensure integrated development in terms of budget provisions and availability of bulk and link infrastructure services	An Integrated Housing Development Business Plan reviewed and developed Participate in the Provincial Human Settlement Coordination Team Ensure fully functional Internal Integrated Human Settlements Coordination Team

STRATEGIC OBJECTIVE	SUB-OBJECTIVES	INTERVENTION STRATEGIES
3.3 Improving quality of living environments and developing integrated human settlements	Implement social and rental housing projects	Facilitate the signing of the lease agreement for the Steenberg site Facilitate the signing of the lease agreement for the Dillion Lane site (Woodstock) Establish the Social Housing Unit and strengthen its capacity Management to be more involved in Coordination meeting with the Social Housing Partners
	Develop land strategy for housing and strive to acquire 450 ha of land over five years	Proactively develop a city-wide Housing Land Plan Engage Provincial and National Government for additional funding for land Engage Provincial Government to transfer Housing Board land to the City Engage with private sector to provide and sell land to City Explore alternative finances for land acquisition (sale of public assets and ring fencing proceeds)
	Improve the location of housing projects	Secure suitable land for housing in accordance with district plans Lobby the State to release strategic inner city sites for housing purposes Engage National Housing for a dedicated fund for land for housing
3.4 Strategic management and maintenance of City's housing assets	Link housing to poverty alleviation and job creation	Introduce EPWP principles and framework into housing projects Emphasis on People's Housing Process projects
	Coordinate GAP Housing	Finalise the allocation of land to financial institutions Finalise the allocation of land to developers Allocate small parcels of land to emerging developers Facilitate direct sales of individual plots to purchasers for self-built process
	Provide social and economic amenities	Provide a three-year business plan on social and economic facilities that is linked to the housing plan
3.4 Strategic management and maintenance of City's housing assets	Ensure rationalisation of housing offices	Rationalise housing offices from 32 to 18 primary offices, from 0 to 6 secondary offices and from 9 to 14 satellite offices Provide for 13 depots that must manage and coordinate the maintenance of rental stock Appoint and train staff to improve service delivery in the housing offices
	Develop long-term maintenance programme	Develop and submit a capital long-term maintenance plan to Province, in accordance with the Community Residential Unit (CRU) National Housing Programme
3.5 Institutional capacity and governance	Facilitate accreditation of the City to implement national housing programmes	Apply to National and Provincial Government for the City to be accredited to level three over the next 18 months
	Zero tolerance on land invasions	Provide more field workers to monitor informal settlements and take immediate action against land invaders Develop a service level agreement with City Metro Police in respect of anti-land invasion
	Resolve issues around CTCHC, specifically with respect to remedial works and role	Remedial programme to be concluded by Cape Town Community Housing Company (CTCHC)
	Improve internal and external communications, e.g. staff, subcouncils, NGOs, media, business, professional bodies and other metros	Establish Area Coordination and Subcouncil Unit Finalise Communication and Stakeholder Engagement Strategy

... work as a team to  
meet housing demands  
and objectives ...



The City faces, inter alia, the following key challenges in developing integrated human settlements:

- Urban sprawl and the current urban form
- Reinforcement of socio-economic and racial settlement patterns
- Unemployment
- Sustainability principles
- Inadequate access to formal housing (400 000 families)
- General management and financial administration of rental units
- Land invasions
- Cost of well located land within the city environs

### Sixteen Point Plan for Housing

The following are the key informants and operational practices applicable to the City's Housing Directorate:

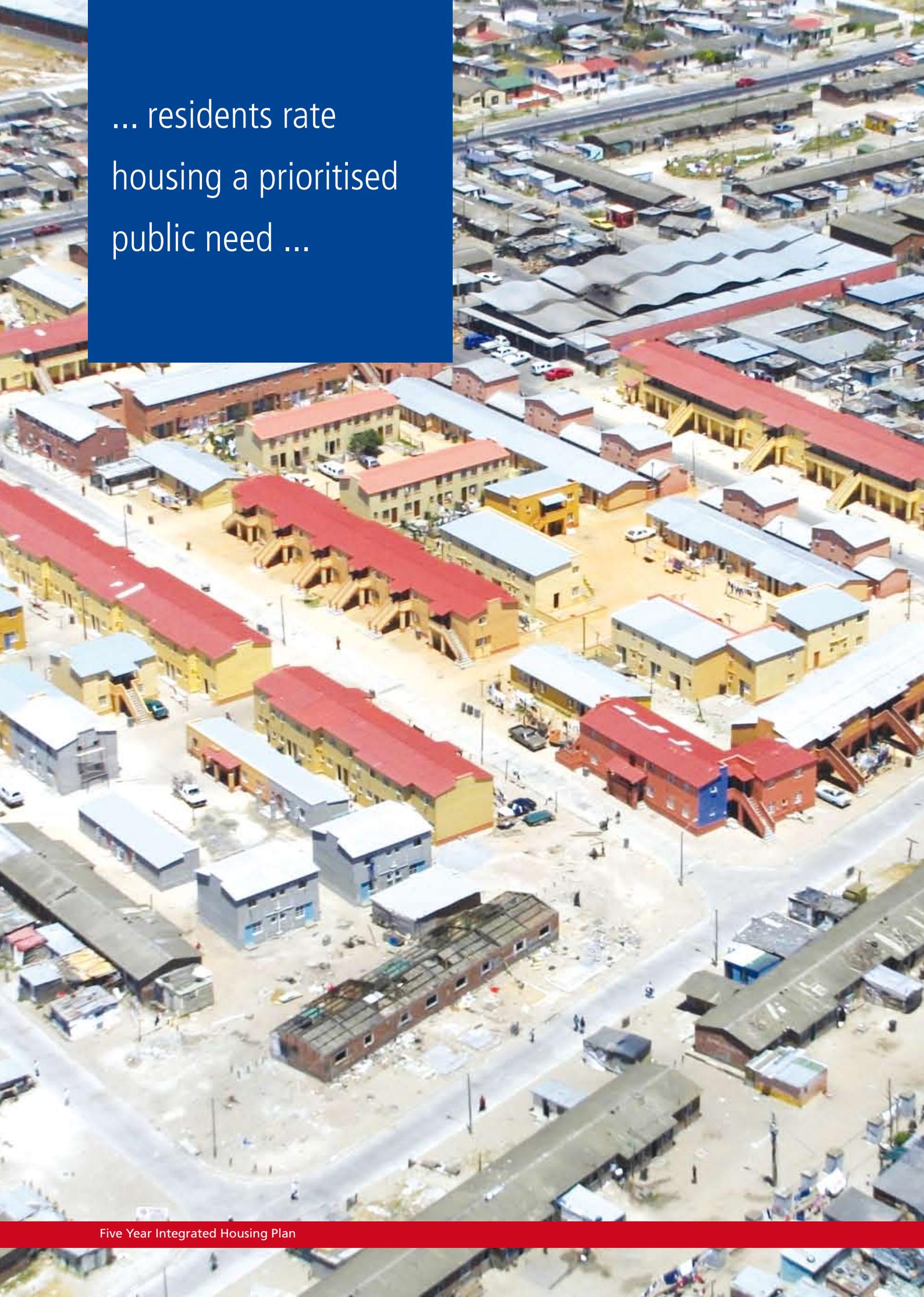
- Bring staff on board to work as a team so as to meet housing demands and objectives
- Ensure that specialist staff are appointed to meet output demands e.g. project managers
- Realignment of Housing Estate Offices' structure to perform optimally with current resources e.g. reduce number of housing administration offices
- Identify constraints impeding housing delivery and investigate strategies for eliminating or minimising them
- Ensure that housing delivery targets are met as far as possible i.e. houses and serviced sites as reflected in its five year delivery plans
- Focus on spending capital and operating budgets – must aim at least a 95% spend
- Develop medium to long term plan for housing with key focus on land acquisition that aligns with the City's spatial development framework
- Ensure housing plan aligns with City departments to ensure integrated development in terms of budget provisions and availability of bulk and link infrastructure services
- Start implementing the City's social housing and land restitution programme with identified partners
- Implement and facilitate gap housing programme with identified partners

- Establish the City as a level one accredited housing authority
- Investigate how best to implement in situ informal settlement upgrades as a means of increasing access to housing (mostly serviced sites) opportunities
- Obtain political support for a zero tolerance approach to land invasions
- Improve internal and external communications e.g. staff, subcouncils, NGOs, media, business, professional bodies and other metros
- Improve intergovernmental relations, including input into national and provincial development and implementation
- Resolve issues around Cape Town Community Housing Company (CTCHC), specifically with regard to remedial works and role

The successful implementation of the directorate's housing programmes will be underpinned by the above strategic directives and will necessitate the formation of a structure and a division of work so as to empower the directorate and enable it to work towards one vision and perform on its delivery targets. This are discussed in further detail in chapter five.



... residents rate  
housing a prioritised  
public need ...



## 4. The City's Housing programmes

Cape Town's current housing and associated infrastructure backlogs can be ascribed to the high rate of urban growth experienced over the last twenty years. The city has grown in an ad hoc manner over this period, necessitating expensive bulk and link infrastructural investment. The informal settlements, in which the bulk of the low income subsidy housing market is to be found, are located on the city's periphery, far from economic, health and social opportunities. These areas are characterised by severe social and economic conditions, which manifest in high levels of poverty, unemployment, illiteracy, alcoholism, drug addiction, low health status and other behaviour such as crime and delinquency.

It is noteworthy that residents of informal settlements generally have a low health status, which may be ascribed to poor living conditions rather than to a lack of health facilities. That these same residents rated housing a prioritised public need in a public engagement process in September 2007 is evidence of the critical urgency behind the 'establishment and maintenance of habitable, stable and sustainable public and private residential environments to ensure viable households and communities,' as identified in the Housing Act, 1997 (No 107). Moreover, for every family now receiving a house, 400 000 are still waiting. The City's housing programmes, which are informed by those of National Government as well as its own spatial development planning frameworks, have been designed to address this need and enable it to deliver assisted housing. Plans have also been made to increase rental stock through social housing partnerships and redress land ownership inequities by providing housing based on restitution claim settlements.



... provide housing  
and socio-economic  
opportunities ...



The housing programmes are listed below:

#### **4.1. Integrated Residential Development Programme**

The creation of sustainable human settlements as approved by National Government represents a paradigm shift for the national housing programme. The development focus is shifting towards addressing settlement inefficiencies through the development of integrated human settlements that will contribute towards a more compact settlement form and provide a range of housing and socio-economic opportunities to those who live therein.

The existing housing policy instruments focus primarily on the development of subsidised housing and do not provide much scope for area-wide settlement planning and the integration of a range of housing types and price categories, together with commercial and social amenities.

This programme, which replaces the project linked housing subsidy programme, provides a tool to plan and develop integrated settlements that include all the necessary land uses, housing types (including gap and rental housing) and price categories, to become a truly integrated community. Funding will be made available based on the 'total project cost'.

#### **4.2 Consolidation projects**

These projects facilitate building or making improvements to a home where people already own a service stand without a top structure, and have been implemented throughout the city, with a focus on areas such as Khayelitsha and Wallacedene. Approximately 800 families currently benefit from these projects on an annual basis.

#### **4.3 People's Housing Process**

The People's Housing Process (PHP) is a government programme that aims to support households (individuals, families or communities) that wish to enhance the subsidies they receive in terms of the Housing Subsidy Scheme by building their homes themselves. Such people can participate through savings, 'sweat equity' and/or using local contractors. The programme also provides such households with financial, project management, logistical and accounts administrative support. The City monitors a considerable number of PHP projects (the average being between 50 and 70).

#### **4.4 Emergency Housing Programme**

This programme facilitates the provision of temporary assistance to people who are victims of housing-related disasters such as fire and flood damage on existing properties. The City accesses this funding to finance emergency housing, and the flooding and fire-kit material that is given to families who have lost or have had their properties destroyed by fire, and flooding and other disasters.

#### **4.5 Upgrading of Informal Settlements Programme**

This programme is informed by the National Housing policy which encourages extensive community involvement, and provides basic services, permanent services and top structures to such communities. The City has launched an Informal Settlement Master Plan Framework to expedite this programme.

The City's plans and programmes for the upgrading of informal settlements have been operationalised via the above programme, which details the processes involved therein in a structured manner. As previously mentioned, the City will focus on in situ upgrading to minimise disruptions to the community, and will develop conveniently located Greenfield (vacant) areas wherever possible.

... for families earning  
less than R3 500 per  
month ...



## 4.6 Social Housing Programme

The Social Housing Programme constitutes higher density subsidised housing that is implemented, managed owned by independent accredited social housing institutions in designated restructuring zones. Along with the Community Residential Units Programme, which targets households with an income of less than R3 500 per month, the Social Housing programme provides for rental and cooperative housing projects, and facilitates access to privately administered rental housing for households with an average income of more than R3 000 per month. It requires overall funding sustainability to ensure its success.

The City has entered into agreement with three social housing partners (Sohco, Communicare and CTCHC) to operationalise the programme and has also received approval from the National Social Housing Steering Committee to create seven restructuring zones. These have been designated to contribute to the spatial and social integration of the city.

## 4.7 Institutional subsidy

This mechanism targets housing institutions that provide tenure alternatives to immediate ownership. The City is currently using this mechanism in its housing cooperative projects.

## 4.8 Community Residential Units (CRU)

This programme caters for families earning less than R3 500 per month that prefer rental housing. The municipality remains the owner of the rental units.

The City is at present finalising Phase six of the Hostels Redevelopment Programme. The intention is to develop Phase six under the auspices of the new Community Residential Units Programme, which has replaced the Hostels Redevelopment Programme. Further hostels upgrade programmes will be run by the City to refurbish all City hostels over time.

The new CRU programme has a broad scope, and encompasses funding for the long-term capital maintenance of the City's housing rental stock and the possible creation of new rental stock.

## 4.9 Individual housing subsidy

This subsidy is open to individual households that apply to purchase an existing house, or a vacant stand. It is also available for those wishing to enter into a building contract to purchase a house. The programme is presently administered throughout the province.

## 4.10 Enhanced Extended Discount Benefit Scheme

This programme allows for the discounting of an amount up to the prevailing housing subsidy on the loan/purchase price/purchase price balance for the purchase of state-financed properties first occupied before 1 July 1993 and stands contracted by 30 June 1993 and allocated to individuals by 15 March 1994.

## 4.11 Social and economic facilities

This programme is primarily geared for the provision of social and economic facilities that are normally funded by municipalities. As such, it forms the foundation for the building of integrated human settlements.



... improve the match  
between housing  
demand and supply ...



# 5. The Housing Directorate's core housing delivery programmes

The Housing Directorate is structured to respond to its key challenges, implement programmes to achieve its core objectives and strategically manage these implementation in accordance with the national funded programmes to reach the delivery targets as set in the five year plan and IDP.

The directorate consists of the following departments that give support to the Executive Director, Housing:

## 5.1 Strategy, Support and Coordination Department

### Strategy, Coordination and Engagement

Facilitate and coordinate the compilation of the Housing five year plan and integrated development and compile the Service Delivery Business Implementation Plan (SDBIP) in support and aligned to the five year plan and delivery targets.

#### *Target*

Yearly review of plans and SDBIP

### Policy and research

Ensure policy alignment at local level with that of National to suit the local requirement with related research to enable the review of strategic plans and to improve the functioning and delivery of the directorate.

#### *Target*

Annual review and update of policies and research targets

### Housing Database

Integrated housing database: The purpose of this programme is to develop a housing database to manage and coordinate information about housing allocation. The scope of said database should, however, be broad enough to incorporate information about the spectrum of housing challenges facing the City (such as the monitoring of informal settlements and number of backyard families) and should improve the match between housing demand and supply.

#### *Target*

Implement an efficient city-wide housing database by June 2009. Maintain on an ongoing basis.

### Accreditation

Housing accreditation is the approval given by the Minister of Housing to a municipality to enable it to implement national housing programmes. It is aimed at reducing administrative delays and costs associated with the approval of subsidy applications and the disbursement of subsidy funds. Accreditation also gives the municipality the authority to access funding directly from National Government, thereby expediting the implementation of national housing programmes. In order to be accredited, Council will have to demonstrate the capacity to plan, implement and maintain projects and programmes that are well integrated within the IDP and with the three year rolling capital investment programmes mandated by the Municipal Finance Management Act (MFMA). The City has been granted conditional approval by the MEC for an Accreditation Application for Level 1.

### **Target**

Accreditation to level three by 2009/10

### **Communication and Stakeholder Engagement**

The department manages awareness, publication and information dissemination with regards to the directorates' strategic plan, housing project, general information in offices and to the public are managed by this department. One of the main programmes is Housing Consumer Education that is rolled out across all projects in the city to ensure beneficiaries know how to take responsibility of the asset they receive.

### **Target**

Ongoing with the roll out of projects and programmes.

### **Subcouncil and Area Coordination**

This creates an interface with stakeholders, subcouncils and ward councillors and representatives with regard housing strategy, policy and implementation.

### **Target**

Ongoing

## **5.2 Land and Forward Planning Department**

### **Land**

The 400 000 families requiring housing in Cape Town will require an estimated 8 000 -10 000 ha of land, depending on the density of the dwellings provided. The acquisition of this land presents a number of significant challenges.

Firstly, the current town planning paradigm aims to control 'urban sprawl', and limits the growth of the city by means of a strict Urban Edge Policy that defines the point beyond which new planning proposals will not be entertained.

Secondly, Cape Town is located within one of the world's six floral kingdoms and City planners need to strike a balance between conserving the city's natural assets and finding space for human habitation. Significant tracts of lands are unavailable for development, and the competition that is now developing between the need to preserve such areas and the human demands for the limited undeveloped land within the urban edge looks set to increase.

The fact that available land is becoming increasingly expensive due to its scarcity adds another dimension to the planning and budgeting processes that need to be following in engineering a solution to the problem. Indeed, funding may be said to constitute the third obstacle that the City needs to overcome if it is to succeed in meeting its targets. Cape Town currently has the highest land values in South Africa. Land is currently being acquired for housing at a cost in excess of R1m/ha, and some is over R2m/ha. As a rough estimate, at these values, between R8 -10 billion is needed to acquire sufficient land to address the housing backlog. During 2007/08 the City will spend R55 million in this pursuit from its own funds.

The City has concluded an agreement to enhance its land acquisition programme through the allocation of R100 million (2008/09) of its annual subsidy allocation to land acquisition.

### **Land for housing:**

The City has instituted strategies for the timeous identification of well-located land for affordable housing and where necessary its acquisition. The emphasis will be on large tracts of land to be acquired for present and future (land banking) development as well as 'infill' sites in existing township residential areas. This will inter alia address the challenge of securing land for informal settlements that require relocation or de-densification as well as providing for other housing programmes.

## Funding for land

In terms of current legislation, South Africa's provinces are required to allocate funds to municipalities for the acquisition of land within their boundaries from their annual subsidy allocations. The City of Cape Town has been utilising its own resources to proactively acquire land for housing purposes. The City recently reached agreement with the Provincial Department of Local Government and Housing that housing funds may also be used for this purpose.

## Land invasions

The directorate has adopted a zero tolerance approach to land invasions by establishing an anti land invasion unit so as to ensure that houses are developed in a structured and sustainable manner. This strategy will also ensure that a degree of law and order is maintained when it comes to development. To implement this strategy, the directorate will use the Informal Settlements Programme to facilitate the adoption of service level agreements with the Metro Police and establish a dedicated Anti Land Invasion Unit that will operate 24/7.

## Land restitution initiatives:

Council is assisting the Land Claims Commission with the processing of land claims and the identification of land that can be offered to those land claimants who are unable to reclaim their original site. Where appropriate, it will also assist with the redevelopment of claimed land, such as with the redevelopment of District Six and the development of the land allocated to the Ndabeni and Gabriel Road land claimants. In terms of current legislative directives, the Regional Land Claims Commissioner (RLCC) settled all such claims by March 2008 with the assistance of all three spheres of government.

The objectives are to:

- Finalise the development plan for District Six
- Facilitate the resolution of 16 outstanding land claims from 1 760 claimants

## Social housing

Council will make the urban core the primary focus of its social housing delivery programme where it will foster residential densification measures. To achieve this, the City has entered into a cooperation agreement with three social housing partners. These are as follows:

- Social Housing Development Company (SOHCO)
- Communicare
- Cape Town Community Housing Company (CTCHC)

## Community Residential Unit Programme (CRU)

The department aims to facilitate a total of 4 000 housing opportunities over a period of five years. This will necessitate the acquisition of more land for the building of social housing units. The department has therefore initiated a process to develop a strategy for assessing sites and buildings for social housing.

### Five year target

The department's five year targets are summarised below:

- To improve housing delivery targets by 2012, the City will need to acquire 450 ha of suitable and affordable land. Presently the City has an annual budget of R55 million which is drawn from its own funds with a further R100 million from its annual subsidy allocation for 2008/2009.



**Table 2: Social housing projects located in the urban core**

PROJECT NAME	STARTING DATE	APPROX. NO. OF HOUSING OPPORTUNITIES
Pickwick Road Social Housing	July 08	800
Steenberg, Military Road Social Housing	July 07	400
Strandroos and Kannabsi Social Housing	July 09	24
Oranjezicht Social Housing	July 10	59
Rugby Social Housing	July 09	130
Claremont Social Housing	July 10	90
Walmer Estate Social Housing	July 09	125
Lansdowne Social Housing	July 10	110
Pine Road/Beyers Road Social Housing	July 10	196
	<b>TOTAL</b>	<b>1 934</b>

### 5.3 New housing department

Plans have been made to develop 9 900 new housing opportunities by 2009, and an average of 9460 housing opportunities per annum over the next five years will be delivered based on grants received from National Government, as detailed in the table below:

**Table 3: Five year Housing target 2008 - 2012**

YEAR 1 (07/08)	YEAR 2	YEAR 3	YEAR 4	YEAR 5
6 000	9 900	10 200	10 200	11 000



A combination of national housing programmes with relevant funding sources (and including the MIG) will be used to implement projects as follows:

**Table 4: Housing opportunity targets 2008 - 2012**

NO.	PROGRAMME	PRODUCT AND PROCESS	TARGET
1.	Subsidy houses	BNG 40 m <sup>2</sup> house (NHBRC) PHP Consolidation Institutional	17 499
2.	Incremental & emergency housing	Basic Services Full Services	17 972
3.	Social and rental housing	Social houses partners Housing co-ops Hostels (CRU)	5 676
4.	GAP Housing	Banks' Agreement Developers	5 203
5.	Land Restitution (houses)	Houses facilitated with National Housing Programmes	950
	<b>TOTAL</b>		<b>47 300</b>

**Table 5: 2007/08 delivery targets**

LINK TO IDP	INTERVENTION CATEGORY	HOUSING PROGRAMME	BASE LINE (2006/07)	2007/08
Sustainable infrastructure and services	Incremental	UISP / EHP Completed subsidy houses/ project-linked	2 892 units (serviced sites)	5 000 units 4 000
Shared growth and economic development	Social and rental housing	Social housing CRU (hostels) Housing co-ops	Part of 4 290 units (new housing)	325 300 125
Shared growth and economic development Public transport system	Incremental Finance	GAP housing (show village) Land restitution	0 337	250 200
		<b>TOTAL</b>	<b>7 519</b>	<b>10 200</b>



**Table 6: New housing delivery projects (planned and implemented) (Zebra tagged)**

PROGRAMME	PROJECT NAME	ANTICIPATED START DATE	APPROX. NO OF HOUSING OPPORTUNITIES	
Greenfield full subsidy projects (serviced site tenure and or top structure)	Atlantis Housing Project	01/08/08	500	
	Bardale	01/08/06	5 500	
	Belhar Pentech infill	01/08/07	300	
	Bokmakierie Athlone Infill	01/08/09	500	
	Browns Farm Phase 6	01/08/06	678	
	Browns Farm 7 Housing Project	01/08/09	600	
	Dido Valley Housing Project	01/08/08	300	
	Delft – The Hague Housing Project	01/08/07	900	
	Driftsands Nature area	01/08/08	2 000	
	Edward Street, Grassy Park	01/08/08	80	
	Eureka/Uitsig	01/08/08	355	
	Guguletu Erf 8448 Lansdowne Road	01/08/08	261	
	Hangberg Housing Project	01/08/08	800	
	Happy Valley Phase 2	01/08/08	1 000	
	Imizamo Yethu Phase 2	01/08/08	1 600	
	Joe Slovo Infill Milnerton	01/08/08	60	
	Kalkfontein Phase 3	01/08/10	1 000	
	Khayelitsha: Khuyasa, Town 3 Village 1	01/08/08	2 399	
	Kewtown infill	01/08/06	241	
	KTC 2B1	01/08/07	30	
	KTC 2B2	01/08/07	30	
	Morningstar Housing Project	01/08/08	70	
	Mannenber Infill Phoenix	01/08/07	67	
	Mannenber Infill: The Downs	01/08/09	430	
	Masiphumelele Housing Project Phase 4	01/08/09	320	
	Mau-Mau Housing Project	01/08/07	400	
	Melkbos Housing Project	01/08/07	100	
	Mitchells Plain Infill Phase 1	01/08/07	1 824	
	Mitchells Plain Infill Phase2	01/08/10	1 000	
	Morkels Cottage	01/08/09	700	
	Nonkqubela MLS Phase 2	01/08/07	1 250	
	Nyanga Housing Project	01/08/06	2 070	
	Ocean View	01/08/09	600	
	Pelikan Park Phase 1	01/08/07	3 300	
	Phillipi East 5 Housing	01/08/06	405	
	Sercor Park Phase 2	01/08/07	121	
	Silvertown Khayelitsha	01/08/06	1 400	
	Site C Survey, Subdivision	01/08/05	5 300	
	Somerset West 10 ha	01/08/08	300	
	Sercor Park Phase 2	01/08/07	121	
	Temperance Town	01/08/07	70	
	Valhalla Park	01/08/08	500	
	Vlakteplaas	01/08/09	500	
	Wingfield	01/08/08	4 000	
	Top Structure Only Projects	Browns Farm Phase 5	01/08/08	500
		Kleinvlei Erf 901	01/08/06	66
		Site B, Harare, Makhaza Consolidations	01/08/06	500
Site C Housing Consolidations		01/08/09	2 000	
Social Housing Projects (excl Urban Core and Area Based Urban Renewal programmes)	Wallacedene Phase 1 – 9	01/08/06	9 624	
	Beverly St social housing	-	152	
	Dillon Lane social housing	-	68	
	Grasmere St (1) social housing	-	154	
	<b>TOTAL</b>		<b>57 046</b>	

Subsidy amount to cater for extraordinary development conditions and the required precautionary measures:

This replaces the existing policy that allowed for a maximum addition of 15% to the basic housing subsidy for geotechnical factors. It features a schedule of the exact additional amounts to be provided for (where ground conditions qualify the individual to receive said subsidy) and is flexible insofar as it allows for a maximum additional amount of 20% of the total project and/or 30% on an individual erf where necessary. This policy further provides additional funding for disabled people with special needs.

## 5.4 Informal settlements management department

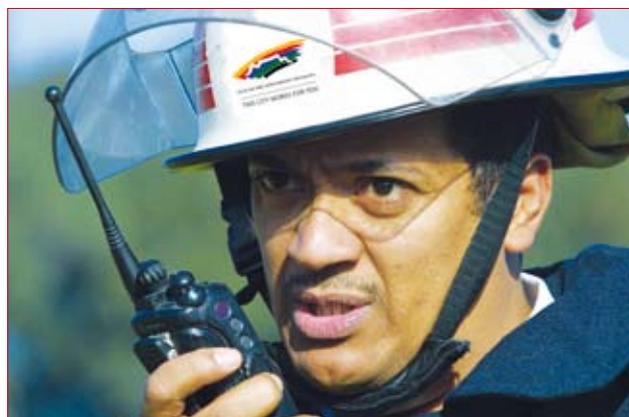
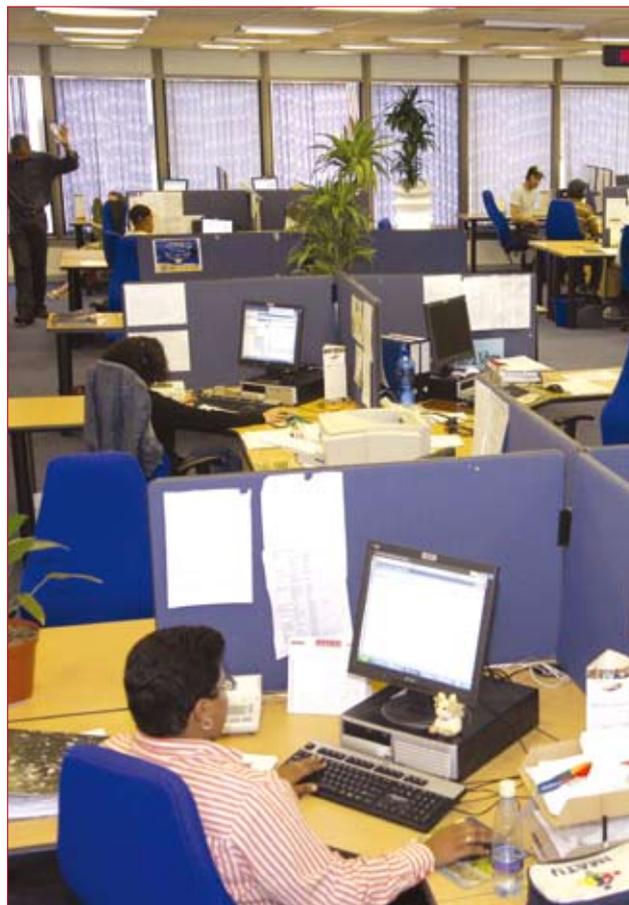
Cape Town currently has a total of 223 informal settlements with approximately 150 000 informal structures situated on them. The City plans to place more emphasis on managing and integrating these settlements into the broader urban fabric to not only alleviate the desperate poverty that is found in their confines, but to overcome the spatial, social and economic exclusion engendered by the apartheid system. Where possible they will be upgraded on an in situ basis so as to minimise disruption. If a settlement needs to be de-densified or is located on encumbered land (e.g. a service servitude or flood plain) relocation will be necessary. At the present time, it is estimated that approximately 42 000 households currently living in such areas will need to be relocated.

The directorate's tool for achieving these objectives is the Informal Settlement Master Plan Framework. It comprises of the following sub-programmes:

- **Settlement management:** This function focuses on managing the expansion and densification of informal settlements. To bolster settlement management, the City has adopted a zero tolerance policy on land invasions
- **Basic services:** Council is working towards the provision of basic health services (i.e. water, sanitation, solid waste, electricity and where necessary stormwater)

to all new and unserved informal settlements with a target of 100% coverage in five years.

- **Upgrading:** The further upgrading of infrastructure, services, amenities and houses in such areas is an integral part of achieving the City's five year target of upgrading 10% of Cape Town's existing informal settlements



**Table 7: Informal settlements: Upgrading of Informal Settlement Programme (UISP), In situ Upgrading and Temporary resettlement Areas (TRA) - projects on the 2007/08 capital and operating budget (managed by the Informal Settlements Department). The rest is under the New Settlements Department, while the Community Residential Units (CRU) are being managed by Land and Forward Planning Department**

PROGRAMME	PROJECT NAME	PRESENT INTERVENTION	APPROXIMATE NUMBER OF HOUSING OPPORTUNITIES	FUTURE INTERVENTION
In situ	Kosovo	Rudimentary services being installed.	5 500	Possible UISP and CRU
In situ	Sweet Homes	Rudimentary services completed Dec 2007	2217	Land ownership to be resolved
UISP	Enkanini	Rudimentary services completed and presently being upgraded to full township standards	1600	Ownership and houses
UISP	Hangberg	Rudimentary services being installed.	302	Ownership and houses and CRU
UISP	Happy Valley	Basic services in place and township establishment underway	1347	Ownership and houses
TRA	Maitland	Basic services completed	100	Maintenance until relocation
TRA	Masiphumelele	Basic services completion anticipated Sept 2008	352	Maintenance until relocation to school site
TRA	Uitsig	Basic services completion anticipated Oct 2008	100	Temporary area for backyard dwellers until allocation to project. Ongoing maintenance
TRA	Nomzamo	Basic services completion anticipated June 2008	230	Maintenance until relocation
TRA	Delft	Basic services completed. Relocation to TRA underway	1100	Maintenance until relocation
TRA	Onverwacht Road	Road reserve approved for construction of road	140	Land identified. Services to be installed
CRU	Imizama Yethu	Basic services provided. Additional services being installed.	5600	16ha. Number of units to be determined through CRU plans.

Note: Services are installed in an incremental way as follows: Basic, Rudimentary then Full services.

## 5.5 Existing Housing Department

The City of Cape Town is committed to providing a good basic housing service according to defined and communicated standards to all its tenants and prospective tenants. The public housing stock is managed from 18 Primary, 6 Secondary and 14 Satellite Housing Offices. These Housing Offices are based in proximity to all Council public housing stock. The following services are provided from each of these offices:

- Repairs ordering
- Housing application enquiries
- Allocations
- Rental payments
- Rent arrears management
- Tenancy matters
- Tenant consultation
- Housing advice
- Housing sales for Council stock
- Tenant association support

The aim is to develop standardized policies for all the services listed above over the next three years. The department is also constantly looking at ways of improving service delivery through mechanisms such as:

#### **Realignment of Housing Estate Offices**

This is an ongoing exercise to ensure that administrative systems can be continually adapted to a changing environment, there by improving service delivery.

#### **Enhanced Extended Discount Benefit Scheme**

The City proactively supports the transfer of some of its stock to tenants through its alternative tenure programme, where feasible and sustainable for both parties. The DBS was introduced as a subsidy mechanism to transfer free standing houses to their qualifying occupants. This discount benefit was an amount not exceeding R7 500. Qualifying occupants could elect to purchase their homes at a discount or obtain it free of charge on the selling price. The EEDBS is an improvement on the DBS as the full prevailing individual housing subsidy will apply to qualifying EEDBS beneficiaries.

#### **Management and Maintenance of Public Housing Stock**

The management of Council's public housing stock also includes the preparation and implementation of a multi-year maintenance programme which covers day to day (reactive) maintenance, capital projects (painting, installation of geysers, etc.) and the development of a service delivery model with defined service standards.

#### **Community Residential Unit Programme (CRU)**

The CRU provides for a long term capital maintenance programme provided that the housing stock to be maintained is rental and will remain in public ownership.

#### **Debt management**

The success of the rental housing initiative depends on the timeous collection of rental. To manage this effectively, the department places great emphasis on the robust implementation of debt management principles.

Rentals have been planned to recover costs over a five year period and where necessary and appropriate, arrears and indigent policies have been implemented.

## **5.6 Support Services Department**

#### **General Administration:**

- Registry and Archives
- Procurement and Stores
- Office Accommodation/Vehicles

#### **Aims:**

- All offices (including estates) to be modernised and secured by CCTV
- All old vehicles to be replaced
- A paperless Registry environment

#### **Personnel/Human Resources:**

- Establishment and maintenance of staff records
- Implementation of staffing strategy
- Training and skills development
- Workplace skills/Employment Equity Plan

#### **Aims:**

- Fully trained and specialised staff e.g. project managers
- Staff in line with the demographics of the city
- Accurate staff records

#### **Logistics Support:**

- Asset Control and Management
- Insurance Management
- Individual Performance Management

#### **Aims:**

- Accurate Asset Register
- Accurate Insurance Schedules
- 100% compliant with Corporate Performance Management requirements

... A City known for its effective and equitable service delivery...



# 6. The City's Housing Plan and the Integrated Development Plan

## The City's vision is:

- A prosperous city in which local government creates an enabling environment for shared growth and economic development
- A City known for its effective and equitable service delivery
- A City that distinguishes itself as a well-governed and efficiently run administration

In order to achieve its vision, the City must:

- Actively contribute to the development of its environmental, human and social capital
- Offer high quality services to all who live in the city, do business in it, or visit it as tourists
- Be known for its efficiency, effectiveness and clean and caring government.

The IDP is the City's principle plan for achieving this vision on account of its status as prescribed in the Municipal Finance Management Act (MFMA). Essentially, the IDP is a constitutionally governed strategic planning instrument established and operated by the City to guide and inform its planning, management and development. It determines how revenue will be spent, on what, and where. As such, it guides the setting of budget priorities into predetermined areas, with infrastructure led economic growth being chief among these. This is because a focus on infrastructure investment and maintenance is necessary to provide a sustainable drive towards economic growth and development. The IDP is constructed around seven strategic focus areas. These are interlinked to promote shared growth and economic development, as well as to enable urban efficiency and institutional effectiveness. As integrated human settlements (the fourth strategic focus area), are a major driver of the demand for services, housing is inextricably linked to the above IDP focus areas.

## Link to other IDP strategies

In recognition of its role within and contribution to the IDP, the Department of Housing has constructed its programmes to achieve the plan's objectives. The table shown overleaf provides further detail, and is enlarged upon in the following pages:



**Table 8: The link between housing programmes and IDP strategies.**

IDP STRATEGY	HOUSING INTERVENTIONS
Shared growth and economic development	Community-based job creation (EPWP) Integration and densification projects Medium-density housing
Sustainable urban infrastructure and services	Community partnership building Planned informal settlements upgrading (more focus on in situ upgrading) Coordinated approach to the servicing of informal settlements (service level agreements) Hostels Redevelopment Programme
Public transport systems	Integrated transport corridors Integration and densification projects Medium-density housing GAP and social housing
Safety and security	Anti-land invasion Emergency Housing Programme
Health, social and human capital	Social and economic amenities Incremental upgrading of informal settlements Housing consumer education People’s Housing Process
Good governance and regulatory reform	Accreditation Anti-corruption

## 6.1 Shared growth and economic development

### 6.1.1 Community-based job creation

The development of new settlements creates a range of potential economic spin-offs, namely new jobs, skills transfer, poverty alleviation and Black Economic Empowerment (BEE). The department therefore strives to capitalise on these to achieve this objective. Its development work is guided by the Expanded Public Works Programme, which governs its deployment of labour – particularly related to certain areas of construction - when it utilises the MIG and housing subsidy funding. Council’s project conceptualisation and housing delivery processes are therefore geared to take these requirements into account.

The department’s initiatives to achieve this objective also include the following planned interventions:

- Community-based job creation strategy: The formulation of an approach that will maximise the number of direct jobs (permanent and temporary) created by housing projects
- Capacity building for job creation: The development of staff capacity to plan, implement and manage the labour intensive housing programmes
- All departments should embark on a recruitment of interns from Universities and Technikons in order to broaden their resource base for future recruits

BEE development will be further facilitated by the Economic Development Directorate in accordance with Council’s procurement policy.

Five year target

- An increase in the number of direct jobs created via housing projects
- An increase in the number of BEE firms managing and implementing housing projects

## 6.2 Sustainable urban infrastructure and services

Cape Town's current urban form is characterised by urban sprawl, which has been fuelled by the growth of informal settlements along the city's periphery. Besides being a major driver of environmental decline, this development pattern makes the city's growth unsustainable. To address this, the department will also identify well-located land, so as to facilitate integrated development by upgrading and relocating informal settlements and any other subsidy housing development.

## 6.3 Public transport systems

To improve user thresholds along transport routes and to enhance the viability and quality of such services the directorate intends to increase housing densities along current public transport corridors.

## 6.4 Safety and security

The directorate has adopted a zero tolerance approach to land invasions so as to ensure that houses are developed in a structured and sustainable manner. This strategy will also ensure that a degree of law and order is sustained when it comes to development. To implement this strategy, the directorate will use the Informal Settlements Programme to facilitate the adoption of service level agreements with the Metro Police.

## 6.5 Health, social and human capital

The following interventions to contribute to the upliftment and development of human and social capital have already been initiated, while others are in the planning phases.

- **Housing consumer education and communication**

Many of the challenges encountered by the Council with regard to the development of housing and management of residential areas can be traced to poor or limited communication with and education and training of communities in respect of their roles and responsibilities. Communities become frustrated when they are sent from pillar to post when they need assistance or information. In most instances they don't know who to approach when they have a problem. It is essential that the City effectively manages its communication processes.

- **Education and training**

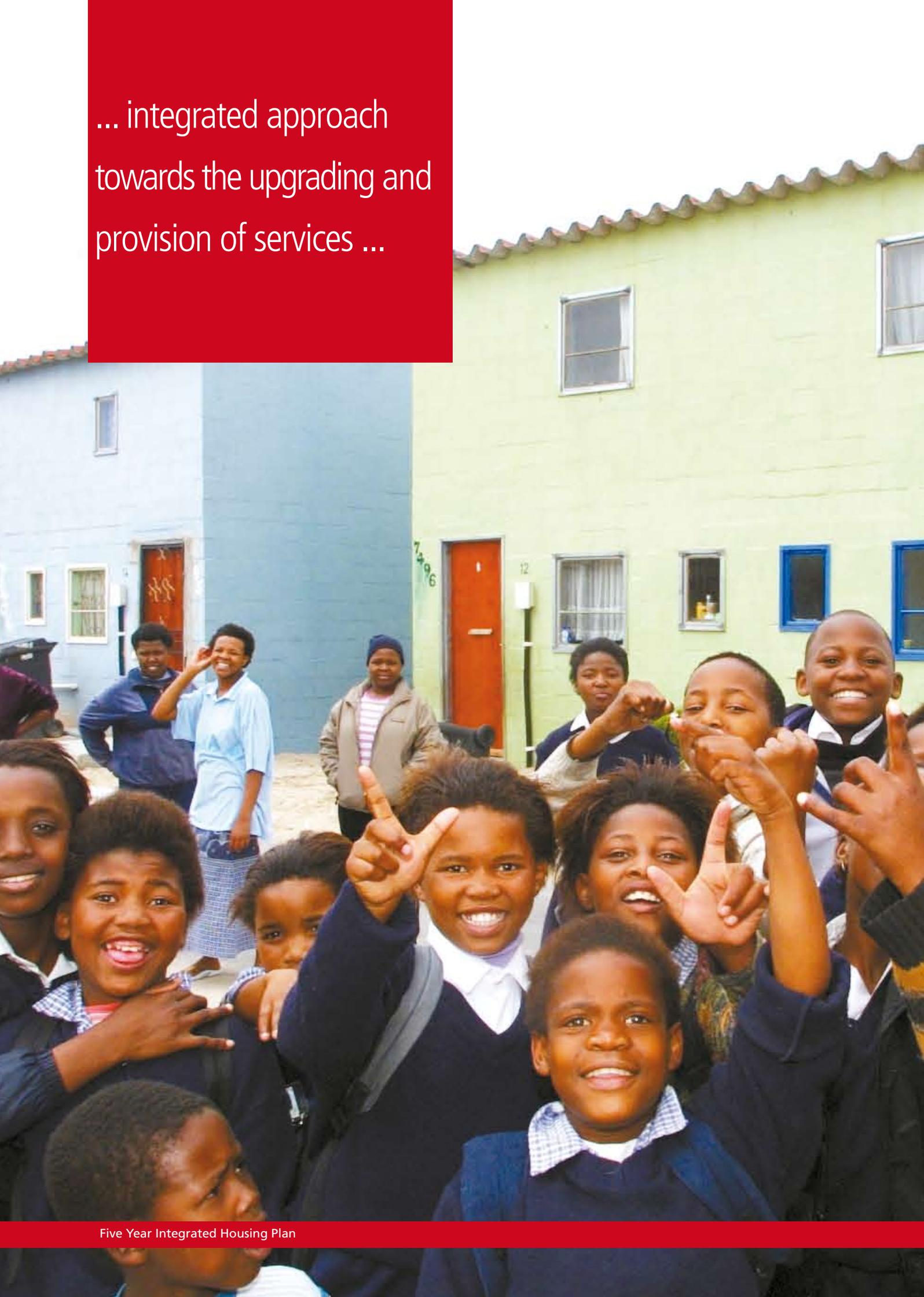
The directorate has already commenced with the development of education and training programmes related to the housing delivery process and homeowners' rights and responsibilities. An implementation plan in conjunction with the National and Provincial Departments of Housing will be implemented during the current financial year. Housing officials and community development workers have been trained to facilitate these programmes.

- **Communication strategy**

A revised communication strategy is being finalised so that communities are kept abreast of developments in the housing sector.



... integrated approach  
towards the upgrading and  
provision of services ...



## 6. 6 Good governance and regulatory reform

### Project steering committees

Communities and community-based organisations must be mobilised to engage more effectively with the development of their settlements. In 2006 Council approved guidelines on the establishment of Project Steering Committees which will guide and inform all decision-making pertaining to project initiation and implementation.

In addition to such external initiatives, the directorate needs to ensure that it has the organisational capacity to deliver on its objectives. This includes effective interdepartmental and intergovernmental coordination measures. To this end it has established the following coordinating institutional arrangements:

#### a. Integrated Human Settlements Coordinating Committee

This committee operates at a strategic level of coordination and is mainly responsible for housing needs identification, land identification and acquisitions, and land packaging

#### b. Corporate Upgrading of Informal Settlements Programme Task Team

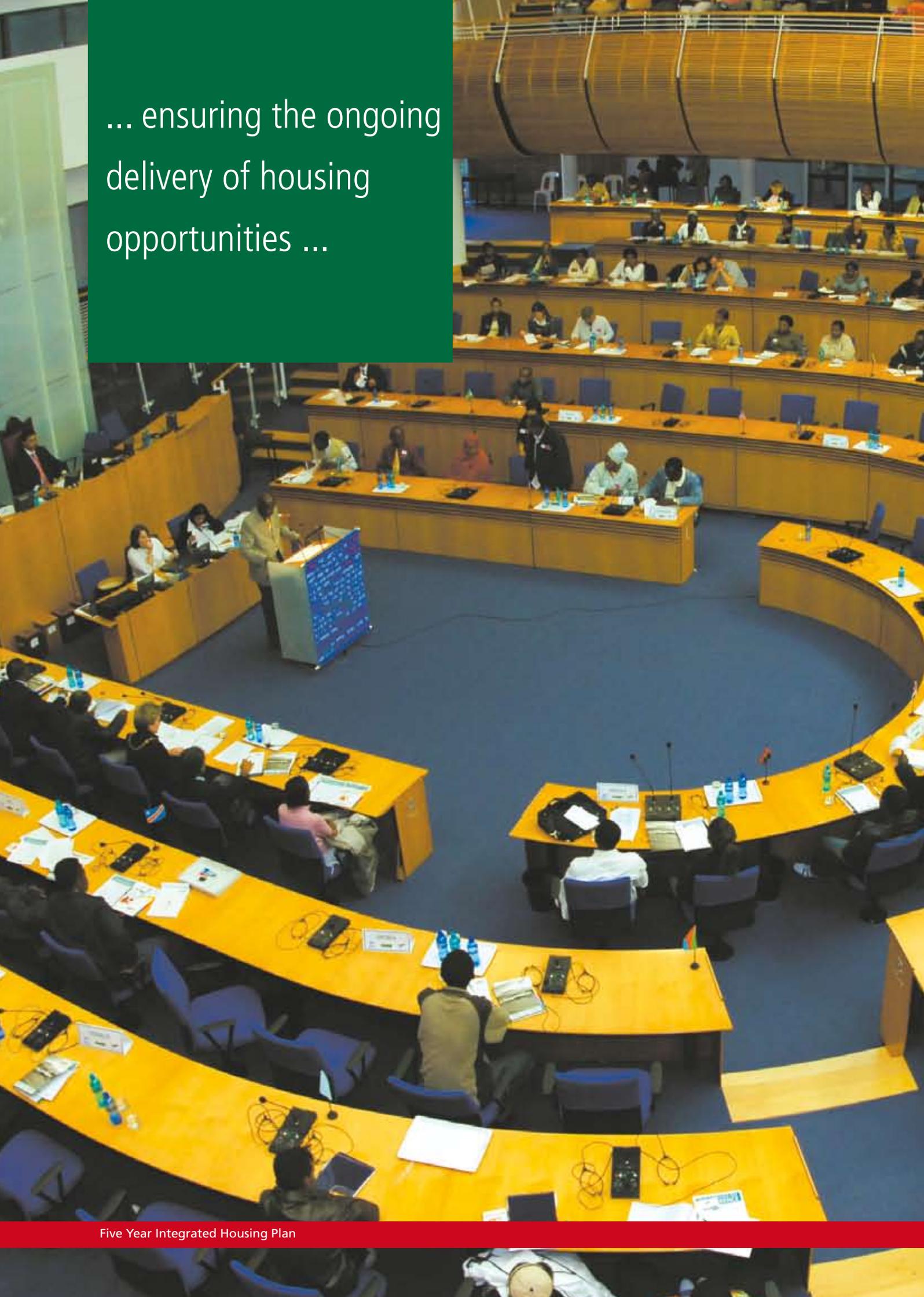
This team coordinates an integrated approach towards the upgrading and provision of services to informal settlements.

#### c. Integrated Governmental Relations (IGR)

This initiative works to integrate delivery between the three spheres of government via regular meetings of the relevant departments



... ensuring the ongoing  
delivery of housing  
opportunities ...



# 7. Finance

The City must constantly review its financing and funding models associated with all forms of housing development and delivery to develop integrated housing. This requirement is clarified when reviewing the plethora of varied housing initiatives currently being managed and operated by the City of Cape Town.

The imperative of ensuring the ongoing delivery of housing opportunities must be matched with appropriately sustainable housing funding models. In this regard the linking and alignment of the various state housing subsidy programmes is essential to ensure integrated and diverse housing and community developments. Whilst the state housing subsidy mechanisms are the key catalysts for housing opportunity delivery, these must be appropriately linked to the various other state funding initiatives available whilst being geared to other non-governmental resources. In this regard the seamless interaction of state funding from all sources (i.e. Department of Land Affairs, Department of Provincial and Local Government, Department of Housing, National Treasury et al) must be continually pursued, thereby limiting the burden on the City fiscus whilst, simultaneously utilising the various fund provisions to maximise the quality and volume of housing opportunities delivered. By utilising all available grant funds, the City is able to enhance the quality of the services provided to Cape Town's citizens whilst simultaneously limiting the ongoing maintenance costs associated with the infrastructure installed to service the various housing developments. The formalisation of the City's informal settlements allows for the expansion of direct monthly invoicing for services rendered by the various City departments (which in turn allows for expanded revenue collection opportunities for the City.) Funds so obtained are, inter alia, utilised for the expansion of the City's informal settlements and related upgrade/development programmes.

One of the City's key housing financial strategies is the ongoing expansion of strategic housing financial relationships with, inter alia, the major financial institutions (refer City of Cape Town/Commercial Banks Housing Cooperation Agreement); housing institutions (refer City of Cape Town social housing agreements); innovative developers (refer various City of Cape Town interventions) and the community (refer GAP housing strategy). It is only through the expansion of these initiatives that the City will sustainably deliver on its mandate whilst ensuring a driven, financially sustainable set of delivery opportunities.

The City has, through a restructured housing maintenance programme, concluded a process in terms of which major state funding will be released to ensure the refurbishment and upgrading of its housing rental properties. Whilst this major upgrading programme will enhance the City's housing asset base, the imperatives associated with this upgrading programme embody the expansion of the City's monthly charge collection mechanisms in terms of the appropriate debt management policies and by-laws. The City, by ensuring a financial parachute to its housing occupants, provides targeted pro poor funding for the various services incorporated in its service offering. These instruments include, inter alia, housing grants (rental and selling schemes), rates rebates, free basic water and electricity. Notwithstanding the aforementioned, a comprehensive review of the City's various financial processes and interventions ensures the development of housing opportunities and communities whilst ensuring that a financially sustainable approach is adopted for the City's variety of housing initiatives.

...Accreditation will empower the City to receive and administer funding for housing ...

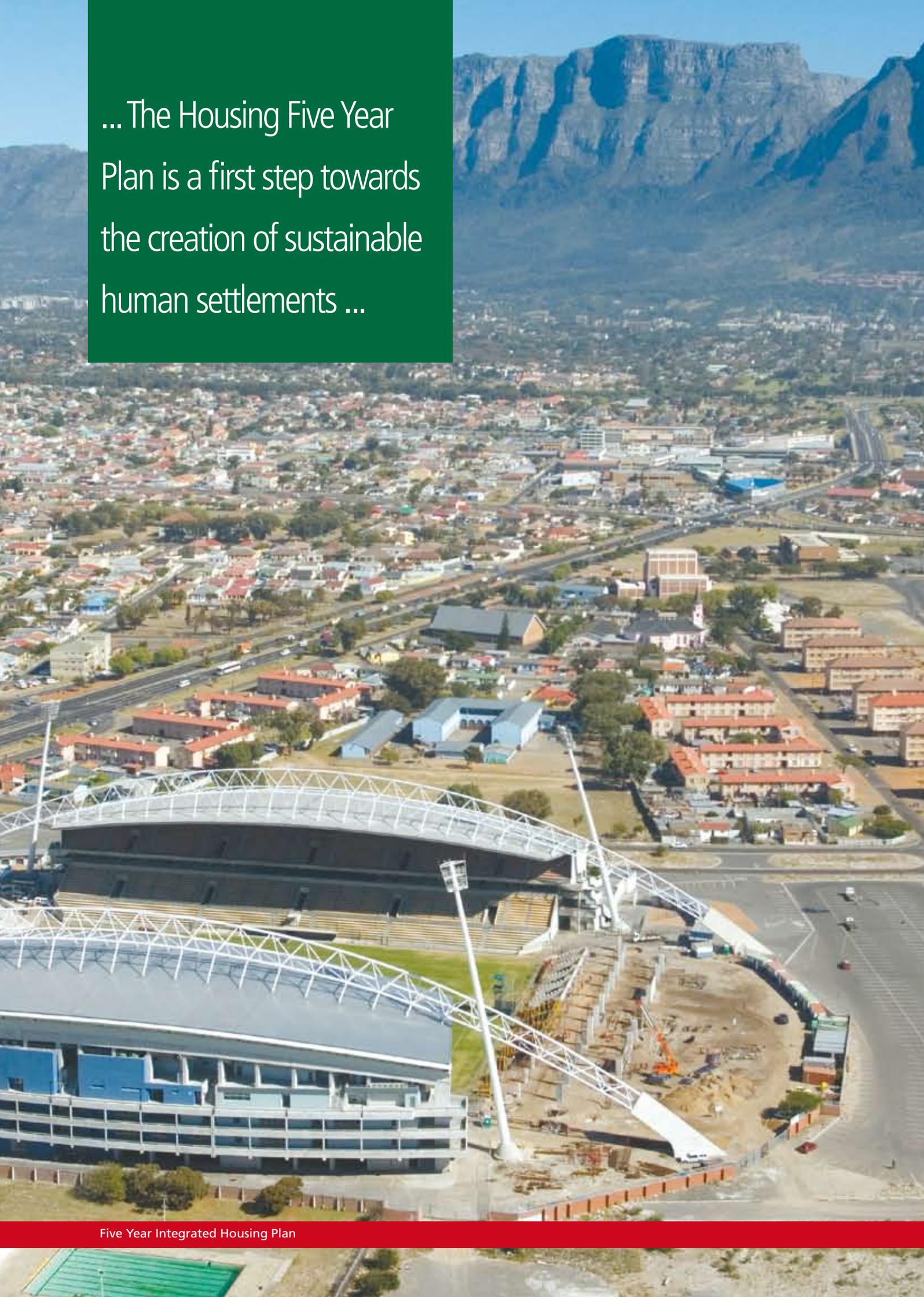


# 8. Risks and dependencies

The subsidy housing market in Cape Town faces many challenges not only in the delivery of new housing but also in the upgrading of informal settlements and relocation of people from unsuitable to developable land. The City's housing policies are therefore strongly influenced by the need to address and normalise these problems. The successful implementation of the Five Year Integrated Housing Plan will depend on its ability to address the following factors:

- **Land availability:** The delivery of adequate and timeous land for human settlement development is critical. While land has been identified for the short term (two years), it is essential that a City Spatial Development Framework be prepared and adopted, so that the underlying zoning schemes and development control mechanisms can be amended to reflect the new intended growth of the city. This is needed so that appropriate land for new settlement developments in the medium to longer term can be identified and acquired. The Essential Services' Informal Settlements Master Plan Framework depends on land availability and acquisition. Major de-densification of over crowded areas and relocation from unsuitable areas for development is required for about 35% of informal settlements before formal upgrading and provision of services can take place. The success of the UISP therefore is dependant on the provision of land. This programme is expected to yield a significant amount of housing opportunities in the next five years. The land requirement for this informal settlement programme has been quantified and costed.
- **Accreditation:** Accreditation will empower the City to receive and administer the funding for housing programmes currently administered by the Provincial Government. Constitutionally this will include funding for the additional tasks devolved to the City, and will thereby enhance its capacity to achieve the goals of the strategy
- **National policies:** The successful roll out of this strategy requires the rapid finalisation of new national housing policies as described in the 'Breaking New Ground' document. These policies are an important component of the proposed strategy
- **Support and cooperation:** Continued support and cooperation with internal and external partners is required to achieve the objectives of the strategy. The former includes City line departments such as Roads, Water and Community Services, and the latter comprise National and Provincial Government, NGOs, developers, private financiers, Eskom and the private sector. There also needs to be a specific focus on upskilling project managers to ensure that the directorate has the necessary human resources to deliver on its targets
- **Fast-tracking statutory approvals:** Currently, the power to fast-track statutory approvals to release land for housing resides mainly with the Provincial Government. The City's application for accreditation will change this and allow it to expedite its delivery processes
- General Resources Constraints, e.g. staff, equipment
- Competing interests in the construction industry that creates shortage of material and skilled personnel

... The Housing Five Year Plan is a first step towards the creation of sustainable human settlements ...



# 9. Conclusion

## The way forward...

The Integrated Housing Plan constitutes the framework for the initiation of the actions needed to address the City's housing challenges. It is also the benchmark against which such actions will be measured.

The Integrated Housing Plan is primarily a strategic management tool to assist the City's Housing Directorate to focus on ensuring that all activities in the department are working towards the same vision and goals, thereby assessing and adjusting the department's direction in response to a dynamic environment. In this regard the Integrated Housing Plan takes cognisance not only of the broader framework requirements stipulated by the Integrated Development Plan but also adheres to budget constraints, the Local Government Systems Act 32 of 2000, The Municipal Finance Management Act, as well as guidelines set by Policy at all spheres of government. Housing is always challenging, but the directorate will strive to take advantage of opportunities and with the resources allocated and available to it deliver on the targets set in the five year plan

The directorate's SDBIP, is based on the Five year plan and thus provides a solid foundation for the delivery of targets. Obtaining and maintaining the continued backing of National and Provincial Government to secure legislative and financial directives is considered vital if the City is to meet its housing targets.

To this end, communication channels must be kept open, and intergovernmental cooperation must rate as one of the City's highest priorities.

The directorate is confident that together with its partners, the challenges of today and tomorrow can be successfully negotiated, and that all citizens in need of shelter and housing, will, on a progressive basis, have access to in an incremental way to:

- Secure tenure, adequate protection against the elements and a permanent structure
- 'Potable water, adequate sanitary facilities and domestic energy supply' (The Housing Act, No 107 of 1997).

## Conclusion

The Housing Five Year Plan is a first step towards the creation of sustainable human settlements.

It aims to promote and provide the enabling environment for settlements that work. These are safe environments in which people live, work, play and shop, care for their children and socialise. Sustainable human settlements are settlements which are safe and people can access social amenities such as healthcare clinics, libraries and schools.



# Glossary

BEE	-	BLACK ECONOMIC EMPOWERMENT
BNG	-	BREAKING NEW GROUND
CBO	-	COMMUNITY BASED ORGANISATION
CRU	-	COMMUNITY RESIDENTIAL UNITS
CTCHC	-	CAPE TOWN COMMUNITY HOUSING COMPANY
DBS	-	DISCOUNT BENEFIT SCHEME
EEDBS	-	ENHANCED EXTENDED DISCOUNT BENEFIT SCHEME
EHP	-	EMERGENCY HOUSING PROGRAMME
EPWP	-	EXTENDED PUBLIC WORKS PROGRAMME
GAP	-	AFFORDABLE HOUSING
IDP	-	INTEGRATED DEVELOPMENT PLAN
IGR	-	INTEGRATED GOVERNMENTAL RELATIONS
MFMA	-	MUNICIPAL FINANCE MANAGEMENT ACT
MEC	-	MEMBER OF EXECUTIVE COMMITTEE
MIG	-	MUNICIPAL INFRASTRUCTURE GRANT
NGO	-	NON-GOVERNMENTAL ORGANISATION
NHBRC	-	NATIONAL HOMEBUILDERS REGISTRATION COUNCIL
PHP	-	PEOPLE'S HOUSING PROCESS
RLCC	-	REGIONAL LAND CLAIMS COMMISSIONER
SDBIP	-	SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN
SOHCO	-	SOCIAL HOUSING DEVELOPMENT COMPANY
TRA	-	TEMPORARY RESETTLEMENT AREAS
UISP	-	UPGRADING OF INFORMAL SETTLEMENTS PROGRAMME

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