

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

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

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.

- 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**

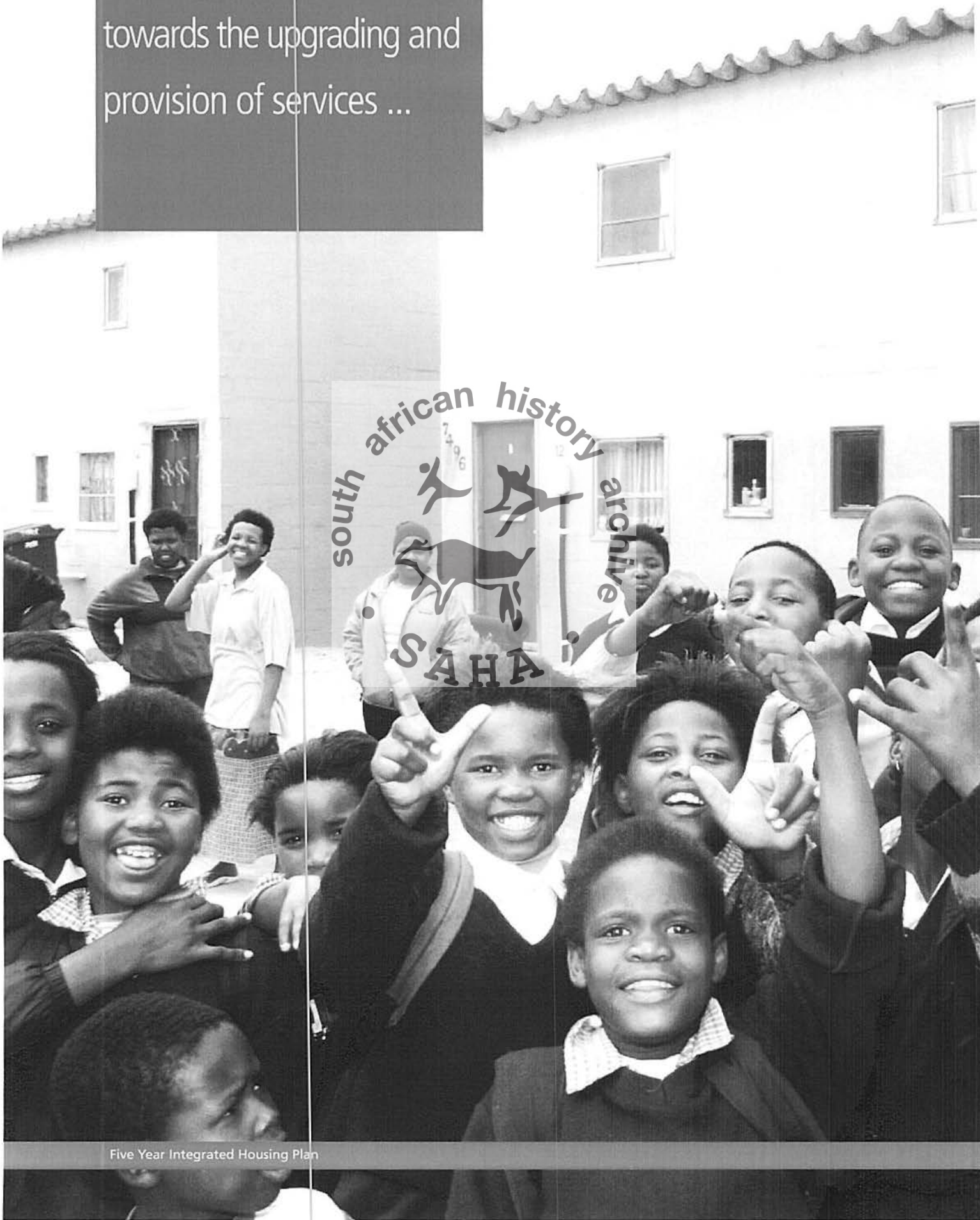
The directorate has already commenced with the development of education and training programmes related to the housing delivery process and homeowners' rights and responsibilities. An implementation plan in conjunction with the National and Provincial Departments of Housing will be implemented during 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

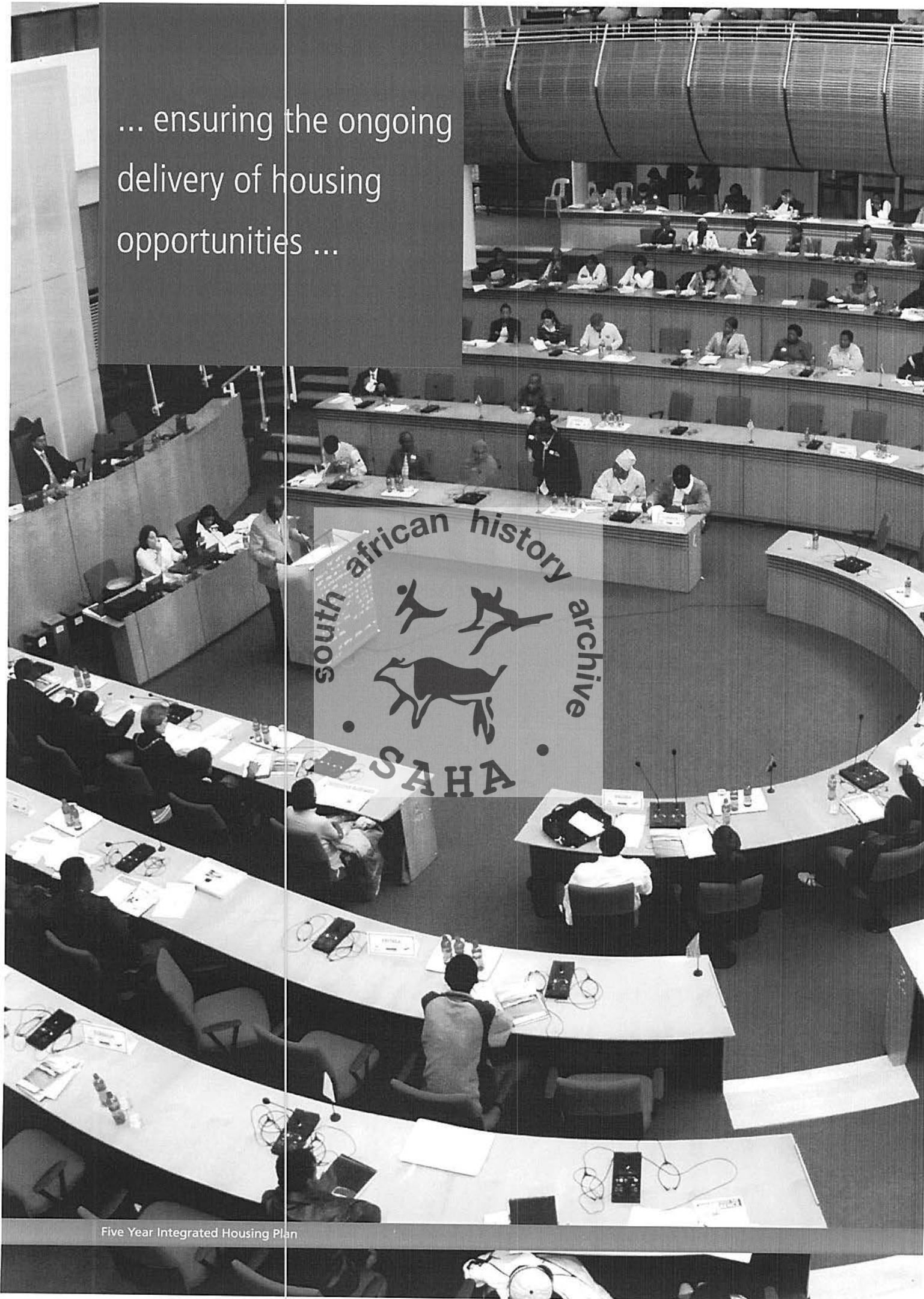
This team coordinates an integrated approach towards the upgrading and provision of services to informal settlements.

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 timely 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.

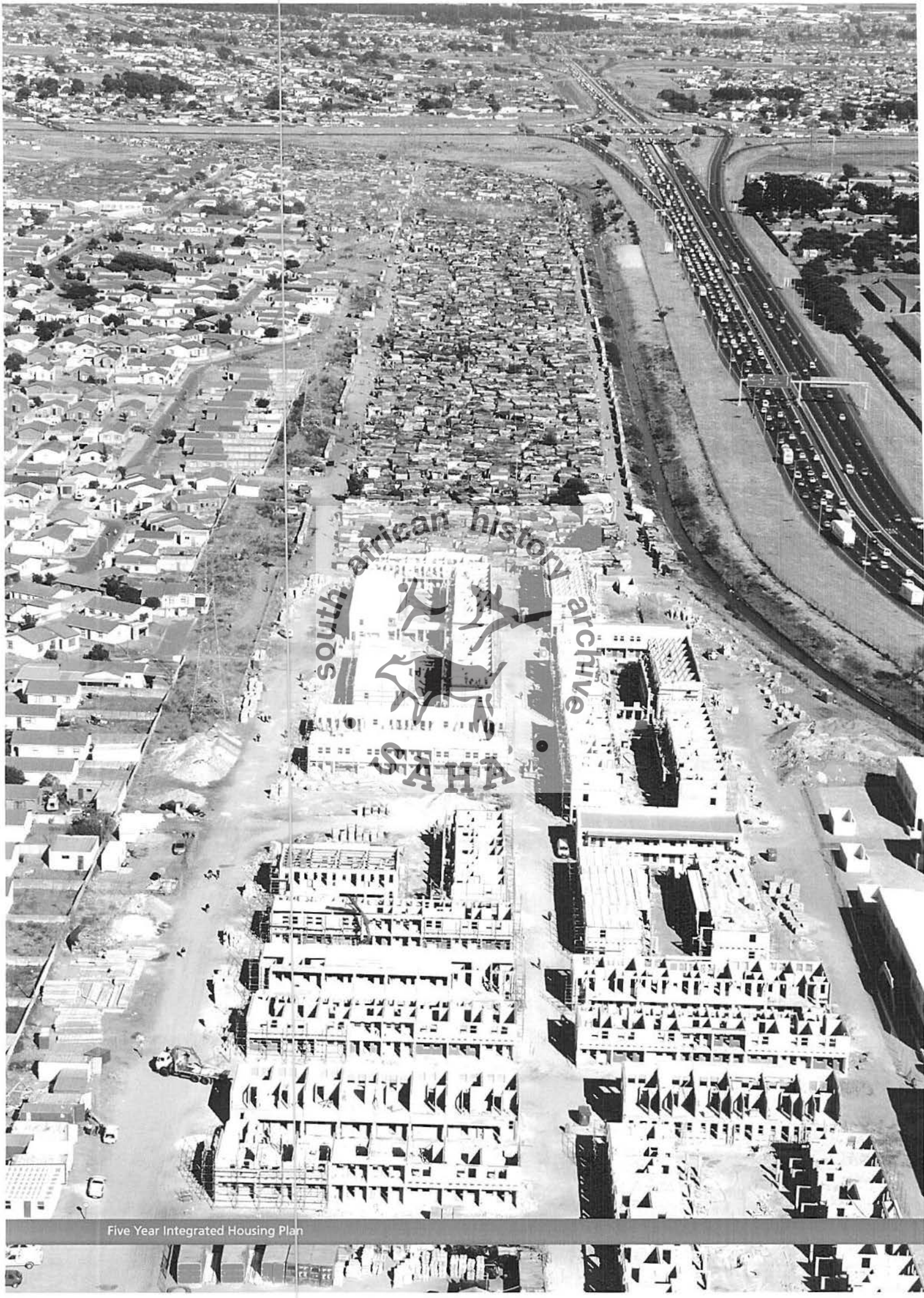
The directorate is confident that together with its partners, the challenges of today and tomorrow can be successfully negotiated, and that all citizens in need of shelter and housing, will, on a progressive basis, have access to in an incremental way to:

- 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.



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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 RESSETTLEMENT AREAS
UISP	-	UPGRADING OF INFORMAL SETTLEMENTS PROGRAMME



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