

Housing Sector Plan 2011-2016

Sector: Housing

1. Introduction

The Mayoral Term preceding 2011-2016 must be seen as a significant turning point in the delivery of housing in the City of Johannesburg. In accordance with the Growth and Development Strategy of the City, within the housing sector there was an increased delivery of subsidised housing as well as housing opportunities that caters to the needs of households considered to be in the 'gap market' of the residential sector. One of the key programmes implemented during this period was the delivery of 100 000 housing opportunities. This programme was informed by the City's will to make a better life for all City of Johannesburg citizen's with the emphasis on the 96/97 housing backlog.

Verified delivery of housing opportunities by the end of third quarter of 2010-2011 financial was 72189. This number is expected to increase in the last quarter. In the new innovative Mixed Income Housing projects, 27002 opportunities were realised in association with the private sector and provincial housing. The rental programme saw the delivery of 17859 units. Community Builder Programme (CBP) and People's Housing Programme both delivered 24582 while conversion of hostels into family units saw over 2746 units delivered.

Over and above these notable deliverables, housing changed its strategic focus of housing delivery, this was witnessed in projects such as Pennyville where the poor live side by side with higher income households thus ensuring that the principles of inclusivity and integrated development is a reality. Such projects like Pennyville have now become the beacon of how housing projects will be planned and are currently replicated in Lufhereng and Fleurhof and many more in the pipelines are planned along the principles of inclusivity, integration and sustainable human settlements.

Notwithstanding the achievements of 2006-2011, the housing sector is still beset by a backlog of 420 000 housing opportunities that are yet to be provided on scale. This backlog is revealed by the 180 informal settlements which provide shelter to over 100 000 households, overcrowding in the public hostels, the non-regulated backyard rental, inner city overcrowding, and the homeless people in general. In order to tackle the housing demand, a concerted effort at vertical and horizontal level is required. This will also require the Sector to increase its efforts in gearing the private capital and rigorous engagement of the communities in general. It is anticipated however that the newly acquired Level 2 of Accreditation status of national housing programme management will bring certainty to planning and subsequently to housing delivery process in the City.

The Housing sector plan reflects the strategic objectives and key programmes for Housing in the City of Johannesburg for the 2011-2016 mayoral term. Many issues highlighted in the previous term are still very much relevant for the housing sector in the next five years, including:

- **Partnerships with private sector/ financial institutions**

It is still recognised that the delivery of housing in the City cannot be implemented by government alone, especially if we want to tackle the increasing housing backlogs. Significant inroads were made in the previous mayoral term to solicit the buy-in from the financial sector. This was realised in projects such as Pennyville where the financial institution invested in the gap housing units. New developments in the City have taken this route and will be greatly assisted by the R1 billion guarantee scheme signed off by the Minister of Human Settlements. Such initiatives will boost the investment of the private sector and the financial institutions as the risk element will to some extent be minimised. It is anticipated that in the new mayoral term, mixed income housing projects such as South Hills as well as rental housing interventions by the Johannesburg Social Housing Company (JOSHCO) that are supported by the National Housing Finance Corporation will further demonstrate the success of these partnerships.

- **Spatial restructuring of the city**

Notwithstanding democratic government's huge investment in housing over the past 17 years, addressing the issue of spatial restructuring in the province and the city has been a challenge. Many housing projects that have been implemented in the City continue to reinforce apartheid spatial planning. To ensure sustainability of households as well as the City, especially from a governance perspective, housing delivery needs to actively promote spatial restructuring. The City will need to increase focus on in-fill and regeneration programmes in closer proximity to existing opportunities and infrastructure, provide a range of housing typologies to support the accommodation of various needs. Planned projects such as Fleurhof and Southills are examples of such interventions, and this needs to continue with proposed housing developments along the Bus Rapid Transport (BRT) corridors and station precincts.

- **Quality issues not just quantity**

While efforts were made to the improvement of quality in the 72 189 housing opportunities delivered in the previous term, in view of the newly acquired accreditation status of the City to administer national housing programmes, the City will have direct access and control on the aspect of quality assurance to ensure that quality housing is being delivered by the Sector. This process will also be utilised as a leverage to attract new building methods and innovation on creation of new townships.

- **Sustainable human settlements and integration**

At a national level, the mandate of government has changed from the delivery of housing to sustainable human settlements. This mandate however can only be realised at a local government level and it is imperative that the entire municipal machinery including stakeholders are part of the delivery value chain to promote and create sustainable human settlements. The Housing sector has a critical role to play in this process especially in relation to location, accessibility and contributing to the development of human capital in new developments and townships. The City will endeavour to explore opportunities for major transit orientated development linked to economic and job creation opportunities along the Bus Rapid Transport and Rail stations, Infill land, and redevelopment of existing brown fields.

- **Inclusive and resilient city**

The mixed housing programme and the delivery of rental housing in the City has to a large extent contributed to the building of a City that is more inclusive and to some extent integrated. These contributions and principles in housing delivery need to continue as well as increase in scale. However in addition to this, it is also important to identify, reflect and understand the changes that are occurring in our broader environment, whether it is the physical environment, economic, or social etc so that our delivery process, systems and housing value chain are able to withstand or accommodate the impacts of such changes. This is will contribute to the development of a resilient City. In the housing sector it is important that issues of planning and design are especially critical interrogated so that they are able support the characteristics and principles of a resilient City.

National Government priorities:

The renewed vigour from the National Department of Human Settlements (NDHS) as guided by the Outcome 8 can not be underestimated as it targets to deliver 400 000 housing opportunities for people living in the informal settlements across the country, Gauteng has set a target to deliver 160 000 units by 2014, and the City of Johannesburg will deliver 80 000 of such housing opportunities. National Department of Human Settlements has further signed a number of performance agreements including the establishment of the National Upgrading Support Programme which will boost the capacity of municipalities. Furthermore national has prioritised the delivery of rental accommodation, release of no less than 6 250 hectares of land, provision of basic services and delivery of gap market housing.

Housing Programme for 2011-2016

The housing sector has formulated eight (8) programmes which will be implemented in 2011-2016, they are as follows:

1. Formalisation of Informal Settlements: 108 informal settlements will be formalised in this mayoral term
2. Facilitation of Rental Accommodation: 23 000 rental housing opportunities will be delivered in the following sub-programmes, inner city housing, social & communal rental and Community Residential units
3. Facilitate housing opportunities to households on 1996/97 waiting list: 20 000 housing opportunities will be created
4. Hostels Upgrading programme: 3000 units will be delivered
5. Promotion of security of tenure: 18 000 freehold tenure and 23 000 rental tenure to be created
6. Provision of mixed tenure housing opportunities: 34 000 mixed housing opportunities will be created.
7. Promote good management & maintenance of City housing stock & associated infrastructure: 90% rental will be collected
8. Ensure capacity and resources for the City to be able to administer national housing programmes through the process of Accreditation: Achieve Level 2 Accreditation in 2011/12 and Level 3 Accreditation in 2014/15

2. LONG TERM GOALS

In this Mayoral Term, the following long term goals are relevant for the Housing Sector:

2.1. On a progressive basis, all residents living in inadequate housing to access affordable, safe and decent accommodation

As enshrined in Section 26 of the Constitution of the country, the City of Johannesburg will strive to ensure that it continues to provide affordable housing to the deserving poor on a progressive basis. This it will progressively attain between 2011-2016 by making use of interventions such as Urban Settlement Development Grant, and housing programmes such as formalisation of informal settlements, rental housing, mixed income housing, and hostels upgrading programme.

2.2. Meet housing needs at all levels of the housing ladder through direct delivery or facilitation of partnerships with private sector, financial institutions, community organisations

Provision of gap housing will be accelerated in this term through mixed developments. Most of the partnerships that were formed in the previous mayoral term are expected to yield results. The City will also be taking advantage of the unfolding opportunities in this market such as the R1billion mortgage bond announced by the Minister of Human Settlements.

2.3. Quality of the City's existing and future housing stock is enhanced and maintained

In the previous mayoral term, efforts were made to ensure that the sector has an approved property management plan for all its properties. In this term, property management will be undertaken efficiently as all tenants will have lease agreements, repairs and maintenance will be carried out promptly as directed by the approved maintenance plan and recovery rental will be at 90% against the billings.

2.4. Increased sustainability and liveability of all residential communities

Emphasis will be placed on the attaining of the overarching principles of sustainable human settlements in all the new projects which will be implemented. In its endeavour of delivering the sustainable human settlements, the Housing Sector will be informed by the following founding precepts:

2.4.1. Access to adequate accommodation that is suitable, relevant, appropriately located, affordable & fiscally sustainable

All planning for new developments will be informed by the City' spatial planning framework which points out to the settlement growth patterns. The City, through its utilities has made significant contribution towards sustainable human settlements through the provision of new transport mode like Bus Rapid System also known as 'Re ya Vaya', the establishment of parks and recreational facilities, the upgrading stadia, etc can only redirect housing from being built in the periphery to return to the core of urban activity.

2.4.2. Access to basic services (water, sanitation, refuse removal & electricity)

The Housing Sector will actively engage the Infrastructure Sector in the attainment of the basic services like water, sanitation, refuse removal and electricity. It is also our intention to introduce new environmentally friendly technologies with regard to provision of these services.

2.4.3. Security of tenure irrespective of ownership or rental, formal or informal structure

While the City of Johannesburg remains intolerant to land invasions, the identified informal settlements will be formalized thus providing security of tenure of the people living in these areas. No less 18 000 freehold title and 23 000 rental tenure will be delivered.

2.4.4. Access to social service & economic opportunity within reasonable distance

Housing opportunities to be delivered in this term will be along the public transit areas thus allowing the residents to access both social and economic amenities.

5 YEAR STRATEGIC PLAN: HOUSING SECTOR PLAN

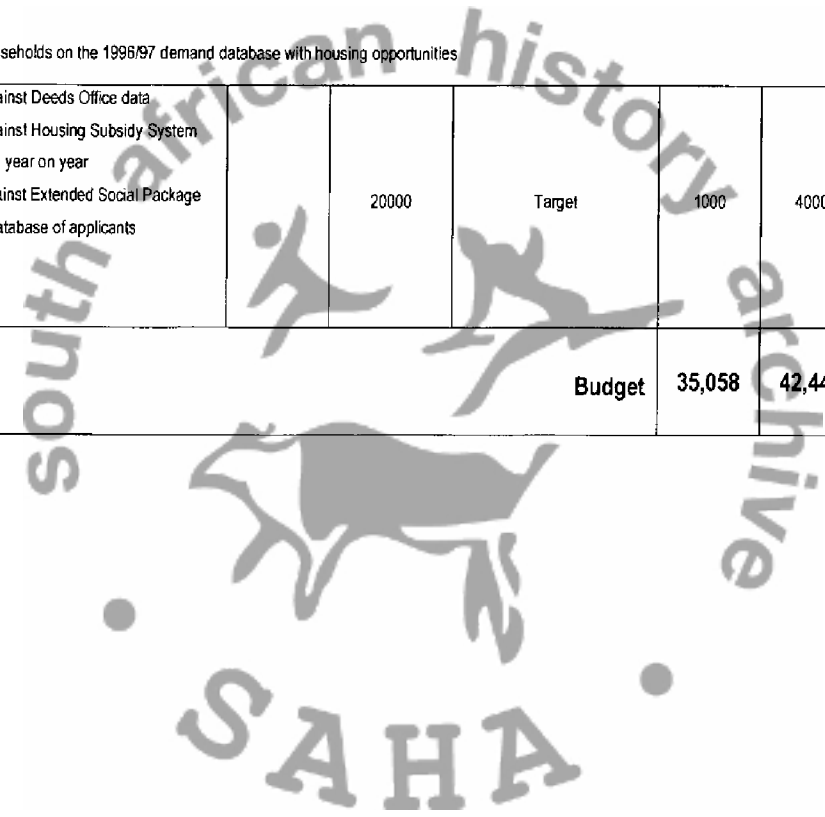
5 year programme	Projects	Baseline	5 year target	Total estimated 5 year budget R000	Delivery agenda				
					2011/12	2012/13	2013/14	2014/15	2015/16
<p>1. 5 year Strategic objective: Formalise informal settlements</p> <p>Indicators:</p> <ul style="list-style-type: none"> o Upgrade 38 informal settlements o Relocate 25 informal settlements that cannot be upgraded o 23 Programme linked settlements o Address 22 Projects not linked to projects 									
In Situ upgrade programme	<ul style="list-style-type: none"> • Complete in depth feasibility studies • Implement upgrading into the National Informal settlement upgrading programme • Secure technical assistance through the National Upgrading Support Programme for upgrading of settlements • Complete planning and township establishment • Include relevant social and economic facilities in the planning • Install services 		38	Target	3	1	4	15	15
Informal settlement relocation Programme	<ul style="list-style-type: none"> • Finalise relocation plan • Secure Council approval for the plan • Identify alternate areas for relocation • Secure agreements with communities • Registration of households • Undertake Socio-economic survey • Maintain basic health and safety through the facilitation of basic rudimentary services • Rehabilitate the land 		25	Target	5	10	3	4	3

Programme linked	<ul style="list-style-type: none"> • Complete in depth feasibility studies • Implement upgrading into National Informal settlement upgrading programme • Secure technical assistance through the NUSP for upgrading of settlements • Complete planning and township establishment • Include relevant social and economic facilities in the planning • Install services 	23	Target	4	4	3	6	6	
Settlements Not Linked	<ul style="list-style-type: none"> • Complete in depth feasibility studies • Implement upgrading of the National Informal settlement upgrading programme • Secure technical assistance through the NUSP for upgrading of settlements • Complete planning and township establishment • Include relevant social and economic facilities in the planning • Install services 	22	Target	4	3	2	6	7	
Informal settlements Management programme	<ul style="list-style-type: none"> • Facilitate basic/ rudimentary/ emergency services to all settlements • Regularly verify and monitor the number and extent of informal settlements • Prevent internal growth of settlements • Define clear roles and responsibilities in relation to land invasions 	Management of the informal settlements through provision of emergency service, prevention of internal growth							
				Budget	134,299	162,600	166,486	170,723	175,018

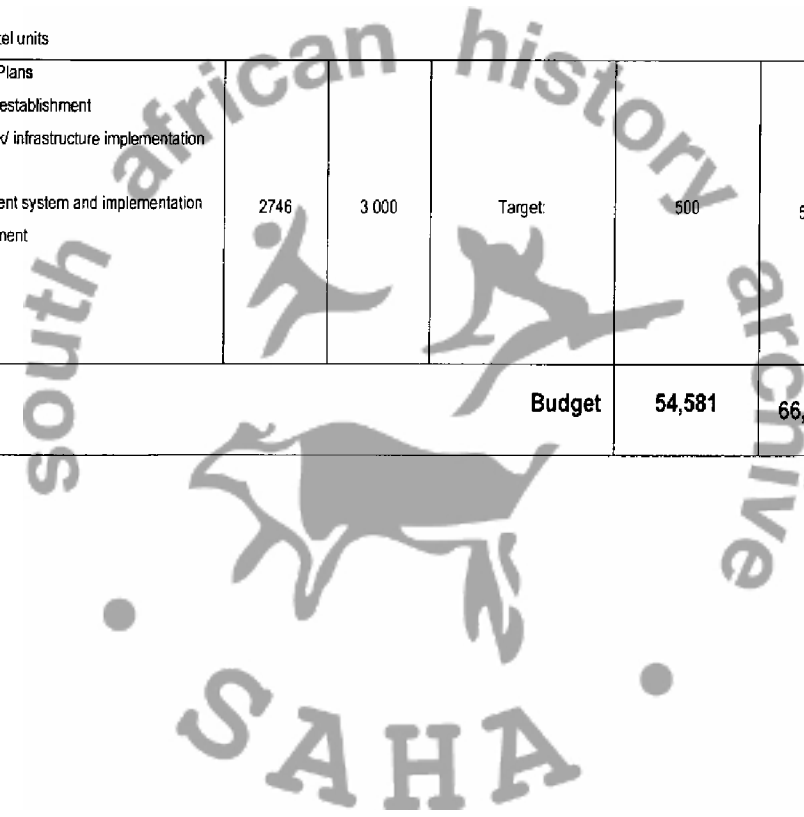
5 YEAR STRATEGIC PLAN: HOUSING SECTOR PLAN

5 year programme	Projects	Baseline	5 year target	Total estimated 5 year budget R000	Delivery agenda				
					2011/12	2012/13	2013/14	2014/15	2015/16
<p>2. 5 year Strategic objective: Facilitate affordable rental accommodation</p> <p>Indicator:</p> <ul style="list-style-type: none"> ○ 23 000 households with access to affordable rental units 									
Rental Accommodation (Including Inner City Housing, Social and Communal rental, & Community residential units)	<ul style="list-style-type: none"> • Complete Phase 2 Inner City Housing Action Plan and initiate implementation • Facilitate mixed income and inclusionary housing • Facilitate private sector rental • Promote the social landlord programme • Secure funding from the Province • Feasibility Study • Township Establishment • Construction of Bulk Services • Construction of Internal Services • Construction of units 	17 859	23 000	Target	4,600	4,600	4,600	4,600	4,600
Backyard Accommodation	<ul style="list-style-type: none"> • Draft city strategy on backyard accommodation • Engagement with planning – by law enforcement • Identify incentives • Planning for increased infrastructure capacity 		By-Law Enforcement	Monitoring of By-Law enforcement	Monitoring of By-Law enforcement	Monitoring of By-Law enforcement	Monitoring of By-Law enforcement	Monitoring of By-Law enforcement	Monitoring of By-Law enforcement
Budget					65,747	79,601	81,503	83,578	85,681

5 YEAR STRATEGIC PLAN: HOUSING SECTOR PLAN									
5 year programme	Projects	Baseline	5 year target	Total estimated 5 year budget R000	Delivery agenda				
					2011/12	2012/13	2013/14	2014/15	2015/16
3. 5 year Strategic objective: Facilitate Housing opportunities to the households on the 1996/97 housing waiting list Indicator: ○ Provide 20000 households on the 1996/97 demand database with housing opportunities									
Allocation of housing to households on the 1996/97 waiting list	<ul style="list-style-type: none"> • Check against Deeds Office data • Check against Housing Subsidy System approvals, year on year • Check against Extended Social Package • Finalise database of applicants 		20000	Target	1000	4000	5000	5000	5000
Budget					35,058	42,443	43,457	44,563	45,685



5 YEAR STRATEGIC PLAN: HOUSING SECTOR PLAN									
5 year programme	Projects	Baseline	5 year target	Total estimated 5 year budget R000	Delivery agenda				
					2011/12	2012/13	2013/14	2014/15	2015/16
4. 5 year Strategic objective: Through a hostel upgrading programme that is sensitive to issues of affordability and quality living environments upgrade 3000 units									
Indicator: o Upgrade 3 000 hostel units									
Hostels upgrading programme	<ul style="list-style-type: none"> Business Plans Township establishment Clarify bulk/ infrastructure implementation by MOE's Management system and implementation Refurbishment 	2746	3 000	Target:	500	500	500	500	500
Budget					54,581	66,083	67,662	69,384	71,130



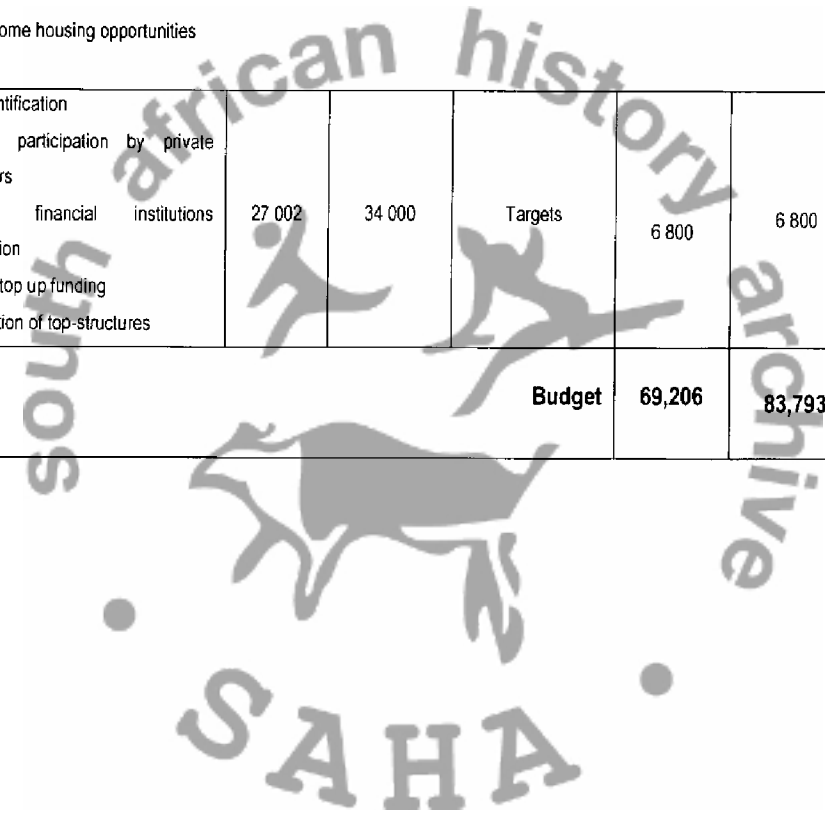
5 YEAR STRATEGIC PLAN: HOUSING SECTOR PLAN

5 year programme	Projects	Baseline	5 year target	Total estimated 5 year budget R000	Delivery agenda				
					2011/12	2012/13	2013/14	2014/15	2015/16
<p>5. 5 year Strategic objective: Promote security of tenure for 18 000 households</p> <p>Indicator: 18 000 households with secure freehold and rental tenure 23 000 rental tenure will be delivered</p>									
Stock transfer to households	<ul style="list-style-type: none"> • Placing of Adverts & public awareness campaign • Beneficiaries claim properties • Lodgement of title deeds • Registration of Title Deeds • Handover of Title Deeds 		12323	Targets	1000	1000	3441	3441	3441
Sectional Title Programme	<ul style="list-style-type: none"> • Create the sectional title scheme • Install individual water & electricity meters • Register the scheme at Deeds Office • Undertake beneficiary education • Form body cooperates 		5 677	Target	1083	704	1945	972	973
Budget					70,066	84,830	86,857	89,068	91,310

SAHA

5 YEAR STRATEGIC PLAN: HOUSING SECTOR PLAN

5 year programme	Projects	Baseline	5 year target	Total estimated 5 year budget R000	Delivery agenda				
					2011/12	2012/13	2013/14	2014/15	2015/16
<p>6. 5 year Strategic objective: Provide mixed income housing opportunities</p> <p>Indicator:</p> <ul style="list-style-type: none"> o 34 000 mixed income housing opportunities 									
Mixed income housing programme	<ul style="list-style-type: none"> • Land identification • Facilitate participation by private developers • Facilitate financial institutions participation • Services top up funding • Construction of top-structures 	27 002	34 000	Targets	6 800	6 800	6 800	6 800	6 800
Budget					69,206	83,793	85,796	87,979	90,193



5 YEAR STRATEGIC PLAN: HOUSING SECTOR PLAN

5 year programme	Projects	Baseline	5 year target	Total estimated 5 year budget	Delivery agenda				
					2011/12	2012/13	2013/14	2014/15	2015/16
7. 5 year Strategic objective: Promote good management and maintenance of City housing stock and associated infrastructure									
Indicator: <ul style="list-style-type: none"> o Long term maintenance implemented on all of housing stock o 90 % rental collection 									
City housing stock programme	<ul style="list-style-type: none"> • 90% Rental collection rate achieved • Sustainability of stock • Property management training for officials • Develop management systems • Implement maintenance plan • Secure maintenance funding and investment in housing stock • Alignment with the expanded social package programme 	70%	90% rental collection	Target	90% rental collection	90% rental collection	90% rental collection	90% rental collection	90% rental collection
Budget					74,966	90,762	92,932	95,297	97,695

SAHA

IDP Programmes Dependencies

	5-year IDP programme	Key Programme output for 2011-2016	Dependencies
1	Formalise informal settlements	<ul style="list-style-type: none"> o Upgrade 38 informal settlements o Relocate 25 informal settlements that cannot be upgraded o 23 Programme linked settlements o Address 22 Projects not linked to projects 	<ul style="list-style-type: none"> ⇒ Development Planning & Urban Management ⇒ Infrastructure & Services Department ⇒ Transport ⇒ Johannesburg Property Company ⇒ Gauteng Local Government & Housing ⇒ National Department of Human Settlements
2	Facilitate affordable rental accommodation	<ul style="list-style-type: none"> o 23 000 households with access to affordable rental units 	<ul style="list-style-type: none"> ⇒ JOSHCO ⇒ Gauteng Local Government & Housing ⇒ National Department of Human Settlements ⇒ Department of Economic Development ⇒ Johannesburg Property Company
3	Facilitate Housing opportunities to the households on the 1996/97 housing waiting list	<ul style="list-style-type: none"> o Provide 20 000 households on the 1996/97 demand database with housing opportunities 	<ul style="list-style-type: none"> ⇒ Gauteng Local Government & Housing ⇒ National Department of Human Settlements
4	Through a hostel upgrading programme that is sensitive to issues of affordability and quality living environments upgrade 2000 units	<ul style="list-style-type: none"> o Upgrade 3000 hostel units 	<ul style="list-style-type: none"> ⇒ Gauteng Local Government & Housing ⇒ Infrastructure & Services Department ⇒ Transport ⇒ Environmental Management
5	Promote security of tenure for 18 000 freehold households and 23 000 rental tenure	<ul style="list-style-type: none"> o 18 000 households with secure freehold and rental tenure o 23 000 rental tenure 	<ul style="list-style-type: none"> ⇒ Johannesburg Property Company ⇒ Revenue ⇒ National Department of Human Settlements ⇒ Deeds Office
6	Provide mixed income housing opportunities	<ul style="list-style-type: none"> o 34 000 mixed income housing opportunities 	<ul style="list-style-type: none"> ⇒ Development Planning & Urban Management ⇒ Infrastructure & Services Department ⇒ Transport ⇒ Environmental Management ⇒ Johannesburg Property Company ⇒ Gauteng Local Government & Housing ⇒ National Department of Human Settlements
7	Promote good management and maintenance of City housing stock and associated infrastructure	<ul style="list-style-type: none"> o Long term maintenance implemented on all of housing stock o 90 % rental collection 	<ul style="list-style-type: none"> ⇒ Johannesburg Property Company ⇒ Revenue
8	Ensure capacity and resources are secured for the City to be able to administer national housing programmes through the process of Accreditation	<ul style="list-style-type: none"> o Achieve level 2 Accreditation by 2011/2012 o Achieve level 3 Accreditation by 2014/2015 	<ul style="list-style-type: none"> ⇒ All Departments of the City & entities ⇒ Gauteng Local Government & Housing ⇒ National Department of Human Settlements

Strategic Risk (high level summary of strategic risk assessment)

The following strategic risks have been identified in the Housing sector. These risks currently exist in the sector and is anticipated will continue to plague the sector in the next few years.

- **Uncontrolled growth and migration in informal settlements**

Notwithstanding that overall in the City the rate of migration has reduced. Informal settlement areas continue to grow both as a result of current household growth as well as in migration. When people, especially the poor come to Johannesburg, the only affordable and accessible housing opportunities they are able to find are in existing informal settlements. Current informal settlement management processes have not been very successful in tempering this growth. This growth also serves to further increase the servicing and housing backlogs in the sector.

- **Interdependency with other departments, MOE's, provincial and national departments**

The delivery of housing, especially in sustainable human settlements requires a coordinated and integrated approach which includes a range of stakeholders internal, as well as external to the City. Should one or two stakeholders not perform or withdraw their resources from a project the delivery and even sustainability of the project is greatly compromised. As part of the institutional delivery process on projects steering committees are established, however these committees assist with co-ordination they are not able to direct resources etc that is required to achieve sustainable human settlements.

- **Insufficient funding to meet mandate**

With increasing backlogs, the demand for housing in the City is far greater than the supply. On an annual basis limited resources are available for subsidised housing in the City. In addition a number of stakeholders compete for these limited resources, resulting in many instances in funding uncertainty and poor planning. Although the process of Accreditation can assist with funding certainty in the sector, however it will not be able to directly respond to the scenario of insufficient funding in the sector.

- **Collection of revenue in public sector housing stock**

Improving the state and environment of public housing sector stock is essential if we are to promote sustainable settlements and communities. However for years the public housing sector has been deteriorating as minimal amounts of income have been recovered by households living in the stock and minimal amounts of funding have been budgeted for the maintenance of the stock. This has resulted in a situation where stock is not being adequately maintained because people are not paying and households have indicated that they are not paying because there is no maintenance etc. In addition households have indicated that they cannot afford even the minimal rentals that are being charged. Over the past years the City has established numerous systems and processes to improve the management of the housing stock, however a significant injection in funding is required for the maintenance of the properties and improve the risk of rental collection.

